

**FINANCE AND ADMINISTRATION COMMITTEE held at 7.30 pm at
COUNCIL OFFICES LONDON ROAD SAFFRON WALDEN on 25
NOVEMBER 2010**

Present: Councillor R P Chambers–Chairman
Councillors J E N Davey, A Dean, K L Eden, D M Jones, T P
Knight, R M Lemon, H S Rolfe, G Sell,
A D Walters and P A Wilcock.

Officers in attendance: J Mitchell (Chief Executive), R
Harborough (Director of Public Services), S Joyce (Assistant
Chief Executive-Finance), C Roberts (Democratic Services
Officer), P Snow (Democratic and Electoral Services
Manager) and A Webb (Director of Corporate Services).

FA25 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors R Clover,
A J Ketteridge and R D Sherer.

Declarations of interest were made as follows:-

Councillor R P Chambers - personal interests in so far as he was Chair of
the Essex Police Authority and a member of the Essex County Council.
Councillor K L Eden - a personal interest in item 8 (Supaloos Contract)on
the agenda in so far as he was a member of the Saffron Walden Town
Council.
Councillor P A Wilcock - a personal interest in item 10 (Pension Fund
Funding Strategy Consultation).

FA26 MINUTES

The Minutes of the meeting held on 16 September 2010 were approved
and signed as a correct record.

FA27 BUSINESS ARISING

(i) Minute FA20 – New Homes Bonus

In answer to a question from Councillor Dean the Director of Public
Services said that details of what income to expect from this source would
be submitted to the Council shortly. The bonus was calculated by
reference to the increase from October 2009 to October 2010 in the
number of Council taxbase properties.

**(ii) Minute FA14 – Saffron Walden Town Council – Appointment of
Clerk**

Councillor Wilcock asked about progress with recruiting a replacement Town Clerk and the Director of Corporate Services informed the meeting that advertising had begun.

FA28 **CHAIRMAN'S ITEM**

The Chairman informed the meeting that announcement of the Government funding for 2011/12 was expected to be made soon. The Chief Executive was pleased to report that Improvement East regarded the Council's Medium Term Financial Strategy as exemplary.

FA29 **LEAD OFFICER'S REPORT**

The Committee considered the report of the Assistant Chief Executive-Finance which updated them on the Council's approval of the 2009/10 Statement of Accounts; development of asset management jointly with Braintree District Council; the sale of the Council Offices at Great Dunmow; implementation of the shared Revenues and Benefits service; Government proposals for a welfare system and consolidation of benefits and tax credits into one payment; a review of Single Persons' Discounts; receipt from Improvement East of an offer of further funding for efficiency savings; progress on procurement following withdrawal from the Essex Procurement Hub; and imminent budget training being provided by the Assistant Chief Executive-Finance for members.

The Assistant Chief Executive-Finance asked to be informed which members were attending the sessions.

In answer to a question by Councillor Dean, regarding the impact of welfare reforms on the Revenues and Benefits partnership, the Chairman said that the welfare reforms should benefit both Councils.

RESOLVED that the report of the Assistant Chief Executive-Finance be noted.

FA30 **ELECTORAL ARRANGEMENTS WORKING GROUP - MINUTES**

The Committee considered the minutes of the Electoral Arrangements Working Group meetings held on 18 and 25 October 2010. The Democratic and Electoral Services Manager drew members' attention to recommendations, contained in minutes EWG 11 and 12, the purpose of which was to provide for a pattern of parish arrangements to reflect community identities and interests. He answered members' questions about boundary placement in those parishes subject to the review process.

Councillor Sell declared a personal interest in that he was the Chairman of Stansted Parish Council, and expressed the view that Foresthall Park should be contained wholly within Stansted Mountfitchet parish.

In relation to the recommendation that the numbers of parish councillors should be adjusted in certain parishes, Councillor Rolfe suggested that the Council should reduce, not increase, numbers of councillors. The Chairman replied that since Parish Council members were not paid, the numbers were a matter for them, but at District and higher levels, especially in the county council, there should be less councillors.

RESOLVED to approve the Minutes of the Electoral Arrangements Working Group meetings held on 18 and 25 October 2010, with particular reference to the recommendations contained in minutes EWG 11 and 12, and to endorse the process of Community Governance Review in reference to the boundaries under review at Foresthall Park and at Priors Green.

FA31

REVIEW OF RETURNING OFFICER'S FEES AND EXPENSES

The Committee considered the report of the Democratic and Electoral Services Manager requesting them to review and approve the Returning Officer's Scale of Fees and Expenses for use at all relevant local elections and referendums held in the Uttlesford district for the calendar year from 1 December 2010. The Scale of Fees and Expenses was set out in an appendix to the report.

Details of fees payable in Fenland, South Cambs, Braintree, Huntingdon, Maldon, Tendring, Breckland, Forest Heath and St Edmundsbury districts had been made available for members, inspection.

Whilst no increase to fees was being proposed as part of the review, some adjustments were proposed to reflect changes in practice and to incorporate provisions for local referendums to be held. The Committee's approval of these changes was also requested.

Some members expressed concern about re-charging of election costs to Parish Councils which, they believed, would discourage Parish Councils from holding elections.

The Democratic and Electoral Services Manager explained that the District Council had the choice of re-charging the actual costs to the Parish Council or funding the whole cost itself.

The Chief Executive added that each tier of government paid for its own elections and had the power of precepting to pay for them. He thought it unlikely that savings could be made on these costs.

Councillor Wilcock felt that because the cost formed a higher proportion of most parish councils' expenditure than it did in higher tiers, there might be scope to review the way the cost was borne.

The Democratic and Electoral Services Manager reminded the meeting that in the event of combined polls for the National Referendum and the two local government elections, the cost would be apportioned between all three tiers. Councillor Rolfe expressed the view that the District Council should continue as at present to not pay for the costs of Parish elections.

The Committee requested that the Electoral Arrangements Working Group examine the issue.

RESOLVED that the Scale of Fees and Expenses as annexed to the report and the amendments regarding marked registers and to accommodate local referendums be approved and adopted.

FA32

UNIVERSAL SUPALOO AGREEMENTS

The Committee considered the detailed report prepared by the Director of Corporate Services on the universal Supaloo agreements and other public convenience provision in the district. It suggested a way forward which was supported by the Strategic Management Board to whom the full business case had been submitted.

Councillor Dean expressed concern about the timing of the proposed removal of the universal Supaloos, and Councillor Sell asked that efforts be made to find alternative provision for Stansted, and preference was expressed for provision in a "one stop shop" community focal point.

It was noted however, that a year would elapse before the contract ended and the Supaloo units were removed and that an annual saving of £80,000 was predicted to be obtained by terminating the contract.

Councillor Dean proposed an amendment to the effect that the decision be delayed pending further consultation. It was not seconded.

RESOLVED that

- 1 Members agree to the termination of the two agreements, from 1 December 2010 or as soon as possible thereafter, at a cost of no more than £250,000 with the cost being met from the Change Management Reserve.
- 2 Discussions are held with businesses in Stansted to identify potential companies who would be prepared to make available their toilet facilities for use by the general public in return for a suitable consideration.

FA33

CREDIT CARD CHARGES

The Committee considered the report of the Director of Corporate Services which sought approval for the cost of credit card transactions to be passed on to the customer on a cost recovery basis.

An estimated saving of £28,000 was predicted to arise from the suggested course of action.

RESOLVED

- 1 That the charging for credit card transactions, on a cost recovery basis, is agreed and that these charges are to be implemented as soon as feasible after the necessary software upgrades have been completed; and
- 2 That the Council continues to absorb the cost of debit card payments; and
- 3 That a communication period of at least two months is allowed to promote alternative payment methods.

FA34

PENSION FUND FUNDING STRATEGY CONSULTATION

The Committee considered the report of the Assistant Chief Executive-Finance on the response to be made to consultation by the Pension Fund Board regarding the future rate of deficit repayment, the purpose being to ensure that adequate arrangements were made to finance the pension fund deficit.

The Assistant Chief Executive-Finance set out the issue using five scenarios of which three would cause a significantly higher annual payment, one would reduce the annual payment, and one would maintain the payment at 2010/11 levels.

The first scenario, maintaining the 20 year deficit recovery period, would more than double the present annual payment of £420,000.

The second and third scenarios employed the chief measure being proposed, the extension of the deficit recovery period from 20 to 30 years to make the annual payment lower. For Uttlesford however extension of the recovery period would still lead to a significant increase in the annual payment, of about 50%.

The Fund and its actuary were proposing an alternative scenario (Scenario 4) which would allow for more optimistic predictions of future investment performance. This would actually reduce the size of the annual

payment but this effect was not necessarily sensible in the longer term and not particularly prudent.

The fifth scenario was based upon maintaining the deficit payment at the existing level, with modest annual increases. The Committee was recommended to authorise the Assistant Chief Executive–Finance to respond to the consultation on the basis of Scenario 5 as the preferred option, with Scenario 4 as the second most preferable. It was also recommended that the Council confirms that Scenarios 1, 2 and 3 are not acceptable.

The impact of the recommendation, if the consultation response was accepted by the Pension Fund Board, would be to commit the Council to its existing budgeted pension fund deficit contribution of £420,000 pa for the next 3 years, with modest annual increases. This had been built into the Medium Term Financial Strategy so that no additional financial pressure would arise.

The Assistant Chief Executive-Finance added that the Pension Board was likely to select a course of action if the Council did not respond.

Members discussed this matter at length being concerned particularly by the disproportionate trends in the Uttlesford District Council deficit as compared with the rest of Essex.

They expressed a wish to be addressed by a pensions expert and the Chairman undertook to invite such a person to address a meeting of the committee.

Members therefore deferred consideration of the recommendation until that meeting.

RESOLVED to meet at an extraordinary meeting at 6.00pm on 14 December 2010 to consider the recommendation to authorise the Assistant Chief Executive – Finance to respond to the consultation on the basis of paragraph 18 of the report which recommends that the Council indicate that (with reference to the table set out in the report) Scenario 5 is the preferred option, with Scenario 4 as the second most preferable. The Assistant Chief Executive-Finance has also recommended that the Council confirms that Scenarios 1, 2 and 3 are not acceptable.

FA35

2010/11 TREASURY MANAGEMENT MID-YEAR REVIEW

The Committee considered the report prepared by the Assistant Chief Executive-Finance and the Principal Accountant to ensure adequate oversight of the Treasury Management function.

RESOLVED to note and approve this report which complies with the requirements of the CIPFA Code of Practice.

FA36

2010/11 BUDGET MONITORING (CORPORATE)

The Committee considered the report of the Assistant Chief Executive-Finance setting out corporate financial performance relating to General Fund, Housing Revenue Account, Capital Programme and Treasury Management. It was based upon actual expenditure and income from April to September and forecasts for the end of the financial year.

The Committee was recommended to: note and approve this report; approve the General Fund budget adjustments detailed in the report and approve the Capital Programme budget adjustments detailed in the report.

Members congratulated the Assistant Chief Executive-Finance on the clarity and excellence of the report.

RESOLVED to:

- 1 note and approve this report, including the General Fund budget adjustments detailed in the report.
- 2 approve the Capital Programme budget adjustments detailed in the report.

FA37

2011/12 BUDGET PLANNING UPDATE

The Committee considered the report of the Assistant Chief Executive-Finance updating Members on key developments affecting preparation of the 2011/12 budget, in particular the issues arising from the Comprehensive Spending Review announcements, and results of recent public consultation.

The report explained that the headline CSR figures were in line with expectation but the detailed Local Government Finance Settlement was due for publication on 2 December.

Details were given of Citizens' Panel preferences for budgetary protection which were welcomed by members.

The Assistant Chief Executive-Finance invited the Committee to indicate whether it wished to take advantage of the Government's council tax compensation offer.

Councillor Wilcock declared a personal interest in so far as he was a member of the Market Research Society.

RESOLVED to

- 1 Note the contents of this report including the preparedness of the Council's Medium Term Financial Strategy but also that significant uncertainties remain, which should be clarified on 2 December
- 2 Confirm, in principle, that the Committee shall be minded to recommend the Council to freeze Council Tax in 2011/12 and take advantage of the Government's compensation offer (subject to final determination by the Committee and Full Council in February)
- 3 Ask the Strategic Management Board to determine proposals for allocation of financial resources in light of public consultation results, in the context of knowledge about the Council's funding position.

FA38

WRITE-OFFS

The Committee considered the report of the Assistant Chief Executive-Finance and the Head of Customer Support and Revenue Services concerning debt write offs in excess of £5,000.

The debts related to irrecoverable council tax, business rates and sundry debts. For all write offs adequate provision for bad debts already existed and there were no additional budgetary implications arising. The appendices to the report set out details of debts. The reason for recommending write off was that there was no prospect of recovering the amounts due. Officers had exhausted recovery arrangements.

RESOLVED to authorise write off of the following irrecoverable debts:

- £147,162.04 of Business Rates as shown in Appendix 1 (Part 1 item)
- £10,811.21 of Sundry Debts as shown in Appendix 2 (Part 2 item)
- £5,828.65 of Council Tax as shown in Appendix 3 (Part 2 item)
- £22,790.81 of Business Rates as shown in Appendix 4 (Part 2 item)

(Councillor Lemon declared an interest in this item having realised only at the end of the item that he recognised a name on the Part 2 list of debtors)

FA39

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.

FA40

HOUSING POLICY – GARAGE SITES DEVELOPMENT OPPORTUNITIES

The report of the Interim Housing Strategy and Planning Policy Manager asked the Committee to consider disposal of garage sites for affordable housing schemes.

RESOLVED that

- 1 the sites in Newport and Wimbish referred to in the report be transferred to the appropriate housing associations at the agreed values.
- 2 Full Council be recommended to transfer the site in Chrishall to the appropriate housing association at the agreed value.

The meeting ended at 9.40 pm.