

**FINANCE AND ADMINISTRATION COMMITTEE held at 7.30 pm at
COUNCIL OFFICES LONDON ROAD SAFFRON WALDEN on 16
SEPTEMBER 2010**

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

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

FA11 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors R Clover, R M
Lemon, A Dean and T P Knight.

Declarations of interest were made as follows:-

Councillor R P Chambers - personal non-prejudicial interests in so far as
he was Chair of the Essex Police Authority and a member of the Essex
County Council.

Councillor J E N Davey - a personal non-prejudicial interest in so far as
he was a member of the Great Dunmow Town Council.

Councillor K L Eden - a personal non-prejudicial interest in so far as
he was a member of the Saffron Walden Town Council.

Councillor A J Ketteridge - a personal non-prejudicial interest in so far as
he was a member of the Saffron Walden Town Council.

FA12 MINUTES

The Minutes of the meeting held on 17 June 2010 were approved and
signed as a correct record.

FA13 BUSINESS ARISING

(i) Minute FA3 – Need for prudence with resources

Councillor Wilcock asked whether the loss of revenue support grant was
impacting the Districts in proportion with each other.

The Chairman informed him that this was not the case.

**(ii) Minute FA4 – Sale of Great Dunmow Council Office – Effect
on Council's Carbon Footprint**

Councillor Jones commented that the requested information about the carbon effect of the sale was still awaited.

FA14

LEAD OFFICER'S REPORT

The Committee considered the report of the Director of Central Services which updated them on the implementation of the Council's new purchasing system, the search for a corporate asset management solution, and the recently exceptional number of housing benefit claims as well as the progress of the sale of the Council Offices at Great Dunmow and likely completion date.

In addition the matter was raised of action taken by the Chairman and Chief Executive in offering partnership support to the Saffron Walden Town Council by provision of clerking services without cost pending their recruitment of a replacement for the former Town Clerk Malcolm White, which was expected to happen in November.

In answer to a question by Councillor Sell regarding charging for the service, Councillor Ketteridge reminded the meeting that the Town Council had recently assumed the burden of various duties which had formerly been carried out by and at the expense of the District Council.

The Chief Executive explained that the service had been offered in a spirit of partnership and the interests of good local government to maintain administration in the area for an interim period as a temporary measure. It was hoped that the Director of Central Services would disengage from the arrangement in the New Year.

RESOLVED to endorse the action undertaken by the Chief Executive in consultation with the Chairman of the Finance and Administration Committee in agreeing that Uttlesford District Council provides an interim Town Clerk for the Saffron Walden Town Council pending the recruitment of a new Town Clerk.

FA15

LAND AT CHURCHFIELDS ASHDON

The Committee considered the report of the Housing Strategy and Planning Policy Manager requesting a transfer of land currently in the Council's ownership to the Ashdon Parish Council at nil value.

The Director of Development explained that the Chairman had asked for a 50% claw back arrangement in the event of later sale of the land and the Ashdon Parish Clerk was agreeable to this.

Councillor Wilcock asked that in future cases of transfers at a reduced value the Committee be informed of the actual value of the land.

RESOLVED

- 1 to transfer land/play space currently in the Council's ownership to Ashdon Parish Council at nil value to provide a play area, subject to agreement that the Council would be entitled to 50% of the capital receipt achieved in the event of subsequent resale by the parish council of the land, in whole or in part, to a third party.
- 2 that future transfers at a reduced price be submitted to the Committee with the current land value.

FA16 **2009/10 FINANCIAL ISSUES ARISING FROM EXTERNAL AUDIT**

The Committee considered the report of the Assistant Chief Executive (Finance) referring to the provisional 2009/10 outturn reported to the Committee in June 2010, and the variances disclosed in it which had now been substantially audited.

To date there were no adjustments to be made that affected the Council's reported financial performance or the amount of revenue reserves available to spend.

Members noted the position and congratulated the Assistant Chief Executive (Finance) on this excellent result.

FA17 **ANNUAL REPORT ON TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS 2009/10**

The Committee considered the Annual Report on Treasury Management and Prudential Indicators 2009/10 prepared by the Assistant Chief Executive (Finance) and the Principal Accountant as required by the CIPFA Treasury Management Code and the Prudential Code.

The report presented details of capital financing, borrowing, debt rescheduling and investment transactions during the year, reported on the risk implications of treasury decisions and transactions, gave details of the outturn position on treasury management transactions in 2009/10 and confirmed compliance with treasury limits and Prudential Indicators.

The Assistant Chief Executive (Finance) answered questions about the reasons for investment balance decreases during the year and explained the degree to which Government underwriting provided an investment guarantee. Members thanked him for the very comprehensive report and commended officers for their work.

RESOLVED to note and approve the actual 2009/10 prudential indicators within the report and the treasury management outturn for 2009/10.

FA18 2010/11 INSURANCE RENEWAL

The Committee considered the report of the Assistant Chief Executive (Finance) which sought approval for the Council's annual insurance renewal. A review had taken place to ensure the terms were the best available, that only necessary risks were insured and that adequate insurance cover was in place.

RESOLVED that the Zurich renewal terms for 2010/11 as detailed in the Appendix to the report be approved

FA19 2010/11 BUDGET MONITORING (FINANCE & ADMINISTRATION COMMITTEE)

The Committee considered the report of the Assistant Chief Executive (Finance) setting out the financial performance of the Committee which was responsible for overseeing various General Fund Service Budgets and Capital Programme Schemes.

The report set out financial performance for the period April to July 2010 and a forecast outturn to the end of the financial year. The Committee would receive an update on its budgets in January.

The Committee's General Fund expenditure had been forecast to end the year with a net favourable variance of £135,000. This was updated to £235,000 due to revised assumptions about land charges income. IT costs of £90,000 were to be funded from the Planning Development Reserve, so after allowing for this, the net favourable variance was £325,000.

Capital schemes were forecasted to end the year with a net adverse variance of £20,000, due to the need to invest additional monies in the e-procurement system.

RESOLVED to note and approve this report, including the updating of the General Fund favourable variance figure from £135,000 to £235,000.

FA20

PLANNING AND DEVELOPMENT RESERVE

The Committee considered the report of the Director of Development making recommendations as to how the £769,600 which was currently in the planning and development reserve could be used to support delivery of services.

It was not possible to estimate at present whether any income would be received in 2010/11 from the proposed New Homes Bonus. Both the Development Control and Environment Committees had received reports on the use of the PDR in the August/September 2010 cycle of meetings and both had agreed to support the use of the reserve as set out in the report.

RESOLVED

That the Finance and Administration Committee shall

- 1 Make provision in revised 2010/11 budgets for unbudgeted expenditure of £416,700 as set out in the report and summarised in Appendix One, allocated to Committees as follows:
 - a) Environment Committee £71,700
 - b) Development Control Committee £255,000
 - c) Finance and Administration Committee £90,000
- 2 Draw down £416,700 from the planning and development reserve to cover the expenditure in 1 above.
- 3 Retain in the reserve the sum of £230,000 as set out in the report and summarised in Appendix One for the specific purposes identified.
- 4 Transfer the balance of £122,900 from the planning and development earmarked reserve to the change management reserve.

FA21

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 July 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.

(The Chairman declared an interest (following a member's question about the CIC budget to which the Essex Police contribute) in so far as he was Chair of the Essex Police Authority.)

RESOLVED to:

- 1 note and approve this report, including the updating of the General Fund favourable variance figure from £259,000 to £359,000.
- 2 approve the Capital Programme budget adjustments detailed in the report.

FA22

MEDIUM TERM FINANCIAL STRATEGY MID YEAR REVIEW

The Committee considered the report of the Assistant Chief Executive (Finance) reviewing the Medium Term Financial Strategy in the light of possible significant changes which might be encountered in the coming year and in particular a significant reduction in government funding. Strategic solutions, grouped within five workstreams had been identified to meet the savings targets.

RESOLVED to note and approve this report including the revised financial forecasts.

FA23

2011/12 BUDGET STRATEGY

The Committee considered the report of the Assistant Chief Executive (Finance) and the Head of Community Engagement summarising the financial outlook for 2011/12 and suggesting a strategy for drawing up the 2011/12 budget.

The drawing up of the strategy would necessarily be subject to significant uncertainties, as to the amounts of necessary expenditure and of funding available, until after the autumn. In the light of this members asked for further research and a report to the next meeting. A member praised the use of citizens' panels and asked that they be given publicity.

The Committee was recommended to approve the 2011/12 budget strategy and key actions as set out in the report so as to meet the latest estimated requirement, for the budget, of savings of £500,000.

RESOLVED to note and approve this report.

PRICING AND CONCESSIONS POLICY

The Committee considered the report of the Assistant Chief Executive (Finance) on consultation carried out to inform a new pricing and concessions policy.

Consultation had been carried out and the results detailed in the report. No responses had required the intended principles to be amended. It was therefore proposed that a policy be adopted based on these principles, subject to concessions for those assisting the blind and partially sighted, and for children's access to museums.

RESOLVED to ensure greater consistency and fairness in the application of discounts, and greater transparency on the extent to which service costs are covered by the fees, that a new pricing and concessions policy based on the principles set out in paragraph 14 (below), as amended to take account of the comments at paragraphs 4 and 5 (below), should be adopted and implemented with effect from April 2011.

Principles

1. The principles that were consulted upon were as follows:
 - a) The policy shall apply to all prices and concessions that the Council has discretion to set. [services where we have discretion include: pest control, museum, pre-application planning advice, street naming and numbering, bulky waste services, trade waste services, septic tank emptying, Lifeline, animal licensing and car parks (see item (b) re. car parks)].
 - b) Car park charges shall be a known exemption to the policy, and will be the subject of separate detailed consideration.
 - c) There shall be consistency in the way charges are calculated and concessions are applied.
 - d) The full cost of the service, including an element for corporate overheads, will be the starting point for calculating charges.
 - e) Where alternative service providers are available, market forces will be taken into account when calculating charges.
 - f) Any subsidy of the full cost of the service, including an element of corporate overheads, will be made clear and be a conscious decision designed to meet service objectives.
 - g) Concessions of 25% will be applied to individuals in receipt of UDC-administered benefits.

- h) There will be no automatic concessions for elderly or disabled customers.
- i) Where possible, income shall be collected in advance of the service being provided.
- j) The responsible Committee may authorise exceptions to the policy where there are sound business reasons to do so, after taking into account advice of the relevant service manager and the Section 151 Officer.

Paras 4 and 5 detailed suggestions that:-

The policy should make exceptions for those who assist blind and partially sighted people.

Museum admission charges need to be an exception to the policy as it is good practice for children to receive discounts when visiting tourist attractions, and to do otherwise could cause harm to the reputation and business of the Museum.

The meeting ended at 9.20 pm.