

**RESOURCES COMMITTEE held at COUNCIL OFFICES LONDON ROAD
SAFFRON WALDEN at 7.30 pm on 19 SEPTEMBER 2002**

Present:- Councillor Mrs M A Caton – Chairman.
Councillors A Dean, D W Gregory, P G F Lewis, D J Morson,
R J O'Neill, Mrs S V Schneider, R B Tyler and P A Wilcock.

Also present at the Chairman's invitation:- Councillors R J Copping and
A R Row.

Officers in attendance:- Mrs E Forbes, Mrs M Cox and J B Dickson.

RE22 APOLOGIES

Apologies for absence were received from Councillors M A Gayler and
R A Merrion.

RE23 MINUTES

The Minutes of the meeting held on 20 June 2002 were received, confirmed
and signed by the Chairman as a correct record.

RE24 BUSINESS ARISING

(i) Minute RE3(i) – Stansted Airport Referendum

The Chairman confirmed that the Referendum question had now been
agreed. The Referendum would take place during the first week of October.

(ii) Minute RE20 – Best Value Performance Plan 2002/03

In answer to a question from Councillor Dean, the Director of Resources
confirmed that the Best Value Performance Plan had been sent to Members
before the July meeting of the Council. The next meeting of this Committee
would consider a report on the process for preparing the next plan. There
would be a special Council meeting to approve the plan before the statutory
final publication date of 30 June 2003.

RE25 EXCLUSION OF THE PUBLIC

RESOLVED that under Section 100A(4) of the Local Government Act
1972 the public be excluded from the meeting for the following item of
business on the grounds that it involved the likely disclosure of Exempt
Information as defined in paragraphs 1, 7 and 9 of Part I of Schedule
12A of the Act.

RE26

LEISURE (PFI) BOARD – CONSULTANT’S COST

The Leisure (PFI) Board on 1 August 2002 had considered a report covering the cost of consultancy advice which had been required to enable contractual and financial close to be completed for the PFI project. The Board had asked this Committee to approve this amount to be funded from capital receipts. Some Members of the Committee expressed concern at these costs. The Chairmen of the Board, Councillors Row and Copping, explained that the negotiations associated with this project had been very complicated, and had taken much longer than anticipated. Negotiations had continued right up to signature and the work of the consultants had been essential in order to ensure that the project was completed.

RESOLVED that the additional legal consultancy costs of £166,028.48 be approved and funded from Capital Receipts.

The public were then readmitted to the meeting.

RE27

CONFIRMATION OF OFFICER’S ACTION – APPOINTMENT OF PR CONSULTANTS – STANSTED AIRPORT PROPOSALS

The Committee recalled that at the Extraordinary meeting of the Council on 13 August 2002, it had been resolved to authorise the Chief Executive, in consultation with Group Leaders and the Chief Finance Officer, to allocate sufficient resources, including the commissioning of external advice and expertise, where appropriate, to compile a robust response for submission to the Council on 18 November 2002 and to support media and lobbying activity. Bell Pottinger had now been appointed as external advisors, their costs plus materials and expenses would be up to £60,000 over a five month period. No budgetary provision had been made and it was necessary to fund this from reserves.

Councillor Gregory considered that there should be a mechanism for monitoring the amount spent by the Council on implementing the resolutions approved at the Extraordinary Council meeting. He suggested that a regular progress report be submitted to this Committee. He then asked whether this Council was working with any neighbouring authorities with a view to sharing costs. The Chief Executive said that the Council was liaising with Essex County Council and Hertfordshire County Council with regard to technical advice. There had also been a meeting that morning with representatives of ‘Stop Stansted Expansion’ and NWEPPA. The meeting had discussed areas where joint working would be possible. It was important though, for the Authority to give consideration to what was legitimate expenditure.

Councillor Wilcock asked if the brief for the consultants could be made available to Members. The Chief Executive agreed to do this and said that the consultants were currently finalising their campaign strategy. In reply to a further question, the Chief Executive confirmed that Group Leaders would be asked to make decisions between meetings of this Committee.

Councillor Dean said it was important to monitor the total expenditure on this project, including opportunity costs and the amount of officer time involved.

RESOLVED that

- 1 the action taken by the Chief Executive and the Chief Finance Officer, in consultation with the Chairmen of the Environment and Transport and Resources Committees in making available a sum of up to £60,000 from the New Financial Framework Reserve to fund the appointment of PR consultants in relation to Stansted Airport proposals, be approved,
- 2 a progress report on the costs of the Stansted Airport Campaign be submitted to future meetings of the Committee.

RE28

INTERNAL AUDIT PARTNERSHIP ARRANGEMENTS WITH STEVENAGE BOROUGH COUNCIL

The Committee was advised that earlier this year, officers had been considering an Audit Partnership with Epping Forest District Council. This had not gone ahead, but there had been subsequent interest in partnership working from Stevenage Borough Council. There had been several meetings between the two authorities and details of the proposed partnership had now been formalised.

There were a number of benefits with this type of working arrangement which were highlighted in the report, particularly greater flexibility and independence of the audit. The report gave details of the intended audit coverage and the management arrangements which would involve a joint committee from the two authorities and this district had nominated the Chairman and Vice-Chairman of Resources Committee and the Chairman of Overview and Scrutiny 2 Committee. These meetings would receive reports on the performance of the partnership and approve management's choice of audit coverage and associated costs. An informal meeting of the proposed members of this committee had taken place on 16 September.

The existing staff would be seconded to the partnership, initially for a trial period of two years. The role of Audit Manager would be undertaken by this Council's Principal Auditor. Through the partnership the Council would achieve an ongoing annual revenue saving of approximately £11,000. This sum was less than the proposed savings with Epping Forest District Council and an addition to the base budget of £13,000 was required. There were already three other nearby district councils who had declared an interest in joining the partnership. If this occurred then this Council's costs would be further reduced.

Members discussed this matter and were reassured about the benefits of partnership working including increasing the efficiency of the section and job satisfaction for staff. Members asked for an assurance that the operation of the partnership would be kept under review.

RESOLVED that the Committee approve

- 1 The establishment of an internal audit partnership with Stevenage Borough Council,
- 2 The use of the joint committee model and associated management arrangements.
- 3 The nomination of the Chairman and Vice-Chairman of the Resources Committee and Chairmen of Overview and Scrutiny Committee 2 as the Council's representatives on the Joint Committee.
- 4 Stevenage Borough Council to act as 'host' authority for the partnership.
- 5 The partnership be called 'the Stevenage and Uttlesford Audit Partnership'.
- 6 The Director of Resources be the Council's nominated officer for the partnership.
- 7 The current post of Principal Auditor at this Council undertake the role of Audit Manager during the partnership's initial two year agreement period and thereafter if the partnership was continued.
- 8 The employee structure attached to the report and changes to terms and conditions of employment be not less favourable while staff were seconded to the partnership.
- 9 The partnership commencing on a trial basis for two years as from 1 October 2002, and
- 10 The partnership's budget and cost apportionment.

RE29

BUDGET UPDATE AND STRATEGY

The Committee received a report detailing the list of priorities approved by Council on 16 July and inviting Members to comment and prioritise if possible in the light of the latest budget projections for 2003/04. The overall position remained that £6.888m should continue to be used as the working target for budget purposes. An updated estimated General Fund Budget projection now indicated that additional savings needed to meet this target had reduced from £305,000 to £127,000. Because there were several uncertain issues which could have a significant impact on the Council's finances, Members had received a letter from the Leader of the Council, suggesting additional savings required for the General Fund were £345,000. A sum of £100,000 had been suggested for this Committee.

Members considered the combined list of priorities from the Administration and the Liberal Democrat Group together with that agreed by Scrutiny 2 Committee. Councillor A Dean said that on this list there were a number of items which were of higher priority or for which officers required further clarification. He suggested a revised list of priorities and this was agreed.

Councillor Copping referred to the proposal to centralise the grant's process. He referred to the significant grant given to the Citizens Advice Bureau and asked the Council to investigate an alternative approach for funding this organisation.

RESOLVED that in order to progress the 2003/04 budget making process:

- 1 in relation to the list of Council priorities, at appendix BS08, officers be asked to address items for financial assessment and consultation with relevant group leaders, and then to prepare a report to identify new priorities and financial targets that could be achieved based on the Committee's recommended list of priorities, set out as an appendix to these minutes.
- 2 the Committee agree the savings targets as recommended by Councillor Chambers and shown in appendix 1 to the report.
- 3 the updated budget projection for this Committee be agreed as shown in appendix BS06 including the officer input from Appendix BS07 and savings targets from Councillor Chambers shown in appendix 1, as the basis on which officers should prepare detailed estimates for consideration in the November/December cycle of meetings.

RE30

FUNDING FOR COMMUNITY STRATEGY

The Committee was advised that it was a statutory requirement for district and county councils to produce a community strategy, working in partnership with key partners in the local community. The Uttlesford Future Partnership, comprising the District Council, the Police, the Primary Care Trust, the parish councils and voluntary and business sector representatives was responsible for producing the strategy. A community conference had been held in 2000 and 2001 and a survey of householders views on the priorities and vision for the district had been carried out.

The Group was now working to produce a draft strategy. It was explained that a budget of £15,000 had been approved in March 2001: £5,000 from the Policy Initiatives budget and £10,000 from the Management of Change earmarked reserve. The policy initiatives budget had been deleted from the 2002/03 budget as part of the savings exercise, and there was now no annual revenue budget to support this work. A sum of £6,720 had been used for funding the production and distribution of the survey in the last financial year. The balance of available funding now stood at £8,280. The estimate of expenditure for the current financial year was £13,500 which left a shortfall of £5,220. The partners had been approached to see if they were able to

contribute financially to the cost of this work. However, officers thought this was unlikely to cover the full cost of £5,220 and therefore this Committee was asked to underwrite this sum by meeting the shortfall in the current financial year, from the Management of Change Reserve. The production of the Community Strategy was ongoing and there would be a requirement to update, publish and monitor the plan. Members were requested to consider a further ongoing growth item for this work from 2003/04 of £10,000.

Members were of the view that there should be a greater financial contribution from the other Members of the partnership. Other Members referred to the cost of printing and producing the final strategy and questioned whether it was necessary to circulate it to every household. Officers said that they would encourage the partners to contribute, but there were some organisations that were not in a position to do so.

RESOLVED that

- 1 the shortfall in the current financial year of up to £2,220 for the production of the Community Strategy be met from the Council's Management of Change reserve.
- 2 £5,000 be included as a revenue growth item for 2003/04 for consideration when budgets were determined.
- 3 The partners should be advised of the District Council's budget for this activity and be asked to contribute towards the shortfall in expenditure.

RE31

CONSULTATION PAPER – THE WAY FORWARD FOR HOUSING CAPITAL FINANCE

The Committee was advised of a consultation paper which had been published by the Office of the Deputy Prime Minister in August 2002. The report focused on issues which related to the Housing Capital Finance regime. The consultation paper had asked for the views of local authorities on the Government's proposal to pool and then redistribute Housing Revenue Account (HRA) Right to Buy receipts. In essence, it was proposed that 75% of a Council's housing capital receipts would be taken by the Government to redistribute to housing need areas. This proposal would have significant financial implications for this Council and the Director of Resources had prepared a suggested response. The Committee endorsed these comments and suggested some additional points. This was a significant issue and it was agreed that a workshop should be held and an information letter circulated to all members.

RESOLVED that

- 1 the proposed response to the Government set out in the report be approved with the following matters being added to the comments:

- The high property values in Uttlesford makes the need for affordable housing even more important.
 - Low paid key workers, like care assistants, cannot afford to live in this district.
 - The proposal will undermine the Government's objective of increasing affordable housing in the south-east.
- 2 a workshop on this subject be held on 7 October 2002,
 - 3 an information letter to be sent to all Members of the Council.

RE32

APPROVAL OF THE COUNCIL'S STATEMENT OF ACCOUNTS

The Committee received the draft Statement of Accounts for 2001/02. It was noted that the overall picture for the General Fund was a net under spending of some £430,000 more than the revised estimate and this was to be added to the earmarked reserve in respect of the New Financial Framework.

RESOLVED that

- 1 the statement of accounts for the year ended 31 March 2002 be approved,
- 2 officers circulate the remaining figures to Members when they were available.

RE33

BALANCES AND RESERVES

The Committee received a report which gave details of balances and reserves at 31 March 2002. The account showed a General Fund Revenue balance of £1.2m which was in line with the previously resolved target level. Members appreciated that adequate levels of balances were required to meet any unexpected increase in expenditure or shortfall in income. Members also agreed that the New Financial Framework reserve should be renamed to more accurately reflect its purpose.

RESOLVED that

- 1 the annual report on the Council's borrowing and investments be accepted.
- 2 The New Financial Framework Reserve be renamed the Financial Management Reserve.

RE34

PUBLIC SERVICE AGREEMENT

The Committee had previously agreed six local cost effectiveness indicators to form part of the Public Service Agreement between Essex County Council, the Government and this Council. The Council had since been advised that it

should consider replacing two of the indicators as they did not comply with the Government's requirements. Officers had examined further possible indicators which were in line with the County Council's guidelines, and comprised information that was already collected by officers as part of their existing duties.

RESOLVED that of the six performance indicators approved by this Committee on 21 March 2002, the indicators for 'Council tenant satisfaction survey and keeping strategic routes free of litter' be replaced by

- the average time to complete non urgent responsive repairs, and
- percentage of people satisfied with cleanliness standards.

RE35 TREASURY MANAGEMENT

The Committee received a report setting out the Council's borrowing and investments and were satisfied with the levels suggested.

RESOLVED that the report be accepted.

RE36 STAFFING UPDATE

The Committee received for information the table of vacancies that had arisen since the last Committee meeting.

The meeting ended at 9.50 pm.

Administration	Lib Dem	Scrutiny 2	Comments
Corporate Capacity Priority			
Prepare Council for CPA	Aim for high CPA classification for rural district; link to training below		Lack of corporate staffing will place strain on organisation to meet requirements.
Improve links with business	Establish resource to oversee management of and investment in local economy		Proposed course of action unclear – possible staffing implications
	Strengthen corporate policy resource		Revenue implications
	Increase training for officers and members		Revenue implications
		Public Service Agreement	Lack of corporate resource to oversee process. Possible financial gain at end of year 3 if targets met
Service Priorities			
Financial gains from BV reviews			To be established on individual review basis
Encourage partnership working			Opportunities to be brought to members as appropriate – audit proposals to Resources Committee September 2002 for which budget implications already flagged
Pursue sponsorship	Members lead in strengthening sponsorship capability		Need further information on members' lead and expectations
Centralise grants schemes			Proposed new arrangements not clear. Possible revenue implications
	Restructure planning department		Proposals to be brought to members in due course.
	Rebalance resources towards informal countryside and youth activities and away from established activities		Proposals not clear – possible revenue implications
	Improve communications; encourage village appraisals		Possible revenue implications, especially for staffing
Review Arts Development & sports			Part of current best value review on community & leisure
Reduce Community Safety costs			Some staffing re-organisation in 2002. Continuing to make maximum use of external funding opportunities
Pursue policy on airport			Extraordinary Council meeting confirmed previous broad policy; any additional short-term expenditure will need to be met from reserves
Complete Local Plan			Second deposit period Autumn 2002; expect local plan inquiry Spring 2003. One-off costs to be met from reserves
Encourage Council house sales			Ongoing; possible legislative changes may affect sales and use of receipts
Enable more affordable housing	Increase supply of affordable housing		Ongoing – reflected in annual housing strategy
Business As Usual			
Provide CIC in Dunmow			Plan for CIC being prepared – no revenue implications; capital costs included in overall office accommodation project
Public consultation on budget process			Will be annual commitment; methodology to be determined. No budget provision in 2002/03 or subsequent years

Implement PFI schemes			Specific Council approvals already in place and financial implications built into planning.
Set reduced budget targets			Proposals to be brought forward for September Committee cycle
Make new committee system work	Adapt scrutiny methods to be more investigative & challenging; priority to health scrutiny		Constitution Task Group to review and make further recommendations for 2003. No significant resource implications expected.
Keep Council tax low			June Resources Committee agreed 2.5% for planning purposes
Examine activities for possible transfer to Town & Parish Councils			Discussions ongoing on Close Garden – minimal budget impact.
Scrutinise appointments			All appointments are scrutinised and opportunities taken for rationalisation where possible.
Reduced speed limits			Need to take opportunities to promote reduced speed limits with ECC
Extend recycling	Increase investment in recycling including green waste		No further growth items so far included in budget plan. Pilot green waste scheme being funded by Environmental Trust.. Need clarity on any further member proposals
Prepare Community Strategy			No revenue budget provision; some resource needed to support process, including staffing
Press ECC for more locally determined highways budget			Need to lobby ECC at appropriate time
Locate asylum seekers removals centre on airport		Removals centre –	No specific resource implications
	Introduce priority-based budgeting		Unlikely to achieve by 2003 – benefits unclear
Suspended from Priority List			
		Parking decriminalisation	Experience of other Essex districts will enable fuller evaluation of revenue implications
		Cycle-ways in district	Financial implications – capital and revenue – will be largely for ECC, unless UDC contribution envisaged