

**Committee:** Resources Committee  
**Date** 31 August 2004  
**Agenda Item No:** 2  
**Title:** Statement of Accounts and Outturn 2003-04  
**Author:** Nick Harris (01799 510313)

### **Introduction**

- 1 The report sets out the background to the requirement for Members to approve the Statement of Accounts and also includes some brief notes on the Statements.

### **Requirement for Approval**

- 2 The Accounts and Audit Regulations 2003 set out the requirements for the production and publication of the annual Statement of Accounts. The Regulations require Authorities to approve the 2003-04 Statement of accounts (subject to Audit) before 31 August. This is one month earlier than previous years and is the first year of a phased move requiring authorities to have their accounts approved by 30 June.
- 3 Although the Regulations require the Statement of Accounts to be approved by resolution of an appropriate Committee it must be stressed that approval in this context has to some extent a different meaning than on other resolutions that require approval by Members. The responsible financial officer (RFO) that for Uttlesford is the Executive Manager – Finance and Asset Strategy as Section 151 Officer retains responsibility for the preparation of the Statement and indeed is required to certify their fair presentation. The Members' role in approval is to demonstrate their ownership of the accounting statements and their confidence in the RFO and in the process by which the accounting records are maintained and Statements prepared.

### **Statement of accounts**

- 4 The Accounts and Audit Regulations require the RFO to sign and date the Statement of Accounts and to certify that it presents fairly the financial position of the Council and its income and expenditure for the year. Following approval by the appropriate Committee the Statement of Accounts must be signed and dated by the Committee Chairman.
- 5 The draft Statement is attached to this report. New Statements of Recommended Practice (SORP) guidelines have required further development of the Statement particularly in the reporting of pension fund transactions and balances. A report elsewhere on the agenda makes recommendations regarding the year end balances.

- 6 With effect from this year 2003-04, all local authorities should include within their Statement of Accounts Statements on Corporate Governance and the System of Internal Control. The Statement on Corporate Governance reports on the arrangements for proper management of the Council's business and safeguarding of public money. The Statement on Internal Control is a widening of the previous requirement to report on Internal *Financial Control* and sets out the framework within which control is managed and reviewed and the main components of the system, including the arrangements for internal audit. These statements can be found on pages 8 to 11 of the Statement of Accounts.
- 7 Financial Reporting Standard (FRS) 17 will require by 2005 all organisations in the commercial world with pension schemes to provide enhanced reporting arrangements regarding their scheme's financial position. However, the Chartered Institute of Public Finance and Accountancy (CIPFA) that provides instructions on how local authorities prepare their accounts has decided that the requirements of FRS 17 will be fully incorporated into the SORP for 2003-04. This has happened on a staged basis and the Statement of Accounts for 2003-04 reflects the final stage of the introduction of this Standard.

### **Outturn**

- 8 The overall picture for the General Fund is that the overall outturn was almost exactly as forecast in the Revised Estimate predicted and therefore the £103,000 funding transferred from the Financial Management Reserve to support the General Fund was similarly as forecast. Details of all main variances against the original budget are given in the Statement.

RECOMMENDED that Members Approve the Statement of accounts for the financial year ended 31 March 2004.

Background Papers: 2003-04 Final Accounts working papers.

**Committee:** Resources  
**Date:** 31 August 2004  
**Agenda Item No:** 3  
**Title:** Balances and Reserves  
**Author:** Nick Harris (01799) 510313

### **Summary**

- 1 This report is submitted annually to this Committee and gives details of balances and reserves at 31 March 2004. The figures are extracted from the draft Statement of Accounts that can be found elsewhere on this agenda. The Statement is subject to audit.

### **General Fund Position**

- 2 Under Section 25 of the Local Government Act 2003 ("The Act") the Chief Financial Officer is required to report on the adequacy of the Council's reserves and balances to the Council meeting at which the Council Tax is set. The Council considered such a report on 10 February in which the Director of Resources advised that a General Fund balance of £1,200,000 was adequate – a view supported by the Audit and Annual Inspection Letter. Accordingly, it is recommended that the balance be maintained at £1,200,000 as outlined in the draft 2003-04 Statement of Accounts and that this be reviewed during the forthcoming budget setting process.
- 3 The Final Accounts also include other balances at 31 March 2004 on reserves earmarked for specific purposes. Within the context of The Act the Chief Financial Officer has a statutory responsibility to prudently manage reserve levels. At its meeting on 5 February 2003 the Resources Committee agreed a protocol for managing the Council's reserves which in essence means that if any overall underspend is identified when the accounts are closed for the year, it should be added to the reserves below in the following order, as required in order to bring them up to prudent levels:
  - Risk Management – Reserves set aside to cover for areas of known budget risk, thus avoiding overstatement of the base budget position.
  - Financial Planning – Reserves set aside to save for predictable budget peaks and to provide cover for realistic future savings targets.
  - Change Management – Reserves set aside to enable in-year investment in change without being specific as to any particular service area.
  - Financial Management – A resource above minimum prudent balances, for a range of potential needs.

- 4 This approach to managing the Council's financial reserves is consistent with guidance issued by CIPFA and was awarded a score of 4 (the highest) in this years CPA judgement.
- 5 The final outturn for 2003-04 as detailed in the Statement of Accounts reveals a net General Fund expenditure very close to that predicted in the Revised Estimates. The Executive Manager – Finance and Asset Strategy in the context of the protocol described above and the Council's Revised Estimates for the year, considered additions to and use of earmarked reserves. A detailed list of all the Councils reserves can be found in the Statement of Accounts and are summarised in the following table:

	£'000
<b>EARMARKED FOR CAPITAL FUNDING</b>	
Dunmow Eastern Sector	177
Section 52/Section 106	137
Vehicle Replacement	284
Premises Reinstatement	33
<b>SERVICE PLANNING RESERVES</b>	
Cycle Tracks	20
Amenities Projects	32
Planning Delivery Grant	45
RPG 14 Consultation	20
Information Technology Projects	20
Other Service Planning	57
<b>FINANCIAL PLANNING RESERVES</b>	
District Plan including Legal Fees	238
PFI Cash flow	758
Five Yearly Housing Needs Survey	22
Other Financial Planning	43
<b>CHANGE MANAGEMENT RESERVES</b>	
Best Value Reviews	37
Other Change Management	35
<b>RISK MANAGEMENT RESERVES</b>	
Vehicle Lease Extensions	20
External Legal Fees	60
Planning Consultancy Support	40
Homelessness Budget Risk	35
Benefits Budget Risk	70
	871
<b>FINANCIAL MANAGEMENT RESERVE</b>	

**TOTAL GENERAL FUND EARMARKED RESERVES****Housing Reserves**

- 6 The working balance at 31 March 2004 was at the target level of £500,000. In addition there was a balance of £312,000 Earmarked for housing repairs purposes.

**Appropriate Level**

- 7 As outlined above the Council has a protocol for determining the level and purpose of its reserves. As part of the forthcoming budget process the level of balances and reserves will be reviewed and the Executive Manager – Finance and Asset Strategy will report to the Council as required by the Local Government Act 2003 on the adequacy of the Council's reserves and balances.

RECOMMENDED that the Council retains the target level for balances for the General Fund and Housing Revenue Account at £1,200,000 and £500,000 respectively and that these targets be reviewed during the forthcoming budget setting process.

Background Papers: Final Accounts Working Papers.

Report To Council 10 February 2004

**Committee:** Resources  
**Date:** 31 August 2004  
**Agenda Item No:** 4  
**Title:** HILL STREET SAFFRON WALDEN  
 REFURBISHMENT OF PUBLIC CONVENIENCES  
**Author:** Rod Chamberlain (01799) 510508

**Summary**

- 1 This report provides the Committee with further information regarding the proposed refurbishment of the Hill Street, Saffron Walden Public Conveniences.

**Background**

- 2 At the meeting of the Committee on 24 June 2004, it was decided to defer approving the lowest tender figure for the refurbishment of the Hill Street, Saffron Walden public conveniences. This was because more information was required by the Committee in view of the fact that the budget for work at these conveniences was set at £40K against the lowest tender price of £71K (this figure includes a £6K contingency figure). It should be noted that the

Council received responses from four tenderers and the price ranged from £71,000 to £101,000. The cost of the work would be funded from the Council's Capital budget.

### **The Current Situation**

- 3 When the required work was forwarded to the Planned Maintenance Section the specification was revised as more extensive work was thought desirable in order to bring the public conveniences up to the high standard as those at Thaxted and Great Dunmow. The proposed work includes:-
  - Hygienic no-touch flushing WC's
  - Anti-vandal and easy clean toilet partitions
  - Super hygienic sensor operated wash and drier hand basins
  - Automatic flush urinals
  - Mechanical ventilation and extraction throughout
  - Quality wall/floor tiling and finishes
  - Flush fitting anti-vandal lighting
  - Remodelled entrance area complete with new skylight
  - Provision of new doors to toilets
  - Provision of new anti-vandal Perspex glass to replace broken Georgian wired glass to windows
  - Complete redecoration
  - Upgrading of drainage
- 4 When drawing up the specification, Officers have concluded that the full refurbishment would, in the longer term, be more economic to the Council as the ongoing repairs should be much less in the future.
- 5 It is important for the Committee to note that the original refurbishment estimate was prepared and inserted in the Asset Management Plan in 2002 and unfortunately since that date there has been a significant increase in building costs and, as outlined, the work is now more extensive. The difficult access to the site for contactors has also added to the cost.

### **The Way Forward**

- 6 It is felt that in view of the current very poor condition of the existing facilities the work needs to be approved and commenced as soon as possible. The public conveniences will need to be closed for up to 12 weeks and appropriate notices will be displayed explaining the position to members of the public.
- 7 The refurbishment of the Hill Street public conveniences was discussed at the June meeting of the Saffron Walden Town Centre Management Group. It is possible that a member of that Group may prepare a design to open up the back of the conveniences to provide access direct from Hill Street to Jubilee Gardens. Should there be any further information it will be reported at the meeting.
- 8 Should the Committee wish to consider this or any other option, further more extensive work will need to be done and revised proposals will need to be considered in due course by the Environment Committee. Any new option is

likely to include the remodelling of the public conveniences with new disabled facilities being constructed. In addition, the cost would be significantly higher and there would be no prospect of any work to improve the facilities being carried out in the current financial year.

RECOMMENDED that the Committee approve the lowest tender of £71K to carry out the refurbishment of the Hill Street public conveniences during the current financial year.

Background Papers: Asset Management Plan 2004/05  
Tender Documentation

**Committee:** EXTRAORDINARY RESOURCES  
**Date:** 31 August 2004  
**Agenda Item No:** 5  
**Title:** DUNMOW OFFICES – ACCOMMODATION FOR THE VOLUNTARY SECTOR  
**Author:** David Demery (01799) 510520

### Summary

- 1 This report recommends an amendment to the resolution contained within Minute RE68 of the Resources Committee held on 20 November 2003. It seeks to extend the period of temporary lease beyond April 2006 to April 2008.

### Background

- 2 At the Resources Committee of 20 November 2003, the following resolution was agreed:-
  - Officers to consult on the possibility of a two year lease and not beyond April 2006 with the voluntary sector for use of the Great Dunmow offices, not currently required by the District Council, as a voluntary sector centre and report back to the next meeting.
- 3 At the Resources Committee of 22 January 2004, the relevant resolutions agreed were as follows:-
  - Best endeavours be used to investigate the provision of long-term accommodation within the District for the voluntary sector. Failing no better option to undertake to provide accommodation for the voluntary sector within Dunmow.
  - Temporary accommodation for the voluntary sector should be provided within the existing Council Offices on the same terms as currently apply

to Stortford Road, ie £6/7 sq ft plus service charges and that the minimum required works costing around £3,000 to provide for disabled access be carried out.

4 At the Resources Committee of 24 June 2004, the relevant resolutions agreed were as follows:-

- Officers investigate the practicalities of using the front offices for both the voluntary sector centre and to meet the Council's own requirements for a base in Dunmow.
- If the front offices be unable to accommodate the voluntary sector along with the Council's own requirements, the rear offices should be retained and a longer-term lease offered to the voluntary sector.

These resolutions were arrived at after due consideration of the report prepared by external consultants on the Dunmow offices and depot site.

5 Officers have considered the practicalities of consolidating accommodation within the front offices and have concluded that this is not viable for the following reasons. Insufficient area is available, access to the first and second floor is tortuous, the second floor requires structural improvement and Substantial refurbishment work will be required.

6 Officers have been discussing the temporary lease arrangement with the voluntary sector have advised that they have difficulty in signing a lease of such short duration as they are unable to offer viable sub leases, in view of this difficulty and the commitment given in the resolutions outlined above a longer period of time for a temporary lease is proposed.

RECOMMENDED that a temporary lease is negotiated with the voluntary sector for a period not beyond April 2008 for use of the Great Dunmow offices not currently required by the District Council.

**Committee:** Resources  
**Date:** 31 August 2004  
**Agenda Item No:** 6  
**Title:** Creating a Forward Planning Task Group  
**Author:** John Mitchell (01799) 510450 and Philip O'Dell (01799) 510670

### Summary

1 This report discusses the establishment of a Forward Planning Task Group of Officers to support the Member Strategic Planning Reference Group.



## **Background – strategic issues**

- 2 The primary strategic issues confronting the District are well-known to members and comprise the implications of the forthcoming Regional Spatial Strategy together with the ODPM's Sustainable Communities Plan (which places the District within the M11 Corridor growth area) and the implications of the expansion of Stansted Airport in the light of the White Paper "The Future of Air Transport". Arising from these is the need to provide affordable housing and to take a positive approach to deliver the Government's housing requirements in a way that maintains the District's character. To this end the Council needs to develop a vision for Uttlesford in 2020, which will be a fundamental element of the new planning policy documents required by the Planning and Compulsory Purchase Act 2004.
- 3 To give an idea of the timetabling of events, we will have an idea of the broad thrust of the draft Regional Spatial Strategy by October, with a view to formal reporting of the regional Planning Panel to the Regional Assembly on 5<sup>th</sup> November and an Examination in Public in Autumn 2005. This will set the housing targets for the next 20 years for the District. The planning application for maximum use of the single runway at the Airport is anticipated in Spring 2005, and the Scoping Opinions for the Environmental Impact Assessments have been prepared and will be reported to the Environment Committee in September. The application for the second runway is anticipated at the end of 2005. The workload will be concentrated, extensive and have longer term implications
- 4 The Government places great stress on the need to provide housing as a matter of urgency. It is evident that if the Council does not take a positive, albeit robust and questioning, approach to the Government's agenda, there is a strong likelihood that the Government will appoint a "delivery vehicle" to ensure implementation of its housing agenda, such as a Development Corporation, which would effectively give the Council no choice in the location and type of housing and related infrastructure in the District.
- 5 There is a perceived concern that the Council is not able to present a co-ordinated strategic overview to these issues. Thus, while the expertise is, to a substantial extent, present within the organisation to address these issues, it appears that the Council is only able to react in a piecemeal manner to issues as they arise, rather than progressing on a broad and united strategic front. Equally, the lack of a clearly articulated picture of how the council – on behalf of the community – wants Uttlesford to develop over a twenty-year horizon makes it difficult to assess the extent to which any given set of proposals contribute or obstruct the achievement of that picture.

## **The Strategic Planning Member Reference Group**

- 6 To this end the Strategic Planning Reference Group was set up at the Council meeting in April 2004 and comprises the Leader of the Council, Group Leaders, the Chair of Health and Housing, the Chair of Development Control, the Chair of Environment and the Conservative Group Spokesman on airports. It has met once.

Its terms of reference are as follows:

*To consider the requirements of the District Council in terms of staffing skills, competencies, information and research to enable it to fully address the strategic development agenda which faces the District over the next 20 years. This agenda includes, but is not restricted to, a rapid expansion in the number of houses in the District, proposals for the expansion of Stansted Airport and the necessary infrastructure development associated with those developments*

*Having considered those developments and the requirements which arise from them, to identify ways in which those requirements can be addressed and the necessary resources secured so that the Council can address those developments while simultaneously promoting the objectives of the Council and its aspirations for the District as a whole*

*Having reached its conclusions, to enable the Chief Executive to consider its conclusions and to make such reports and recommendations as necessary for implementation.*

- 7 To meet the challenges set out in paras 3 and 4 above it is considered that the Strategic Planning Reference Group needs to become permanent and to meet regularly to develop policy in these areas. To carry out its remit effectively it is now considered that an Officer Support Group needs to be set up to give permanent support to the Member Reference Group.

### **Functions**

- 8 Capacity exists within the organisation to provide expertise on strategic planning development, housing strategy, public relations, and community engagement. These are also areas of expertise that will be necessary to develop and coordinate to deliver the new Local Development Documents that are to replace the Local Plan, and on which work needs to start immediately – indeed it has already begun. These will be tied into Housing Strategies.
- 9 It is envisaged that the Member Reference Group will need to be supported so as to give it the confidence to discuss *all* options of accommodating development within the District. The Member Group would inform and drive preparation of the Local Development Documents and other policies and strategies that would set out the paths to achievement of the 2020 Vision of the District, while ensuring their approval remains within the remit of the council. It is envisaged that the Group would meet in a similar form to STAAP in that its meetings would be private but properly minuted and open to all members of the Council. Such meetings would be augmented and enhanced by seminars, conferences, workshops and other means of community engagement to ensure effective participation in the strategic process. However, the remit would extend far beyond housing and land use planning to include input into the QOLP and the Community Strategy, as well as giving a steer to any consultants which may be required.

## **The Officer Support Group**

- 10 The Officer Support Group would comprise the Chief Executive and Executive Managers of Housing, Development and Finance. The Lead Officer would be the Planning Policy and Conservation Manager, supported by the Housing Strategy Officer, a Research Officer, Public Relations and lobbyist and administrative assistant. Staff would remain part of their Service Management Teams, and the group would take the form of a standing committee which would come together on a regular and programmed basis. It is envisaged that the Research Officer and Administrative Assistant would be new appointments or secondments. The team would call on other areas of expertise within the Council as and when required. Much of the work is already being done: what the group would achieve is bringing it all together under the overall direction of the Member Reference group and thus provide the co-ordinated response and input to strategic issues that is perceived to be lacking at present.

## **Resources**

- 11 It is suggested that the Member Group would have the control of the District Character Reserve, set up during the last budget process for exactly the type of issues now being considered. The Reserve has an opening balance of £300,000. To emphasise the Group's strategic importance, draft Terms of Reference for their financial responsibilities are attached at Appendix 1 to this report.
- 12 Staffing costs would be met from within existing budgets but a new resource would be needed for research and administrative staff. There would be considerable cross-fertilisation benefits to be gained from such appointments which would benefit the planning and housing services overall. Further work needs to be done on the cost of additional staffing, and a fully costed proposal will be brought to the meeting of this Committee on 23 September, along with ideas on funding possibilities for the sums involved.

RECOMMENDED That following consultation with the Strategic Member Reference Group a further report be brought to the next Resources Committee.

Background Papers: none

**Strategic Planning Member Reference Group**

**Draft Financial Terms of Reference/Powers/Responsibilities**

1. Control of the District Character Reserve, with power to spend without the need to consult the Resources Committee. This reserve to be planned and managed over a four year period and used to fund research, feasibility studies, consultancy fees, legal fees, public relations, consultation, other fees, seminars, training, Member expenses and other incidental expenses. Salaries of staff involved will continue to be charged to their own service.

2. Ability, in conjunction with the relevant Executive Manager, the Chief Financial Officer, Committee Chairmen, Policy Committees, and Resources Committee (as appropriate under Financial Regulations and within existing limits) to request virement of revenue budgets to fund spending not within the multi-year planned use of the District Character Reserve.

3. Ability to request, via Resources Committee, and after consultation with relevant Executive Managers, Chairmen, and Policy Committees, use of other Earmarked Reserves for spending on items not within the multi-year planned use of the District Character Reserve.

4. A responsibility to identify and progress, for all strategic proposals the Group puts forward, possibilities for funding via fees and charges, partnership arrangements, Government, EU and other grants, sponsorship, Public Service Agreements etc.

5. A responsibility to make, at any appropriate time, but usually during the Service Planning and Budget process, proposals to Executive Managers and Committees for increased revenue and capital spending necessary to achieve the objectives of the Group, along with associated funding possibilities as outlined in 4 above.

6. A responsibility to identify at any appropriate time and to assist the Council's financial planning, possible increased or decreased spending needs for the Council arising not from the Group's proposals, but from strategic policies and proposals from Government and other relevant bodies.

7. A responsibility to participate in, and advise on, financial aspects of the regular review of the Council's Quality of Life Corporate Plan, so far as they are relevant to the Group's objectives.

8. Consistent with Council policy, and with appropriate financial advice, to consider strategic financial dilemmas the Council may face, such as whether to remain debt free, pursue additional, Council retained Business Rates under the Government's proposed Business Rates Retention Scheme, and increased Council Tax yield from new developments.