

**RESOURCES COMMITTEE held at COUNCIL OFFICES SAFFRON
WALDEN at 7.30pm on 28 JULY 2005**

Present: - Councillor S C Jones – Chairman.
Councillors C A Bayley, M A Gayler, R T Harris, A J Ketteridge,
J Loughlin, J P Murphy, A R Row, M J Savage and P A Wilcock.

Also present:- Councillor S Flack

Officers in attendance: - A Bovaird, V Borges, S McLagan, P O'Dell and
C Wingfield.

RE8 APOLOGIES AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillor R P Chambers.

Councillor J I Loughlin declared an interest as a Member of the Museum
Management Task Group.

Councillors S C Jones, J P Murphy and A R Row declared an interest as
Members of the Museum Resource Centre Project Team.

Councillor P A Wilcock declared an interest as a Newport Councillor.

Councillors S Flack and M A Gayler declared an interest as Members of the
pension fund.

RE9 APPOINTMENT OF VICE-CHAIRMAN

RESOLVED that Councillor R T Harris be appointed Vice-Chairman for
the remainder of the Council year.

RE10 MINUTES

The minutes of the meeting held on 23 June 2005 were received, confirmed
and signed by the Chairman as a correct record.

RE11 CORPORATE ACTION PLAN REVIEW – 1ST QUARTER 2005/06

The Executive Manager (Quality of Life) presented the Committee with a
report that provided details of the progress that had been made to date to
implement the Action Plan within the Corporate Plan 2005 – 2008. She
explained that the Council's Quality of Life Corporate Plan 2005 – 2008 had
been confirmed at Council in February 2005. Since then she had met with
each Executive Manager to identify the Officers responsible for each project
within the Action Plan and the responsibilities that they would have. She
added that there was a requirement to report on the progress on a quarterly
basis and a monitoring and review process had been established.

She added that she had formed a small project management methodology development team to consider how to introduce a project management methodology.

She then explained each status statement and informed Members of the project actions. She added that 64% of the projects had been started and were expected to meet their target completion. However 10% of the projects had experienced slippage, for a variety of reasons and would now need the revised completion dates as set out in the report. However she informed the Committee that the proposed completion date for project 21c would now be 31 March 2006 rather than 31 December 2006 as was stated in the report. She then confirmed that measures were in place to ensure as many of the projects as possible would meet their target.

Councillors asked if the Corporate Plan could be included in Uttlesford Life and if there could be more Member involvement in the production of the future issues of Uttlesford Life. They also commented that project budgets should be included within the project plans in order for Members to assess the projects resources thoroughly. However they noted that there were improvements within the plan compared to previous versions, that there was still room for further improvement and that some further improvements would be incorporated into the next version of the plan which would be prepared for 2006-9.

Councillor Row asked for an update on project 13c the Cinema project at Saffron Walden County High School. The Executive Manager (Quality of Life) informed Members that the building work was underway and would be finished in time for school use in September. However they were experiencing slippage and completion was now scheduled for January 2006.

RESOLVED that the Committee

- 1 Commented on the status of the projects as at 30 June 2005 in the Quality of Life Corporate Plan Action Plan
- 2 Agreed to the amendments to the completion dates for projects 9a now 31 March 2006, 21a now 31 December 2006, 21c now 31 March 2006 and 30c now 31 December 2005

RE12

BENEFIT FRAUD

The Executive Manager (Finance and Asset Strategy) presented the report on behalf of the Executive Manager (Corporate Governance). The report informed Members that the Benefit Fraud Inspectorate had completed an inspection of the Council's Benefit Fraud section in April 2005, as it was perceived to be a high performing Council. He explained that they would produce a report addressed to the Secretary of State and until its publication the report would be subject to an embargo. He explained that the inspection was constructive and a number of recommendations were made, many of which had been implemented. One recommendation was that quarterly

reports should be made to this Committee on the performance of the Benefit Fraud Team.

Cllr Wilcock asked why the report was being brought to members when it was simply an item for noting? The Executive Manager (Finance and Asset Strategy) observed that the Executive Manager (Corporate Governance) was responding to a specific recommendation of the Benefit Fraud Inspectorate, but that other ways of ensuring Members were properly informed could be used in future.

He explained that the fraud team were likely to meet their targets for investigations and sanctions this year. However the current levels of referrals were higher than the fraud team could currently handle. Once the new member of staff was fully trained an evaluation of the workload would be carried out and if the increased sanction subsidies would meet the recruitment of a third investigator a request would be brought to this committee for an additional post.

Members congratulated the Fraud team for their excellent performance in tackling benefit fraud. However they were concerned at the level of benefit fraud within the District and identified that one possible cause was due to the increasing housing prices making it increasingly hard to afford to live legally in the District

RESOLVED that Members noted the contents of the report.

RE13

REVIEW OF PROPERTY ASSETS

Members considered the report that proposed the creation of a Member Task Group to review the Council's property assets and to make appropriate recommendations.

The Executive Manager (Finance and Asset Strategy) explained that the Council's property assets were valued at approximately £278m as at 31 March 2005 in the Statement of Accounts of, which the majority was made up of the Council's housing stock. However other assets in service provision with a value of £13m were held and required a review regarding their current and potential use.

He explained that it was envisaged that a Member and Officer group would meet 4/5 times over the next 2 months to review the uses of assets, consider how to generate additional capital resources or revenue streams and to examine future investment requirements of assets held with a view to bringing a report back to this Committee at the September meeting.

Members proposed that the group should only meet twice once in August and then finally in September. They then recommended that Councillors Jones, Gayler and Ketteridge would represent Members on the group.

RESOLVED that the

- 1 Member Task Group for the Review of Property Assets be set up in accordance with the approach contained within the officers report.
- 2 Councillors on the Member Task Group would be Councillors M A Gayler, A J Ketteridge and S C Jones.
- 3 Task Group would meet once in August and once in September with a report to be presented at the next Resources Committee.

RE14

THAXTED ROAD AND NEWPORT DEPOT – SITE OPTIONS FOR MUSEUM RESOURCE CENTRE

The Curator presented the report to the Committee with a Location and site plan of the Thaxted Road proposal. She explained that the Museum Resource Centre Project Team had been pursuing the Council's Newport Depot as the only realistic and cost effective site option for the proposed resource centre having researched numerous other site options, which were summarised in appendix 1. However recently a site off Thaxted Road next to the Essex County Council Civic Amenity site, which the Council also owns had recently become available and offered the museum an alternative location for the centre.

The Resource Centre project was designed to rectify the lack of appropriate facilities for housing and using the museum's collections and to enable the Museum Service to develop new audiences and to keep pace with developments in the District. It was envisaged that the centre would be a purpose built 300 square metres 2 storey building subject to raising matching funding and obtaining Council's approval to apply for a Heritage Lottery Fund Grant in late 2005/ early 2006. She informed Members that the Museum Resource Centre Project team had employed a fund-raiser and together they had identified potential local people and organisations for funding. She added that they were holding a launch party on 2 August 2005 at 6:30pm at St Marks College in Audley End Village and Members would be welcome to attend.

She informed the Committee of the comparisons of the Thaxted Road and Newport Depot sites and explained that the Thaxted road site offered the Council the opportunity to have a 'flagship' building on a prominent site, which would promote the districts identity and heritage. She explained that the Thaxted road site offered several advantages over the Newport Depot site mainly as it was a more visible public location, which would benefit both users and potential funders, greater proximity to the Museum and other public amenities and the opportunity to mark a main approach to Saffron Walden with a heritage amenity.

Members commented that with this challenging project it was refreshing to see a clearly laid out report that had clear evaluated options for Members to consider. They also thanked all the staff for their hard work even with the major setbacks.

RESOLVED that the Committee agreed

- 1 To the allocation of the site on Thaxted Road for the Museum Resource Centre.
- 2 That progress would be incorporated into a forward plan of the overall museum as a whole.

RE15

STATEMENT OF ACCOUNTS 2004/05

The Committee considered the report that set out the background of the requirement for Members to approve the Statement of Accounts. The Executive Manager (Finance and Asset Strategy) explained that the Accounts and Audit Regulations 2003 required Authorities to approve the 2004 – 05 statement of accounts before 31 July 2005 and to sign and date certifying that it presented the financial position of the Council and its income and expenditure for the year.

He explained that he was the Responsible Financial Officer (RFO) and therefore had the responsibility of the preparation of the Statement and to certify that it was a fair presentation. He added that the Members role was to demonstrate their ownership of the accounting statements and their confidence in the RFO and in the process by which the accounting records were maintained and Statements prepared.

He informed the Committee that the Council's General Fund revenue expenditure outturn was £110,000 less than included in the revised net budget, which was largely due to under spends on staffing budgets.

In response to questions asked by Members the Executive Manager (Finance and Asset Strategy) informed the Committee that the Council had experienced an over spend in the advertisement of vacancies mainly due to having to advertise the position of Executive Manager (Strategy and Performance) twice.

Members expressed concern regarding the pension deficit and were informed that an Officer from Essex County Council would be attending the next Scrutiny 2 meeting in October to explain the pension fund.

RESOLVED that the Committee approved the Statement of accounts for the financial year ended 31 March 2005.

RE16

FINANCIAL STRATEGY AND BUDGET PROCESS 2006/07

The Committee considered the report, which provided further details of the projected General Fund budget position for 2006/07 and possible approaches to budget prioritisation to be used in setting targets at the September meeting of this Committee. The Executive Manager (Finance and Asset Strategy) informed Members that the 2006/07 budget setting process had indicated that substantial reductions in spending and/or increases in income were likely to be required to balance the budget for 2006/07 and beyond. He added that the

timetable agreed at the last meeting indicated that spending targets for individual services would be set at the September meeting, therefore the principals would need to be agreed now.

He explained that appendix 1 contained a 3-year budget projection. He said that the figures were uncertain but gave an indication of the financial challenge facing the Council over the medium term. He added that budget reductions and/or increased income of approximately £384,000 would be required in 2006/07, and the deficit figure would continue to rise over the next two years with the Council's costs increasing by around £300,000 per annum. With the likelihood that saving would need to be made in the following two years he recommended that a 3 year indicative savings target be set rather than just a figure for 2006/07. This would enable managers to plan their resources over the medium term.

He explained the increased spending pressures on the District Council and assumed that there would possibly be an increase of 2% per annum in central government funding. He said that the government were keen respond to potential pressures on council tax levels, as any shortfall would be added to the Council's budget shortfall.

He proposed that prioritisation would be used to steer the budget reduction exercise and to address any spending pressures. He said the 60 services had been categorised into high, medium or low priorities depending on their contribution to the Corporate Plan. He said that a small number of the services had been renamed or rationalised and the Executive Programme Office and the Internal Audit Partnership had been added.

The immediate requirement of the exercise was to find £384,000 to ensure that the 2006/07 requirements were met. He explained the budgets for each category and the level of savings required. He added that for the September meeting more details of potential savings would be available and Members would need to decide whether to allow re-investment or to accept them and reduce any targets for Low Priority Services. In order to explore the detail behind the prioritisation he suggested that the Member/Officer prioritisation group should re-convene to agree the principals of a 3-year approach.

RESOLVED that the Committee:

1. Noted the possible revisions to the prioritisation approach outlined in the report.
2. Agreed the categorisation of the two new services added to the prioritisation process as outlined in paragraph 12 of the report.
3. Re-convene the Member/Officer prioritisation group, with Councillors M A Gayler, S C Jones and S Flack representing Members with the objective of developing a detailed three-year prioritisation approach to meet the overall savings targets included in the Officers report.

The meeting ended at 9:20pm.