



# Uttlesford District Council

Chief Executive: John Mitchell

## Scrutiny

**Date:** Tuesday, 25 November 2014  
**Time:** 19:00  
**Venue:** Committee Room  
**Address:** Council Offices, London Road, Saffron Walden, CB11 4ER

**Members:** Councillors G Barker, P Davies, I Evans, E Godwin (Chairman), S Harris, S Howell, D Morson, E Oliver, J Rich and D Watson.

***Please note the change of start time.***

### Public Speaking

At the start of the meeting there will be an opportunity of up to 15 minutes for members of the public to ask questions and make statements subject to having given two working days prior notice.

## AGENDA PART 1

### Open to Public and Press

- 1 Apologies for absence and declarations of interest.
- 2 Minutes of the meeting held on 7 October 2014 5 - 10
- 3 Matters arising.
- 4 Consideration of any matter referred to the Committee in relation to call in of a decision
- 5 Responses of the Executive to reports of the Committee (standing item)

6	Cabinet Forward Plan	11 - 14
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12	Any other items which the Chairman considers to be urgent	

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The agenda is split into two parts. Most of the business is dealt with in Part 1 which is open to the public. Part II includes items which may be discussed in the absence of the press or public, as they deal with information which is personal or sensitive for some other reason. You will be asked to leave the meeting before Part II items are discussed.

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**SCRUTINY COMMITTEE held at COUNCIL OFFICES LONDON ROAD  
SAFFRON WALDEN at 7.30pm on 7 OCTOBER 2014**

Present: Councillor E Godwin (Chairman)  
Councillors P Davies, I Evans, S Howell and E Oliver.

Officers: R Auty (Assistant Director Corporate Services), P Evans (Housing Business and Performance Manager), A Rees (Democratic Services Support Officer), A Taylor (Assistant Director Planning and Building Control), V Taylor (Business Improvement and Performance Officer) and A Webb (Director of Finance and Corporate Services).

Also present: Councillor H Rolfe, Ms Byrne (Tenant Scrutiny Panel) and Mr Watson (Museum Society).

**SC25 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Barker, Morson, Rich and Watson.

*The Committee agreed to move onto Item 10 and then Item 8.*

**SC26 TENANT SCRUTINY PANEL UPDATE**

The Housing Business and Performance Manager said the Tenant Scrutiny

Panel had recently held its AGM, where Ms Byrne had been elected Chairman.

Ms Byrne drew members' attention to the previous report of the Panel which contained twelve recommendations. There were now officer actions based on these recommendations and a review would be carried out once these actions had been completed. The Panel's next project will be a review of the sheltered housing service standards and the Panel hoped to provide an update of that review to the Committee in the future. The Panel had been nominated for the best new Tenant Scrutiny Panel at the National Scrutiny Awards.

In response to questions from Councillor Godwin, Ms Byrne said tenants were regularly asked what issues they felt were of most concern; however feedback was often limited, making it difficult to determine the main problems facing tenants

The Housing Business and Performance Manager said the Panel would be looking at a number of housing standards in the future. Following recommendations from a previous review, the Council had employed a dedicated voids co-ordinator. This had improved the service provided by the Council and highlighted the importance of the work undertaken by the Panel.

In response to questions from Councillor Evans, the Housing Business and Performance Manager and Ms Byrne said information about the Panel was included on the Council's website and in the Housing News tenants' newsletter.

Members discussed the Panel's role with regard to housing repairs. Members were informed that although repairs were a priority, repairs procedures were already under review and the Panel would become involved once the initial review was complete.

The Housing Business and Performance Manager told the committee of a further major project which involved transferring responsibility for taking repairs calls from the Housing department to the Customer Service Centre. This was expected to be put in place in the new year.

SC27

## **SAFFRON WALDEN MUSEUM AND CASTLE SITE DEVELOPMENT PRESENTATIONS**

### **Saffron Walden Museum**

Members received a presentation by the Assistant Director Corporate Services about the two-phase forward plan for Saffron Walden Museum. The Council did not own the Museum and the Castle was not considered part of the Museum site.

The Assistant Director Corporate Services said the Museum's staff was comprised five permanent staff members, as well as a number of casual workers and a number of volunteers. Visitor numbers had increased in the last three years, but the number had been lower so far this year.

A Visit England Survey reported an increase in positive feedback and the Museum had been nominated for, or won, a number of awards and was accredited by the Arts Council. The Museum had to apply for accreditation every three years and had been granted provisional accreditation following its submission earlier this year.

The Assistant Director Corporate Services said storage was the most pressing issue for the Museum. A new storage facility had been built at Shire Hill for a cost of £400,000, 95% of which had been funded by the Museum Society. Racking was now being installed at the store, costing £100,000. The racking was expected by installed by December and exhibits were scheduled to be moved in from January. This would complete phase 1 of the Forward Plan.

Phase 2 involved building an extension to the Museum to improve facilities for both staff and visitors. This included improved office space for staff, which in turn would free up space for displays in the existing museum building and also creating a room which could be hired by the public. It was too early to know what the likely cost or timescale would be.

## **Saffron Walden Castle**

The Assistant Director Planning and Building Control said the Castle had been identified by English Heritage as a “Building at Risk”. Consultation started with English Heritage in 2012 and following this, the Council retained architecture firm Purcell to advise it on required works. Any works required Scheduled Monument Consent from English Heritage. Although the main aim was to remove the Castle from the “at risk” register, the full vision of the project was to improve the grounds surrounding the Castle to make it an attraction in the town.

The Assistant Director Planning and Building Control said a condition survey had been completed, so the order of future works could be determined. Following this, stabilisation works took place on the west walls in 2013. These works cost £20,621, of which £20,000 was provided by English Heritage. Improvements had been made to the pedestrian access gate and work had now begun on the semaphore tower and upper wall. These works had cost £35,000 and £48,000 respectively.

Councillor Howell said he was pleased work was being carried out to remove the Castle from the “at risk” register. Previously, there had been the possibility of acquiring around £200,000 worth of match funding from English Heritage. What was the likelihood of obtaining this funding?

The Assistant Director Planning and Building Control said the Government had cut the funding of English Heritage, so the amount of match funding available had been significantly reduced. Additionally, funding was typically given to projects which could provide additional facilities for the local community. It was not yet known what the future costs would be, as work on the semaphore tower had to be completed first. Works were being undertaken to improve the view of the castle by removing trees and permission was being sought to remove the sign on the boundary wall.

### **SC28 MINUTES**

The minutes for signed by the Chairman as a correct record, subject to the amendment of “Dentre” to “Centre” in SC23.

### **SC29 BUSINESS ARISING**

#### **(i) SC22 – Active Uttlesford Sports Facility Provision Review**

The Assistant Director Corporate Services said he would ask the Community Partnerships Manager to e-mail members about progress made in contacting parish councils regarding sports clubs in their parishes.

#### **(ii) SC23 – Day Centre Review Update**

Councillor Evans said all the day centres had now been visited. The review was now exploring solutions to issues that had been raised by staff and volunteers at the day centres. The review had evaluated the centres in a standardised manner, but it was clear that all the day centres would require different solutions to each of their problems.

**SC30                   RESPONSES OF THE EXECUTIVE TO REPORTS OF THE COMMITTEE**

In response to a question from Councillor Godwin about the car parking survey, Councillor Rolfe said Cabinet would be giving a response at the next meeting of the Committee.

The Director of Finance and Corporate Services said recommendations from the Committee would be incorporated into the Cabinet report. A preliminary report would be brought to the next meeting of the Committee.

**SC31                   CABINET FORWARD PLAN**

The Assistant Director Corporate Services advised members the purpose of the Forward Plan was to advise members of upcoming decisions that would be made by Cabinet.

Members considered the list of key decisions and agreed the future decision on contractual arrangements for co-mingled dry recyclables was of potential interest to the Committee.

In response to a question from Councillor Howell, The Director of Finance and Corporate Services said the works on Bridge End Garden Culvert were because it was collapsing, not because of flooding. Alternative measures for preventing flooding had proven successful.

The Forward Plan was noted.

**SC32                   SCRUTINY FORWARD PLAN**

Councillor Evans said there were a number of problems with highways throughout the district. Communication with the County Council had generally been poor and should be examined if there was enough time to accommodate it in the Forward Plan.

The Forward Plan was noted.

**RURAL BROADBAND**

In the absence of the Economic Development Officer, the Director of Finance and Corporate Services updated members on progress made improving broadband connectivity and speed throughout the district. The



County Council's proposals for superfast broadband would only cover 93% of the district. Therefore, the Council had decided to make provision for superfast broadband itself. Following an initial grant of £30,000, Cabinet had now agreed to budget an additional £100,000 to further roll out superfast broadband.

The Council had previously provided a grant to Buzcom, the final £15,000 of which is about to be released in order to provide coverage to the western half of the district. Negotiations to acquire a lease at High Garrett Tower had so far been unsuccessful.

The report was noted.

The meeting ended at 9.15pm.



**UTTLESFORD DISTRICT COUNCIL  
FORWARD PLAN**

**KEY DECISIONS**

Decision	Decision maker	Date of decision	Documents submitted to the decision maker for consideration	Portfolio Holder	Contact officer from where the documents can be obtained
Housing Allocations Policy	Cabinet	4 December 2014	4 December 2014	Cllr J Redfern	Roz Millership, Assistant Director Housing and Environmental Services <a href="mailto:rmillership@uttlesford.gov.uk">rmillership@uttlesford.gov.uk</a>
Antisocial Behaviour Policy and Procedure	Y	Cabinet	4 December 2014	Cllr Redfern	Roz Millership, Assistant Director Housing and Environmental Services <a href="mailto:rmillership@uttlesford.gov.uk">rmillership@uttlesford.gov.uk</a>
Development Sites	Cabinet	ongoing		Cllr J Redfern	Roz Millership, Assistant Director Housing and Environmental Services <a href="mailto:rmillership@uttlesford.gov.uk">rmillership@uttlesford.gov.uk</a>
Localism Act 2011 Community Empowerment	Cabinet	Ongoing		Cllr H Rolfe	John Mitchell, Chief Executive <a href="mailto:jmitchell@uttlesford.gov.uk">jmitchell@uttlesford.gov.uk</a>

## DECISIONS TO BE TAKEN IN PRIVATE

Decision	Decision maker	Date of decision	Reason for decision to be taken in private	Portfolio Holder	Contact officer from where the documents can be obtained
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## OTHER DECISIONS

Non-Key Decision	Decision to be taken in private? (reason)	Decision maker	Date of decision	Documents submitted to the decision maker for consideration	Portfolio Holder	Contact officer from where the documents can be obtained
Climate Local Commitment	n	Cabinet	4 December 2014		Cllr Baker	Andrew Taylor Assistant Director Planning and Building Control <a href="mailto:ataylor@uttlesford.gov.uk">ataylor@uttlesford.gov.uk</a>
Conservation Area Appraisal Elmdon	N	Cabinet	4 December 2014		Cllr Barker	Principal Research Officer <a href="mailto:btice@uttlesford.gov.uk">btice@uttlesford.gov.uk</a>
Housing Allocations	N	Cabinet	4 December 2014		Cllr Redfern	Roz Millership, Assistant Director Housing and Environmental Services

Policy						<a href="mailto:rmillership@uttlesford.gov.uk">rmillership@uttlesford.gov.uk</a>
Conservation Area Appraisal Audley End	N	Cabinet	15 January 2014		Cllr Barker	Principal Research Officer <a href="mailto:btice@uttlesford.gov.uk">btice@uttlesford.gov.uk</a>
Conservation Area Appraisal Rickling & Quendon	N	Cabinet	17 February 2014		Cllr Barker	Principal Research Officer <a href="mailto:btice@uttlesford.gov.uk">btice@uttlesford.gov.uk</a>
Bridge End Garden Culvert	N	Cabinet	On-going		Cllr Chambers	Director of Corporate Services <a href="mailto:awebb@uttlesford.gov.uk">awebb@uttlesford.gov.uk</a>
Essex Energy Consortium	N	Cabinet	On-going		Cllr Redfern	Director of Public Services <a href="mailto:rharborough@uttlesford.gov.uk">rharborough@uttlesford.gov.uk</a>



## Work Programme 2014/15

Date	24 June 2014	2 September 2014	October 2014	25 November 2014	10 February 2015	24 March 2015
Standard agenda items	Consideration of any decisions called in	Consideration of any decisions called in	Consideration of any decisions called in	Consideration of any decisions called in	Consideration of any decisions called in	Consideration of any decisions called in
	Responses of the reports of the scrutiny committee	Responses of the reports of the scrutiny committee	Responses of the reports of the scrutiny committee	Responses of the reports of the scrutiny committee	Responses of the reports of the scrutiny committee	Responses of the reports of the scrutiny committee
	Leaders forward plan	Leaders forward plan	Leaders forward plan	Leaders forward plan	Leaders forward plan	Leaders forward plan
	Scrutiny forward plan	Scrutiny forward plan	Scrutiny forward plan	Scrutiny forward plan	Scrutiny forward plan	Scrutiny forward plan
Agenda items	Annual Report from the Leader	Cranwellian	Saffron Walden Museum and Castle Site Development	Budget Process – Preparatory report and briefing. Cabinet Member presentations	Budget	Health and Wellbeing Update – Peter Fentem
	Saffron Walden Museum and Castle Site Development – Scoping report	Active Uttlesford sports facility provision review – Gaynor Bradley	Rural Broadband Update – Simon Jackson	Day Centres – final report		NHS England and West Essex CCG
	Day Centres – scope	Day centre review update – Cllr Evans	Tenant Scrutiny Panel update	Cranwellian		
	Review of swimming pool scope to include sport facility provision	Air Quality Review Scope - verbal				
	East of England Ambulance Service – Invite questions	NEPT (North Essex Partnership Trust)Public and Mental Health Review Scope - verbal				2014/15 Scrutiny review and forward plan
	Planning review scope – Verbal					





At the Scrutiny Committee Meeting held at the Council Offices, London Road, Saffron Walden on Tuesday 2<sup>nd</sup> September, a resolution was passed, forming a Working Group to respond to allegations from residents arising from

1 Complaints to the Local Government Ombudsman about the Council's response to reports of unauthorised development at the site known as Cranwellian, Takeley Parish, and about its handling of a subsequent Planning Application for a Gypsy Site in the grounds of Cranwellian.

(It is now noted that Cranwellian has been excluded as a location for a Gypsy Site in the Proposed Local Plan.)

2 Complaints to the Information Commissioner about the Council's Response to a request for relevant information.

Members who volunteered to form the Working Group were Cllr Graham Barker, Cllr Paul Davies and Cllr David Morson. Cllr Morson was nominated to Chair the Group.

They were tasked with bringing back a Recommendation to the Scrutiny Meeting of Tuesday 25<sup>th</sup> November with the following terms of reference;

To find out, if anything, what went wrong.

If something went wrong what, if anything, could be done to remedy it.

What, if any, further procedures should be put in place.

Councillors G Barker, P Davies and D Morson received papers from Mr Snow. They also received considerable and detailed information from the residents, predominantly from Dr Johnson.

All three Councillors have spent large amounts of time individually reading and making notes on what has been sent.

The three Councillors met at Dunmow on Monday 22<sup>nd</sup> September to discuss the papers and files sent by Mr Snow.

They then met residents and Cllr Jones for a two hour Meeting at Takeley Community Centre on Thursday 16<sup>th</sup> October. Rebecca Dobson, Democratic Services was in attendance to make notes. Finally, Cllr G Barker and Cllr Morson spent five hours on Wednesday 5<sup>th</sup> November interviewing Officers involved.

With regard to the terms of reference the Task Group makes the following observations(

### **With regard to the Ombudsman's report**

We agreed that the Ombudsman's Report lacked clarity. The Ombudsman states that he did not possess technical expertise in planning decisions and acknowledged that Officers of the Council made professional judgements. He then implies these could have been made differently, but does not elaborate with further detail. Nevertheless, for reasons that are not clear to the Task Group, he concludes that the Council was at fault.

Mr Snow stated for the first time in his experience, he needed to ask the Ombudsman for clarification. This resulted in a focus on drainage issues. Officers claim, however, that the Ombudsman's comments on drainage lacked specific expertise and relevant understanding. These were largely based on Dr Johnson's understanding in a communication to Phil Hunt of 2007,

believing that the ditch which had been removed, drained water away in to a central system. Subsequent investigations by the Council concluded that this was not the case. The ditch had a holding function for water, but not a drainage function.

In this context, the Task Group is aware that residents would like the ditch to be re installed as they believe that such a holding function would prevent flooding on their properties. This has been discussed with Officers, who accept that this may be the case. The problem is that there is no definitive proof that the water flow comes from Cranwellian. Residents argue that because of historic circumstances and the level of land this is the most likely source. If approved, the ditch would have to be re constructed on Mr Jones' land. If he did not agree, Essex County Council would have to be involved, but only would only become so if there was definitive proof which the Council believes is not possible to ascertain.

The Task Group feels the Ombudsman misinterpreted this issue and also failed to acknowledge that the Council had taken action to resolve matters with the Conditions imposed in the Temporary Planning Consent.

In relation to the Ombudsman's criticism that the Council should have carried out a full investigation of drainage before the initial Planning application was considered. Mr Harborough however, states the Councils' actions were in perfect accordance with Planning law. He acknowledged that this may not have been best practice, but nevertheless was accepted practice.

When the Task Group asked why the Council accepted the Ombudsman's findings of it being at fault and in paying the recommended compensation, it was clear that the Officers felt uneasy. The Task Group was told that as the Ombudsman refused to retract findings and would publish the Report regardless and that it was therefore, "expedient" for the Council to accept the findings.

The Task Group feel that if the Council was not at fault it should not have accepted this decision.

The Task Group has seen a letter from the Ombudsman written to Dr Johnson, apologising that he "could not have done more", but which was, however a clear statement that he now considered the matter closed..

### **With regard to the issue of land contamination**

The Task Group is satisfied that Mott Mc Donald's Landfill Waste Assessment Report and the HESI Report did not identify the deposited waste as being hazardous. They are also satisfied that the samples taken in both Reports were sufficiently widespread and of sufficient depth to satisfy issues of representative-ness throughout the site.

We were also informed by Ann Lee Moore of a significant typing error on page 42 of Mott Mc Donald's draft Land Waste Assessment Report which should have read substances "do not breach the threshold", rather than "do breach".

We understand that Dr Johnson was copied in to an e mail to this effect from Peter Kirton on 27<sup>th</sup> January 2014.

The Task Group understands that the land contains presumed building waste, but believe reports show it not to be "hazardous", "harmful" or "toxic".

The Residents complain of rainwater flooding their gardens and are concerned that this water may be contaminated by leachate from the waste. The Task group believe that this water should be analysed.

### **With regard to Enforcement Prosecution Matters,**

The Task Group is satisfied that the Council has done everything in its power to enforce the recommendations of the Environment Agency following its decision not to continue with their prosecution because of insufficient evidence. The Task Group is convinced that the Council was strongly determined to prosecute, but similarly lack sufficiently robust evidence regrettably resulted in UDC not to be able to do so.

As a result, the Prosecution file was closed by Sonia Williams and Roger Harborough in April 2011.

During late 2012, following a meeting with the Chief Executive, a number of complaints about planning issues were made by Dr Johnson. These were investigated by the UDC Chief Executive and the Head of Planning. These were then investigated by Planning and Enforcement who concluded that they related to minor matters which did not result in a “planning harm” and after visits by Sonia Williams (Enforcement), were signed off by Nigel Brown in 2013 as not being “expedient”.

The use of the word “expedient” was debated by the Task Group and Officers. It relates to wording used in planning law to describe potential harm as a result of Planning considerations, but it was agreed that it was not a very precise description

### **With regard to complaints in relation to the Information Commissioner:**

Following a request for information, from Dr Johnson, under Environmental Information Regulations, the Council supplied of the information but some items were withheld on “data protection grounds”.

The Task Group believes Dr Johnson was correct that the Council did not provide all the information, albeit as Mr Perry stated, that information withheld related to data protection issues.

As a result, Dr Johnson asked for an internal review which Mr Perry states upheld the Council’s decision on the exceptions. Dr Johnson subsequently appealed to the Information Commissioner who found in the Council’s favour.

Dr Johnson then made an appeal to the First Tier Tribunal. This was opposed by the Information Commissioner, as it introduced new grounds which he had not adjudicated on and bore no relation to his original decision. However, the Tribunal indicated that it would accept the appeal, but suggested that rather the Parties may wish to mediate.

Subsequently, Dr Johnson and Cllr Jones met with Mr Perry. At this Meeting, Mr Perry accepted that the Officer dealing with the request for information had been “overzealous” in redacting information. He promised a revision of procedures, ensuring a robust audit trail to demonstrate that all data request exceptions were approved by UDC legal services.

Additionally, there would be retraining of staff on the handling of exceptions. As a result, Mr Perry stated that Dr Johnson agreed to withdraw her appeal to the Tribunal, it thus being dismissed by consent. That is, as a result of the proposals being accepted as an agreed remedy by both parties in order to prevent a repeat of these occurrences. The Task Group has been informed that this Training Programme has commenced.

### **Conclusions**

1. The Task Group concludes that on all substantive outcomes, there was no wrong doing by the Council or its Officers.

2. The Task Group strongly believes that closer communication with residents about process, could have led to an improved relationship with the Residents, but is uncertain if anything would have changed the outcomes

3 Residents' criticisms of the alleged unprofessional practices of UDC Staff on site in the early stages of the development if founded, were regrettable. However, the decision of the Council to prosecute enforcement, illustrated their determination to deal with any wrong doing.

4 There could have been closer relationships between the Council and the Environment Agency. However, the Task Group accepts the premise that whilst the Environment Agency was proceeding to prosecution, there was no role for UDC Officers. There is also a robust email trail of evidence showing that the Council did a great deal to contact and work with the Environment Agency. The decision by the Environment Agency not to prosecute appears to have only been communicated to UDC after a chasing email from Sonia Williams

5 The Council should not have accepted the Ombudsman's findings for reasons of expediency.

6 However, the Council has apologised to the Residents and has paid them the sums of money suggested by the Ombudsman to compensate.

7 We note that the Reports' commissioned are satisfied with the lack of hazardous toxicity and that sampling has been representative. However, the Task Group recommend a water sample test be carried out on residents' land.

8 The Task Group acknowledges alleged issues of redaction, but is satisfied, as it seems is Dr Johnson, that subsequent procedures have now been put in place to avoid such a reoccurrence.

As a result, the Task Group recommends to the Scrutiny Committee that no further action be taken by Scrutiny in this matter and it should be closed as far as the Council is concerned.

Cllr David Morson.

Cllr Graham Barker

Cllr Paul Davies.

11<sup>th</sup> November 2014

**Committee: Scrutiny Committee**

**Agenda Item**

**Date: 25 November 2014**

**9**

**Title: Financial Outlook and 2015/16 Budget Strategy**

**Author: Adrian Webb  
Director of Finance and Corporate Services**

Item for information

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### **Summary**

1. In previous years this document has been approved by Cabinet in advance of it coming to Scrutiny as part of the 2015/16 Budget Process. This year the document is coming to Scrutiny as part of a pre-Scrutiny process before going forward to Cabinet on 4 December 2014.
2. Attached is a draft strategy which in effect is a mid-year Medium Term Financial Strategy.
3. The views of Scrutiny will be presented to Cabinet at their meeting on 4 December 2014.

### **Recommendations**

4. That the Scrutiny Committee recommends to Cabinet that the Strategy is approved.

### **Financial Implications**

5. None at this stage.

### **Background Papers**

6. None.

### **Impact**

Communication/Consultation	Public consultation and business ratepayers consultation is carried out as part of the budget process.
Community Safety	None
Equalities	An Equalities Impact Assessment will be completed as part of the budget process.
Health and Safety	None
Human Rights/Legal	It is a legal requirement to produce a balanced

Implications	budget.
Sustainability	Budgets must be drawn up in the context of the Council's Medium Term Financial Strategy.
Ward-specific impacts	None
Workforce/Workplace	None at this stage

## Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
A detailed risk assessment shall accompany the budget proposals. There are no specific risks at this stage.			

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.



# Uttlesford District Council

## Financial Outlook and 2015/16 Budget Strategy



**Prepared by:**  
**Finance Section**  
**Uttlesford District Council**  
**November 2014**







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## Financial Outlook

Budget planning this year is again characterised by uncertainty about government funding and local government finance generally. Root and branch reform of the funding system continues apace with localisation of Business Rates and Council Tax support having taken effect from 1 April 2013. The local government finance system has radically altered such that councils' funding depends directly on growth and prosperity in their local economies. Further adjustments are expected to both New Homes Bonus and localisation of business rates following the general election.

Firm numbers to inform the budget will not be available until the Local Government Finance Settlement is published, anticipated for early December. Meanwhile, during the summer and autumn the government has issued various publications that enable their thinking to be interpreted and estimates to be made.

The numbers in this report are based upon these interpretations and are therefore subject to change when the settlement is published.

When preparing this document, a number of significant assumptions have been made. For clarity these are set out below along with potential consequences if the assumptions prove to be incorrect

- a) **New Home Bonus (NHB)** – This is the major uncertainty in the budget forecast; New Homes Bonus income which is £2.9m in 2014/15 and forecasted to be £3.4 million in 2015/16. This is a variable item and depends upon the number of new homes entering the Council Tax system. The format of the scheme in future years will be determined by the result of the general election next year. Terminology being used by the main parties range from “reform” to “scrapping”. There is little or no talk of it staying in the current format. Whatever the outcome of the election there is a high risk that the amount of funding received by this council will be significantly reduced. It is unlikely that any revision to the scheme will take place before 2017/18 and it is on this assumption that the model is based. If in fact changes are made to 2016/17 (i.e. the first full year of a new government) then the forecast surplus will be significantly smaller.
- b) **Localisation of Business Rates** – whilst some change to the current scheme is expected, it is assumed that it will not be significant. The scheme has a “safety net” element so unless this is removed or significantly reduced, potential impact on the council budget is limited.
- c) **Universal Credit** – It is assumed that Universal Credit will be implemented on the current timescales. If there is any delay this will have a significant impact on the council's budget as the forecasted reduction in the Working Balance Reserve is entirely due to the fact that the council budget will reduce following the introduction of Universal Credit.

Taking all of this into account, the indications at this stage are that the council has a stable budget outlook for 2015/16, in which an in-year surplus is forecasted. Assuming that the criteria for both New Homes Bonus and localisation of Business Rates will not change before 2017/18, then 2016/17 will also show an in-year surplus. Thereafter the position is far less certain.

## Public Consultation

This is the fourth year that a consultation asking for residents' views on the headline priorities for setting the budget has been run. Information about the budget setting process and the survey was distributed to every household in the district in the council's magazine *Uttlesford Life* and, as part of the authority's drive towards channel shift, the 2014 survey was also available through an online questionnaire which was publicised on the website and in press releases. A small number of additional copies of *Uttlesford Life* were distributed to libraries and the council's CIC points across the district to ensure that all residents would have a chance to taking part even if they had lost their original issue of the magazine. A copy of the survey was not, this year, included in the summer Citizens Panel questionnaire as it was considered that panellists could respond independently. 196 people responded to the survey, the results are detailed below.

Questions posed in the 2014 budget consultation are similar to those asked in previous years and take account of the council's long term strategy as promoted in the Corporate Plan 2014-19. Residents were asked to indicate their preferences for the three priority areas that they felt the council should be concentrating on, based on a list of the key corporate objectives. An additional option was provided to permit consultees to record an objection to the council pursuing any of the aforementioned priority options.

### Results

The results of the survey were analysed using a rating system which weighted the responses selected by residents. Rating is a system particularly recommended by Snap Surveys following the introduction of Version 11 of their software earlier in 2014. This system is used to collate the majority of the council's general survey work throughout the year and was employed on the analysis of the current Council Spending Survey results.

A rating system is an appropriate analysis tool for the Council Spending Survey since the same area of spending might have been chosen by different respondents at a different level of priority; more weight is thus given to that selection if it is selected as the highest priority than if the same spending area is still chosen as priority, but at a lower level. Consequently, a fair analysis is achieved by allocating three points to each vote for the highest priority, two points to each vote for the second highest priority and one point to each vote for the third highest priority. The consequent results appear in the following table:

Priority	Spending Area
Highest priority	[A] "Keep Council Tax as low as possible while maintaining or improving services and providing support to the vulnerable"
Second highest	[G] "Work with Essex County Council to ensure our roads are maintained to a good standard"
Third highest	[B] "Continue with sound financial management to ensure the council remains financially stable"
Don't do	[K] "Work with the owners of Stansted Airport to ensure economic and social benefits while maintaining vigilance against a second runway"

These results demonstrate that amongst respondents to the spending consultation there was a marked preference for “Keep[ing] Council Tax as low as possible while maintaining or improving services and providing support to the vulnerable”. This spending area scored highest using the rating scale, with a total of 239 points out of a total weighted score across *all* of the spending areas of 1,161 (20.59%). This represents a change from the previous three years when “continuing with sound financial management” had been consistently selected as the primary direction of travel for the council’s budgetary provision<sup>1</sup>. The result is perhaps indicative of an overall appreciation of the council’s current financial stability and approbation for the established policies of cutting Council Tax by 1% in 2013/14 and by a further 2% in 2014/15.

Caring for the local transport infrastructure formed the headline view for the second highest spending priority. Using the rating system to analyse the results, “Work with Essex County Council to ensure our roads are maintained to a good standard” scored 182 points out of a possible 1,161 (15.68%). The same ranking was attributed to this spending area by the results of the 2013 survey. However, then it was jointly tied with concerns over the provision of affordable housing. In 2014, that option (rendered as question F in the survey - “Provide affordable housing for local people through a robust Local Plan”) had slipped down in its ranking and scored only 10.85% using weighted scores.

All of the spending areas listed in the survey were chosen by consultees at all three levels of priority. “Continu[ing] with sound financial management to ensure the council remains financially stable” came in with the third highest figure when using weighted scores, since it had also been chosen by a significant proportion of survey participants as either their highest or second highest spending priority. Although no longer in the “highest priority” position, which it had occupied during the previous three years, these results indicate it remains a matter of importance to residents who chose to participate in this year’s survey.

Respondee were also offered the option to select a category of spending where they considered the council should be curtailing resources. Since consultees were only asked to select one category, using a rated system to analyse results would not be appropriate. The results used are thus straight percentage scores. In 2013, there was a marked opinion by 25.9% that the council should not be allocating funds to “Work more closely with the business community to benefit the local economy”. In 2014, though, only 5.3% voiced concern over comparable initiatives rendered in the survey as option I - “Encourage business growth in West Essex ...”. Instead there was a demonstrable shift of opinion by 28% of respondees that the council should not be devoting resources to “Work with the owners of Stansted Airport to ensure economic and social benefits while maintaining vigilance against a second runway”.

The full version of the consultation report can be found on the Uttlesford District Council website at [www.uttlesford.gov.uk/finance](http://www.uttlesford.gov.uk/finance)

There is a statutory requirement to undertake business ratepayers consultation which as in previous years will be undertaken during November/December via correspondence with the key business representative groups in Uttlesford.

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<sup>1</sup> In 2013 36.7% indicating that they felt this area of spending should be the council’s highest priority. This was a continuation of the trend, though with a slight decrease, established in 2011 and 2012 when 51.8% and 45.7% so rated this option.

## Budget Model

To inform the financial outlook for UDC, a detailed budget model is used. The following are key assumptions used in the model.

- a) **Gross service expenditure:** Uses the 2014/15 base budget as a starting point and one-off items removed. Assumptions about annual inflation for 2015/16 are used: staff pay 2.2%; utilities 5%; contractual indexation 2.5% (unless specified otherwise); price inflation 2%.
- b) **Gross Service Income:** Again uses the 2014/15 base budget as a starting point. Assumed price inflation 2% for fees and charges except where special arrangements apply e.g. car park charges and taxi licences.
- c) **Universal Credit** – assumed that Housing Benefits expenditure and subsidy will start to phase out of the UDC budget in 2015/16 and this process to complete by 2017/18.
- d) **Service demand** – because of growing population and housing numbers, it is prudent to assume greater demand for council services such as refuse and recycling, revenues collection, etc. A cumulative figure of £50,000 pa has been used.

£000	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
<b>Gross service expenditure</b>	34,275	35,443	31,772	25,106	19,787	18,811
<b>Gross service income</b>	-24,920	-25,519	-21,500	-14,407	-8,639	-7,176
<b>Service demand</b>	0	50	100	150	200	250
<b>Net service expenditure</b>	<b>9,355</b>	<b>9,974</b>	<b>10,372</b>	<b>10,849</b>	<b>11,348</b>	<b>11,885</b>

- e) **Corporate items:** Pension Fund deficit payment – inflationary increase. Capital Financing Costs – in line with expected capital expenditure financing requirements. Investment Income – nominal sum only due to continued low interest rates and prudent investment policy. Recharges to HRA – no change in methodology.

£000	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
<b>Pension Fund</b>	1,212	107	107	507	532	557
<b>Capital Financing</b>	1,780	1,600	1,342	1,104	1,515	1,509
<b>Collection Fund Balance</b>	-256	0	0	0	0	0
<b>Recharge to HRA</b>	-1,403	-1,450	-1,450	-1,450	-1,450	-1,450
<b>Investment income</b>	-55	-50	-50	-50	-50	-50
<b>Total corporate items</b>	<b>1,278</b>	<b>207</b>	<b>-51</b>	<b>111</b>	<b>547</b>	<b>566</b>

**Government Funding Assumptions**

- f) **Specific grants:** Assumed no change to PFI, Homelessness and NNDR collection costs funding. Housing Benefits subsidy at 98% of expenditure, phased out from 2015/16. Benefits admin subsidy reduced to reflect onset of Universal Credit
- g) **Council Tax Freeze Grant** – The Government has announced that Council Tax Freeze Grant awarded from 2013/14 onwards will continue to 2015/16, at the level of 1% which for UDC is approximately £50,000. Assuming that the council freezes its Council Tax in 2015/16 a further award will be made. It is possible that the awards will be rolled into formula grant from 2016/17 onwards, but as this has not been confirmed it is prudent not to assume that for the time being.

£000	2014/15	2015/16	2016/17	2017/18	2018/19
<b>Council Tax Freeze Grant 2013/14</b>	50	50	-	-	-
<b>Council Tax Freeze Grant 2014/15</b>	50	50	-	-	-
<b>Council Tax Freeze Grant 2015/16</b>	-	50	-	-	-
<b>Total</b>	<b>100</b>	<b>150</b>	-	-	-

- h) **Localisation of Business Rates** – Under most foreseeable scenarios the amount retained by UDC shall be between £1.3m and £1.5m. The figures assumed in the model are based on incremental growth from the 2014/15 baseline position. In the event of gross revenue reduction e.g. because of the Diamond Hangar case, or additional discretionary rate relief being granted, the amount retained by the council would reduce.

£000	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
<b>Retained business rates</b>	1,279	1,360	1,387	1,415	1,443	1,472

- i) **Formula Grant:** 2015/16 figure based on indicative sum published by DCLG in late 2013. The model assumes Formula Grant is nil by 2019/20 and is profiled accordingly.

£000	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
<b>Formula Grant</b>	1,643	1,155	750	500	250	0

- j) **New Homes Bonus:** Assumes that the scheme will continue in line with the existing published methodology. The council will be rewarded by around £1,456 pa for six years for each new home brought into the Council Tax system. There are two major uncertainties here. NHB is a six year scheme and the MTFs period goes beyond the sixth year. Based upon predictions of housing growth consistent with the latest Local Plan Statement the estimated NHB funding is as shown on the next page.

MTFS PERIOD									
£000	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
2011/12 award	714	714	714	714	714	714			
2012/13 award		534	534	534	534	534	534		
2013/14 award			794	794	794	794	794	794	
2014/15 award				835	835	835	835	835	835
2015/16 provisional					592	592	592	592	592
2016/17 provisional						551	551	551	551
2017/18 provisional							837	837	837
2018/19 provisional								1,265	1,265
2019/20 provisional									1,270
<b>TOTAL NHB</b>	<b>714</b>	<b>1,248</b>	<b>2,042</b>	<b>2,877</b>	<b>3,469</b>	<b>4,020</b>	<b>4,143</b>	<b>4,874</b>	<b>5,350</b>

### Council Tax

- k) The Administration has given informal guidance that UDC's Council Tax should be frozen in 2015/16 and 2016/17, thereafter to plan on the basis of a 2% annual increase from 2017/18. The Administration shall be looking carefully at the council's finances during the next 2 to 3 years and will take appropriate and responsible decisions depending on the circumstances at the time. Tax base assumptions are in line with housing growth forecasts and an estimate of LCTS discounts and additional income arising from reducing discounts on second homes and empty homes. These assumptions give rise to the forecasts below.

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Tax Base	34,854	35,164	35,489	36,091	37,051	38,062
LCTS discounts	-2,420	-2,320	-2,220	-2,220	-2,220	-2,220
Extra taxbase from changing discounts	248	248	248	248	248	248
<b>Tax Base (net)</b>	<b>32,826</b>	<b>33,361</b>	<b>33,824</b>	<b>34,547</b>	<b>35,665</b>	<b>36,482</b>
<b>UDC Band D</b>	<b>£143.03</b>	<b>£143.03</b>	<b>£143.03</b>	<b>£145.89</b>	<b>£148.81</b>	<b>£151.79</b>
<b>Planning assumptions</b>	<b>- 2%</b>	<b>Freeze</b>	<b>Freeze</b>	<b>+2%</b>	<b>+2%</b>	<b>+2%</b>
<b>Council Tax income</b>	<b>£4.695m</b>	<b>£4.772m</b>	<b>£4.838m</b>	<b>£5.040m</b>	<b>£5.307m</b>	<b>£5.538m</b>

## Financial Outlook and 2015/16 Budget Strategy

Cumulative CPI inflation since April 2010 (date of last UDC Council Tax increase) to August 2014 (latest published inflation data) is 12.35%. Projecting this forward to April 2015 gives an estimated cumulative inflation from April 2010 to April 2015 of 12.5%. If a freeze is approved by the council, the district Band D figure will have reduced by 3% during this period. This would represent a real terms reduction in the UDC precept of 13.8% since 2010.

(2010/11 Band D £147.42 + 12.5% = £165.85. £143.03 is 86.2% of £165.85. Real terms reduction therefore of 13.8%.)



## Outcome of Budget Modelling

	Outturn 2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Gross service expenditure	34,275	35,443	31,772	25,106	19,787	18,811
Gross service income	-24,920	-25,519	-21,500	-14,407	-8,639	-7,176
Demand growth	0	50	100	150	200	250
<b>Net service expenditure</b>	<b>9,355</b>	<b>9,974</b>	<b>10,372</b>	<b>10,849</b>	<b>11,348</b>	<b>11,885</b>
Capital financing costs	1,780	1,600	1,342	1,104	1,515	1,509
Pension fund deficit	1,212	107	107	507	532	557
Recharge to HRA	-1,403	-1,450	-1,450	-1,450	-1,450	-1,450
Other corporate items	-311	-50	-50	-50	-50	-50
<b>Total budget</b>	<b>10,633</b>	<b>10,181</b>	<b>10,321</b>	<b>10,960</b>	<b>11,895</b>	<b>12,451</b>
<b>Funding</b>						
Business Rates Retention	-1,279	-1,360	-1,387	-1,415	-1,443	-1,472
Council Tax Freeze Grant*	-50	-100	0	0	0	0
DCLG - Other Funding	-44	0	0	0	0	0
Flood Support Scheme	-27	0	0	0	0	0
Formula Grant	-1,643	-1,155	-750	-500	-250	0
New Homes Bonus	-2,877	-3,469	-4,020	-4,143	-4,874	-5,350
<b>Total Funding</b>	<b>-5,920</b>	<b>-6,084</b>	<b>-6,157</b>	<b>-6,058</b>	<b>-6,567</b>	<b>-6,822</b>
<b>Net Operating Expenditure</b>	<b>4,713</b>	<b>4,097</b>	<b>4,164</b>	<b>4,902</b>	<b>5,328</b>	<b>5,629</b>
<b>Movement in Reserves</b>	<b>-319</b>	<b>-93</b>	<b>-239</b>	<b>-260</b>	<b>-193</b>	<b>-109</b>
<b>COUNCIL TAX REQUIREMENT</b>	<b>4,394</b>	<b>3,937</b>	<b>3,934</b>	<b>4,772</b>	<b>5,198</b>	<b>5,519</b>
<b>COUNCIL TAX INCOME</b>	<b>-4,695</b>	<b>-4,772</b>	<b>-4,838</b>	<b>-5,040</b>	<b>-5,307</b>	<b>-5,538</b>
<b>In year surplus (-) / deficit</b>	<b>-301</b>	<b>-768</b>	<b>-913</b>	<b>-398</b>	<b>-172</b>	<b>-18</b>

\* The £50,000 of Council Tax Freeze Grant for 2015/16 is incorporated in the income figure of £25,519. The £100,000 is the 2<sup>nd</sup> and 3<sup>rd</sup> years of the 2013/14 and 2014/15 awards.

The forecasts show:

- An in-year surplus of £768,000 for 2015/16 and £913,000 for 2016/17
- Significantly decreasing in-year surplus for each of the following three years.

These figures represent a “best case” scenario. It is emphasised that all forecasts, in particular those about government funding, are not based on firm information and figures from 2016 onwards especially are (informed) conjecture. The model is unavoidably full of assumptions about the future which obviously may prove to be correct, optimistic or pessimistic.

As set out on page 3 it is highly likely that New Homes Bonus will at best be reformed and at worst scrapped and replaced with an alternative form of formula grant. Below are the effects of a 10%, 20% and 30% cut in NHB from 2017/18 (whilst this refers to NHB it should be interpreted as a cut in government funding).

a) 10% cut

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
In year surplus (-) / deficit	-301	-768	-913	-398	-172	-18
10% cut in NHB	0	0	0	415	488	535
Revised surplus (-) / deficit	-301	-768	-913	17	316	517

b) 20% cut

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
In year surplus (-) / deficit	-301	-768	-913	-398	-172	-18
20% cut in NHB	0	0	0	829	975	1070
Revised surplus (-) / deficit	-301	-768	-913	431	803	1,052

c) 30% cut

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
In year surplus (-) / deficit	-301	-768	-913	-398	-172	-18
30% cut in NHB	0	0	0	1,243	1,463	1,605
Revised surplus (-) / deficit	-301	-768	-913	845	1,291	1,587

The red highlighted areas are shortfalls in budget which would have to be met from service savings in the long term, covered by use of reserves in the shorter term. For clarity, taking a 20% cut in grant would mean savings required of £431,000 in 2017/18, an additional £803,000 in 2018/19 and a further £1,052,000 in 2019/20.

Subject to further analysis and, in particular, confirmation of the Local Government Finance Settlement, it is felt that the council should prudently work to the assumption that the position for 2015/16 and 2016/17 are as set out in this report, but for following years sufficient reserves should be maintained to cover the eventualities that may arise from the 2015 General Election. The council should continue to look for service savings and cost-sharing options as opportunities arise.

At the time of writing, the Administration has not yet set out its plan for using the 2015/16 surplus; the forecast surplus in 2016/17 should be set aside to cover any reduction in government funding. Once the new funding position is known a revised plan for that surplus can be established.

This is a risk-based approach, given that the uncertainties arising from the General Election are too many to reasonably try to quantify. Having reserves of at least £2m will enable the worst case scenario identified on the previous page to be managed.

Because of the degree of estimation involved and the longer term projections referred to in the preceding paragraphs, it will be absolutely essential to maintain strong financial discipline around all aspects of the council's costs and income. The council must ensure it is in a strong position to anticipate and adapt to funding outcomes that differ from what is currently assumed. Therefore any decision to incur additional costs (e.g. service investment) or to reduce income (e.g. fees & charges reductions) must be fully funded by sustainable cost savings and/or additional income elsewhere in the council's budget.

## Reserves

Total General Fund usable reserves during this five year model are estimated to reduce from £7m to £5.6m. This excludes any in-year surpluses or deficits. A schedule of forecasted reserves balances is set out below.

£000	31.3.2014 Actual	31.3.2015 Forecast	31.3.2016 Forecast	31.3.2017 Forecast	31.3.2018 Forecast	31.3.2019 Forecast	31.3.2020 Forecast
Working Balance	1214	1,214	1,281	1,122	842	629	580
<b>USABLE RESERVES</b>							
<u>Financial management Reserves</u>							
Budget Equalization	1416	668	668	668	668	668	668
Change Management	923	923	923	923	923	923	923
Council Tax Freeze Grant	174	225	225	225	225	225	225
Budget Slippage Reserve	28	28	28	28	28	28	28
<u>Contingency Reserves</u>							
LGRR Contingency	1385	1,458	1,358	1,258	1,258	1,258	1,258
Emergency Response	140	140	140	140	140	140	140
Municipal Mutual Insurance	51	51	51	51	51	51	51
NHB Contingency	790	632	632	632	632	632	632
<u>Service Reserves</u>							
Planning	935	952	952	952	952	952	952
Neighbourhood Front Runners	57	57	57	57	57	57	57
Waste Management	300	300	300	300	300	300	300
Homelessness	101	84	84	84	84	84	84
Economic Development	220	170	170	170	170	170	170
Licensing	47	22	22	22	22	22	22
Elections	67	87	27	47	67	87	27
Hardship Fund	100	100	100	100	100	100	100
NHB Community Projects	15	15	0	0	0	0	0
Strategic Initiatives Fund	0	318	0	0	0	0	0
Access Fund	0	200	0	0	0	0	0
<b>TOTAL USABLE RESERVES*</b>	<b>6,749</b>	<b>6,430</b>	<b>5,737</b>	<b>5,657</b>	<b>5,677</b>	<b>5,697</b>	<b>5,637</b>

\* Excludes Working Balance.

A review of reserves, their purpose, risks and lifespan is scheduled as part of the 2015/16 budget setting process. This will enable the creation of a Reserves Strategy.

## Housing Revenue Account

2015/16 shall be the fourth year of self-financing. The HRA Business Plan sets out estimates of revenue headroom and how this will be invested, including improvements to the council's housing stock, and new build including the development of Mead Court and garden sites.

The key issues for 2015/16 will be:

- ensuring that delivery of the HRA Business Plan is on course
- maintaining clear plans which demonstrate how headroom is to be used.
- applying UDC rent setting policy and ensuring that income is maximised where appropriate
- monitoring the effects of Right To Buy invigoration
- ensuring that the Housing Service has the capacity to deliver the plan.

In the event of slippage in the use of revenue headroom, the council will need to consider whether to pay off a proportion of the £88.4m debt it has been required to take on under the self-financing reform. The debt has been structured so that it is repaid in years 6 to 30 i.e. from 2017/18 to 2041/42. However, up to £10m can be paid off early without financial penalty.

## Key Actions and Budget Strategy for 2015/16

The following are the key actions and assumptions that will inform the 2015/16 budget process:

- a) To take account of budget consultation results when drawing up budget proposals.
- b) To plan on the basis that the UDC Council Tax will be frozen for 2015/16.
- c) To maintain, and seek opportunities to enhance, support for the voluntary sector.
- d) Unless there is a significant change in circumstances, not to require any cuts in services to make financial savings, although efficiency savings will continue to be sought.
- e) To introduce and implement a new Reserves Strategy that takes account of areas of priority.
- f) To strive to achieve better accuracy at the time of annual budget setting (the council is currently forecasting to spend 97.2% of the 2014/15 outturn budget).
- g) Continue to implement the HRA Business Plan.

**Committee: Scrutiny Committee**

**Agenda Item**

**Date: 25 November 2014**

**10**

**Title: 2015/16 Budget Setting Process**

**Author: Adrian Webb  
Director of Finance and Corporate Services**

Item for information

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## Summary

1. At its meeting on 10 February 2015, the Scrutiny Committee will be invited to comment on detailed proposals for the 2015/16 budget, ahead of consideration by the Cabinet on 17 February and determination by the Full Council on 26 February.
2. This report provides an overview of the budget setting process and the documentation that will be coming forward for review. There are pointers for the sorts of issues the Scrutiny Committee may wish to consider.
3. The Scrutiny Committee's role is to provide an independent endorsement of the proposals prior to consideration by Cabinet, or to suggest alternatives. This is ordinarily an apolitical process; alternative budget proposals from Opposition Members should be formulated away from the Scrutiny process and presented to Cabinet and Full Council at the appropriate time.

## Recommendations

4. None.

## Financial Implications

5. None.

## Background Papers

6. None.

## Impact

Communication/Consultation	Public consultation and business ratepayers consultation is carried out as part of the budget process.
Community Safety	None
Equalities	An Equalities Impact Assessment will be completed as part of the budget process.
Health and Safety	None

Human Rights/Legal Implications	It is a legal requirement to produce a balanced budget.
Sustainability	Budgets must be drawn up in the context of the Council's Medium Term Financial Strategy.
Ward-specific impacts	None
Workforce/Workplace	Some budget proposals may affect staff e.g. efficiency savings requiring different ways of working.

### Budget setting process and timetable

7. The 2015/16 budget relates to the financial year that will run from 1 April 2015 to 31 March 2016. The Full Council meeting on 26 February will set the budget, taking into account recommendations from the Cabinet. The Scrutiny Committee will have an opportunity to review the budget proposals before the Cabinet determines its recommendations.
8. The following are the key steps taken to draw up the budget:

July 2014	Public consultation carried out
November 2014	Financial forecasts updated
November 2014	Business ratepayers consultation initiated Pre-Scrutiny of the Financial Outlook and 2015/16 Budget Strategy (last report) Briefing for Scrutiny Committee (this report)
December 2014	Financial Outlook and 2015/16 Budget Strategy approved by the Cabinet taking into consideration any guidance from this Scrutiny meeting Provisional Local Government Finance Settlement released by DCLG
January 2015	Finalisation of budget proposals Confirmation of Local Government Finance Settlement
February 2015	Formal consideration of budget proposals by Members; Scrutiny Committee, Cabinet and Full Council
March 2015	Council Tax bills issued
1 April 2015	Financial year commences



## **Budget papers for consideration by Members**

9. Below is a summary of the separate components of the budget papers and suggestions for the types of issues the Scrutiny Committee may wish to consider. These suggestions are neither compulsory nor exhaustive.

### **10. Housing Revenue Account (HRA)**

#### **Summary**

- a) Deals with budgets for council housing only, which by law are kept in a separate ringfenced account, separate from other council services.
- b) Expenditure on council housing is funded by rents and service charges payable by council tenants.
- c) HRA finances underwent substantial reform on 1 April 2012. Negative housing subsidy was abolished, replaced by the Council having to take on a share of the national housing debt. The result is that the HRA has significant levels of revenue headroom in its budget.
- d) The HRA has a 30-year business plan which sets out plans to maintain and improve housing stock and provide services to tenants, and plans for funding new council houses. The business plan allocates the revenue headroom and ensures that the debt is repaid within the 30-year period.
- e) HRA budgets are discussed by the Tenants Forum and Housing Board prior to consideration by Cabinet.

#### **Possible issues for consideration by Scrutiny:**

- Do the proposals have the support of council tenants?
- Is the rationale for proposed rent & service charge increases clearly explained and justifiable?
- Are there clear plans for the use of revenue headroom that deliver useful outcomes within reasonable timescales?

### **11. Treasury Management**

#### **Summary**

- a) Including monies collected for other organisations, over £125m flows in and out of the Council's bank accounts each year. Inevitably, temporary cash surpluses arise.

- b) In addition, the Council holds financial reserves, including its own balances, and S106 funds.
- c) Treasury management is the process by which these cash flows and balances are managed. The prime objective is to ensure security of funds, secondary priorities are to ensure sufficient liquidity to enable commitments to be met, and capacity to earn income on the balances held.
- d) The Council is required to approve a Treasury Management strategy that ensures appropriate risk management including a safe approach to investing surplus funds. This has particular importance in wake of the Icelandic banking crisis in 2008, and volatility in the industry generally.
- e) Treasury management strategy also governs how long term borrowing is used to fund capital expenditure.
- f) The strategy is accompanied by mandatory “prudential indicators” which are technical measures of the affordability and sustainability of the Council’s borrowings and investments.
- g) The Council is advised in its treasury management activity by leading independent experts, Arlingclose Ltd.

**Possible issues for consideration by Scrutiny:**

- Is the strategy consistent with advice provided by Arlingclose?
- Does the strategy ensure that the Council’s exposure to risk is appropriate and properly managed? Has the right balance been struck between safeguarding funds and earning a return?
- What do the prudential indicators say about the appropriateness of the Council’s plans?

## **12. Capital Programme**

### **Summary**

- a) Capital expenditure is spending on schemes or assets that have long term value to the Council and the community. Examples include council housing, vehicles, IT systems, building improvements, or grants to outside bodies and individuals such as disabled adaptations.
- b) Capital expenditure is financed by contributions from the HRA or General Fund, capital receipts (sale of Council assets), external funding such as S106 contributions or government grant, or by borrowing.
- c) The Capital Programme sets out capital expenditure plans for the next 5 years, together with details of how this is to be financed.

**Possible issues for consideration by Scrutiny:**

- Do the proposed items in the Programme provide tangible outcomes and value for money?
- How do we ensure that capital grants given to outside bodies and individuals achieve the intended outcomes?
- Are the financing methods appropriate, and built into revenue budgets?

**13. Medium Term Financial Strategy (MTFS)**

**Summary**

- a) The MTFS relates to the General Fund (all services except Council Housing) and sets out forecasts for the next five years.
- b) It includes estimates of income and expenditure, and quantifies the extent of any surpluses or deficits anticipated during the five year period.
- c) The MTFS sets out in outline the Council's strategy for addressing deficits, or using surpluses, in order to ensure that Corporate Plan priorities are underpinned by sound finances.
- d) The key reason for having an MTFS is to anticipate potential difficulties long before they arise and ensure that robust plans are in place to address them. This is of particular importance because of expected future cuts in Government funding of local government.

**Possible issues for consideration by Scrutiny:**

- Are the assumptions used to build the forecasts reasonable?
- What would happen if actual events differed from the assumptions?
- Does the Council have a robust plan for addressing any deficits forecasted?
- Are plans for the use of any surpluses prudent, sustainable and good value for money?

**14. Robustness of Estimates and Adequacy of Reserves**

**Summary**

- a) By law, the Council must set its General Fund budget and Council Tax having given due regard to advice from its chief financial officer on the robustness of estimates and adequacy of reserves.
- b) The report will summarise the key risks in the Council budget, and the assumptions that are most volatile. This will be translated into advice

about the minimum safe level of contingency reserves that should be maintained, and whether other reserves are needed to meet expected pressures in the coming years.

- c) The Secretary of State has powers to intervene if the CFO's advice is disregarded by Members, in the event of inappropriately low levels of reserves being maintained.

**Possible issues for consideration by Scrutiny:**

- Are the risks clearly explained?
- Is the advice about minimum safe contingency reserves proportionate to the risks involved?
- Is the level of reserves held by the Council appropriate?

**15. General Fund Budget and Council Tax**

**Summary**

- a) The General Fund covers budgets for all Council services except council housing.
- b) General Fund expenditure is mostly funded from fees & charges and Government grant. The balance is funded by Council Tax. By law the Council must set a balanced budget.
- c) The report will set out in detail proposed budgets for all General Fund services, proposed fees & charges, and a Council Tax resolution. On 4 December, the Cabinet will be indicating that it intends to recommend that the Council approves a freeze in Council Tax, when final budget proposals come forward in February.

**Possible issues for consideration by Scrutiny:**

- Is the proposed budget consistent with the Medium Term Financial Strategy and the CFO's advice on the level of reserves that should be maintained?
- Is the budget consistent with the Budget Strategy approved by the Cabinet?
- Have consultation responses been properly taken into account?
- Does the budget support the Corporate Plan?
- Are proposed budget growth items (service investment) justified with clear outcomes that provide value for money?
- Are proposed budget reductions (efficiency savings or service reductions) reasonable and consequences properly thought out?

- Is the Equalities Impact Assessment satisfactory?
- Is the proposal regarding Council Tax reasonable?

### Further background reading

16. Scrutiny Committee Members are invited to familiarise themselves with the Council's existing Budget Book that can be found on the Council's website at: [www.uttlesford.gov.uk/finance](http://www.uttlesford.gov.uk/finance) (see box second from bottom on the right of the webpage).

17. At all times the Section 151 Officer shall be pleased to meet with Members individually or in groups to discuss any aspect of the Council's finances.

### Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
A detailed risk assessment shall accompany the budget proposals. There are no specific risks at this stage.			

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.



**Committee: Scrutiny**

**Agenda Item**

**Date: 25 November**

**11**

**Title: Day Centres**

**Author: Councillor Iris Evans  
Councillor Elizabeth Godwin  
Councillor David Morson**

Item for decision

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## Summary

1. The Scrutiny Committee established a task group and terms of reference to review all the Day Centres at its meeting on 24 June 2014 following on from the previous review completed in 2010. The terms of reference were:
  - To assess how each of the five day centres operated and what services were provided.
  - To assess the usage of each centre.
  - To review the locations of the centres.
  - To assess what building works would be required and any likely costs.
  - To evaluate the findings and formulate recommendations for each centre.
2. The Day Centres are non-statutory services and since their establishment the national picture has changed. The implications of National initiatives including spending reviews and localism, demographics and local initiatives were considered by the group.
3. The Task Group had the benefit of visiting and meeting with the management committees of each of the centres in question – Great Dunmow, Saffron Walden, Takeley, Thaxted and Stansted. The work has been completed and it is now appropriate to present the findings of the review to the committee.

## Recommendations

1. Whilst there are some similarities in the issues facing the centres, it is apparent that individual solutions be sought. The Scrutiny Committee is requested to send the following recommendations to Cabinet:
2. Appropriate District Council support should continue to be given to the provision of the Day Centres, which the Council recognise as valued service. However they are all vulnerable and steps need to be taken in order to secure the future.
3. Whilst the Centres are all used, they are running below capacity. Usage in some areas seems to be falling and all centres face some months running into reserves. Management Committees are vulnerable and recruiting volunteers is becoming increasingly difficult. It seems appropriate when taking all the issues into account and the population distribution data that the number of the day centres be reduced from five to three. Focus should then be concentrated on the remaining three key centres to provide additional services for the elderly and other vulnerable people.

4. Officers should be requested to engage with the management committees of Takeley and Great Dunmow Day Centres to explore the feasibility of providing a single Day Centre Service at Great Dunmow. There is the potential to offer subsidised transport from Takeley to Great Dunmow for customers. The cost of running the Community Travel Bus (15 seater) would be approximately £50 per return trip. This transport could be funded by cost savings from no longer running the Takeley building.
5. Thaxted Day Centre is under used, which has been an ongoing concern as highlighted in the 2010 review. Numbers seem to be declining and the Committee have tried various different approaches to attract new customers but none seem to have worked. Officers should be requested to explore arrangements for Thaxted/Saffron Walden as per the approach outlined for Takeley/Great Dunmow above.
6. Officers should be requested to investigate the feasibility of providing a fixed term (1year), part-time resource to provide support and assistance to the remaining three day centres. The remit given could include investigating partnership opportunities, developing service provision, improving income and identifying grant funding opportunities, increasing usage, support the recruitment of additional committee members and help with succession planning. All responsibility for Day Centres should be removed from the Tenant Participation Officer. A financial business case will need to be worked out to address the funding of this resource. Funding for this post could be found through the current General Fund re-charge for Officers' time, which would mean the Housing Revenues Account would have to fund the Tenant Participation Officers role entirely.
7. A review of the management agreements between the Council and the Management Committees that have responsibility for the day centres is undertaken. This should reflect the changes in responsibilities of both the council and management committees and include agreed service levels, monitoring and the relevant communication channels.

## **Financial Implications**

8. The estimated cost of implementing the recommendations is at the moment not known as there are various factors involved, including how frequently community travel buses are used and conversely, how much the land at Takeley is worth should that day centre be closed and the land sold. A question also remains over future use of the Thaxted site, should it be decided it is no longer needed for day centre use.

## **Background Papers**

9. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.
  - UDC Scrutiny Committee Review – Day Centres – Terms of Reference
  - UDC Scrutiny Committee Review of Day Centres reports and research 2009 and 2010.
  - UDC/Day Centre Management Agreements
  - UDC Budget Reports – Day Centres



- Day Centre Forum Minutes
- Day Centre Financial Statements
- Housing Management Day Centres working files
- Day Centres Accommodation Surveys

## Impact

10.

Communication/Consultation	Meetings have been held with members of the Day Centre Management Committees, stakeholders, customers and relevant Officers.  Further consultation will need to be undertaken to identify how service weaknesses can be addresses by any proposals coming out of this report.
Community Safety	Not applicable.
Equalities	All areas of equalities ad safeguarding were considered during the review. A full Equalities Impact Assessment will be required if proposals are taken forward.
Health and Safety	At present there are no health and safety issues to address.
Human Rights/Legal Implications	None specifically.
Sustainability	Further work on the proposals coming out of this report will address the sustainability of the Day Centre service and the agreements between the Council and the Management Committees.
Ward-specific impacts	District wide.
Workforce/Workplace	None at present. Any workforce issues which may arise from proposals coming out of this report will be addressed.

## Background

11. The Day Centres have been operational for over 30 years to promote the welfare of people over 55 years of age or registered disabled by maintaining a building for the purposes of recreation and other leisure time occupations and providing meals and refreshments for eligible persons.

12. There are five centres located within the district (Saffron Walden, Great Dunmow, Thaxted, Takeley and Stansted). The day centre buildings (with the exception of Stansted) are owned by this Council.
13. The Council is responsible for the buildings including external and internal maintenance, decoration and repairs costs. In addition the Council also pays for the costs of cleaning, electricity, gas, non-domestic rates, water, sewage, fire safety equipment and maintenance. Building and contents insurance for council owned equipment and parking costs incurred by voluntary day centre staff whilst on day centre duties are also paid by the Council.
14. The provision of the Day Centre service and management of buildings are the responsibility of the respective individual Management Committee, made up of groups of volunteers. They are completely separate from this Council.
15. Management Committees are responsible for the day-to-day running costs, insurances including contents, public and employers liability, licensing fees (if any), repair and replacement of furniture and equipment and health and safety compliance.
16. UDC used to allow the use of the buildings to the Management Committees in return for 50 per cent of any surpluses generated (exception of Stansted). However the scrutiny review in 2010 recommended that Great Dunmow, Saffron Walden, Takeley and Thaxted retain 100 per cent of surpluses (donations and lettings income) to help fund a Management role. This was agreed and implemented in 2012.
17. Investigations have discovered that the relationship between this Council and the day centres has changed over time in response to spending reviews and new government initiatives such as localism, Big Society and changing national trends.
18. The first centre was established in the late 1980s. To meet the County Council requirements of the "Care in the Community" legislation, the Day Centres provided meals on wheels service. All food would be prepared on site and distributed from the day centres. It was a successful service and due to the demand on the volunteers at the day centres paid staff were employed by this Council and a full time Meals on Wheels Officer oversaw the service.
19. The role of the Meals on Wheels Officer evolved and became the Meals on Wheels and Day Centres Officer. The role included maintaining regular contact with all day centres, to attend meetings where appropriate, coordinate maintenance issues and repairs and to provide advice to Management Committees on various issues.
20. Following a review in 1995 of the management responsibilities of both this Council and the individual Day Centre Management Committees, it was agreed that management agreements should be put in place. The management agreements were introduced to provide management committees with the right to use and manage the building as a day centre subject to the provisions stated within the agreement. Over time the Agreement was updated to ensure the management committees provided insurance for contents, public liability, employer's liability, theft and personal accident and other users liability ultimately handing the entire responsibility of the Day Centre to the Committees.

21. In 2002 the County Council became entirely responsible for the meals on wheels service leaving this Council with no duty. The WRVS then leased the kitchens at Saffron Walden and Great Dunmow to continue the Meals on Wheels service and this Council negotiated the transfer of staff. This saw the end of the Day Centre Officer role and any Council service provision at the Day Centres. More recently the WRVS have withdrawn from the lease and no longer provide this service.
22. Since 2002 the Tenant Participation Officer has provided support to the Management Committees when needed, support which has been extremely valued by each Management Committee.

## **Current Situation**

### **Management and Staffing**

23. Each day centre continues to be run by a management committee. The committees are made up of between six and 10 volunteers, including a UDC Member and a Parish or Town Councillor. Recruitment of volunteers, not only to sit on the committee but also to work within the day centre is becoming increasingly difficult and numbers in some cases have decreased since the last scrutiny review. One Committee, Thaxted, currently has only approximately five members, the number having halved since the previous review in 2010.
24. The Day Centre Management Committees work to the same Management Agreement, with the aim to promote the welfare of people over 55 years of age or registered disabled. The Agreement has sufficient flexibility to enable each Centre to suit the needs of their customers and communities.
25. Whilst there is an obvious benefit in having flexibility within the agreements, having discussed the Management Agreements with the Management Committees, there seemed to be confusion over various issues within it despite guidance being given. This includes their maintenance and repair responsibilities and how to report any issues or to seek advice or assistance.
26. Over recent years it appears that some Management Committees are finding it difficult to accommodate the increased requirements that come with running a charity, employing staff, carrying out statutory checks and other facility related duties.
27. During our investigations we discovered that some Management Committees are struggling. Some do not have up to date accounts, no job descriptions in place, some are having difficulties with payroll, some are not aware of their legal duties and responsibilities as employers.
28. In addition despite offers of regular Safeguarding training, which has been taken up by some of the committees, it become apparent that all do not have a full understanding of current Safeguarding issues particularly relating to their role as an employer and the use of volunteers and the potential impact on the customers.
29. It is important to remember that the Management Committees are all volunteers; none are paid to carry out this role. All put in many extra hours to keep the centres running and to provide a very good service for customers. In some cases they are

not aware of the procedures that need to be followed or even how to implement them. This pressure has left some of the smaller committees at breaking point.

30. The difficulties some committees are experiencing could be due to the diminishing pool of volunteers to manage the facilities and associated employees/volunteers.
31. It was hoped that with the addition of the 50 per cent in donations and letting income that the Committees gained in 2012, it would enable them to fund a management resource. Ideally the resource would manage the centres to alleviate Management Committees and Officers so they are able focus on other areas.
32. Three of five Centres have used the income to employ a Manager. The other two centres did not feel they required one and use the additional funds to support other paid roles such as the Cook, who in those cases seems to manage the day-to-day running of the centres as well.
33. The role of each Manager also varies between each centre and all work additional hours without payment. However it became apparent that this role is not working as effectively as the previous review had hoped and they all continue to need the help and support from Council officers.

### **Operations and Services**

34. Visiting the centres, meeting the committees and speaking with the customers demonstrated that the Management Committees and volunteers all continue to work extremely hard and go far beyond what is expected of them to provide a service for their customers, many of whom are regulars and visit more than once a week.
35. Surveying the customers using the centres it identified that the majority of people using the centres were aged between 70 to 90 years of age. The number of visitors would range from 10 to 30 on the occasional busier day at some centres.
36. Overall the popularity of the Day Centre service in some areas seems to be diminishing, and customer numbers are declining. The appeal of other low priced meals and drinks from other service providers is drawing customers away. In addition many villages and towns have alternatives available through the Church or other community services.
37. Takeley and Thaxted are both located opposite the Council's sheltered housing schemes. Upon investigation many of the sheltered housing tenants seem to prefer cooking their own meals and using the common rooms to socialise rather than visiting the centres. Very few sheltered housing tenants actually use the day centres.
38. In addition there still appears to be a stigma attached to the Day Centres. Most of the Centres have now changed their names to exclude Day Centre within the title but it seems that people are still put off from visiting them.
39. Each Management Committee has tailored their service to the needs of their customers to escape the stigma and to encourage use. Please see appendix 1 for the Day Centre Service Comparison table. Where opening early to serve

breakfasts, teas, coffee and cakes works in one place, it was evident that it did not work at another. Thaxted trialled a subsidised bus service to bring customers to the centre for a coffee morning. But this failed to bring in additional customers and has since stopped.

40. Saffron Walden, The Garden Room, market their service as a café, which seems to be appealing to a different market and attracting some under 70's. It is open all week from 9am to 1.30pm. They offer breakfasts, snacks, cakes, tea, coffee and a two course lunch. It is a popular Centre and often has 20 to 30 people for lunch in addition to the morning trade. The Committee has employed a Manager and the role appears to be working well. The Centre receives generous food and flower donations from Waitrose.
41. Crafton Room in Stansted appears to be a popular centre, open three days a week with customers coming in for tea, coffee and cake in the morning and then lunch later. Numbers for lunch range between 20 and 25. Other fundraising events are also successful as is letting of the building. The Committee have employed a manager, who is also the cook and works well above the hours contracted. They have a large pool of volunteers and drivers to ferry people to and from the centre. There is demand to open this centre for five days.
42. Takeley Day Centre is open twice a week, operating as a lunch club from 12pm to 1.30pm. Lunch costs £3.50 for two courses. Customer numbers usually reach 20 and no booking is required. Coffee mornings have been trialled but there was no take up. The Committee arrange a raffle once a week and often arrange subsidised day outings. In addition they have regular lettings to the Sparklers and Crocus Day Care. The Committee has decided not to employ a Manager, instead operations are split between the committee who all attend the centre to help out.
43. Thaxted Day Centre operates as a lunch club and is open all week from 12pm to 1.30pm. Lunch costs £4.50 for two courses. Customer numbers range between 10 and 15 and booking is required. Customers come in purely for their lunch. The Committee has decided not to employ a Manager and day-to-day management is provided by the cook.
44. The Rowena Davey Centre in Great Dunmow is open four days a week from 10am to 1.30pm, where a two course lunch is £5. They also offer tea, coffees and cake. The Centre has seen a reduction in visitors over the years, with Tuesday being the most popular session due to the attraction of the market with roughly 30 customers. Other days see customer numbers reaching between 10 and 15. Volunteers are reducing along with the committee members. There is a worry that the current committee is becoming frustrated and over-worked.
45. Research and conversations with Age UK, the Alzheimer's Society and Dementia Support have uncovered that there is a demand for a 'secure' day centre that offers adequate supervision. Some vulnerable adults are unable to attend the day centres as carers feel there is not the required level of support or supervision. Instead people now are now opting for the day centres run by Essex Cares as they have the level of supervision needed.

## **Buildings and Renovations**

46. Some of the buildings are in poor state, which could also distract people from attending. A recent break in at Takeley proves the vulnerability of some centres.

### **Stansted**

47. The building is attractive and is owned by the Parish Council. There is a Licence to Occupy the building and UDC pay £11,600 to the Parish Council, which was the approximate equivalent amount paid to operate the building.

48. It appears to be a popular centre, open all week with customers coming in for tea, coffee and cake in the morning and then visit for lunch later. Numbers for lunch never fall below 15 and there appears to be demand for opening five days a week. Other fundraising events are also successful as is the letting of the building.

49. The Management Committee has good links with the Parish Council for any maintenance/repairs concerns.

50. The standard of cleaning was a concern. It was very dirty on both visits to the centre. There is potential to offer our cleaning service to the parish.

### **Takeley**

51. The day centre building is a small building, built around 1971. It is brick built and has a flat felted roof with aluminium windows. The last Condition Survey identified that the roof, kitchen and windows would require replacement. The survey also identified that the toilets would be due for refurbishment and the centre is soon due complete internal decoration. The total costs for this work would be approximately £32,000, which all are life-limited and will need doing again. This sum does not include ad-hoc maintenance and repairs that are required with an older building.

52. The location of the building is not ideal for those with mobility issues and it is hard to find due to the lack of signage.

53. The building is rented successfully to ECC Crocus Day Care Unit twice a week and Sparklers a parent and toddler group once a week.

### **Great Dunmow**

54. The building was purpose built in 1993 and is in fairly good order but is showing signs of usage and wear and tear. The committee are working hard to improve this replacing the carpets, curtains and chairs.

55. It is located at the top of a hill in front of Chequers Lane car park, which causes difficulties for those with mobility issues. There is no free parking outside for customers.

56. The centre is large and is rented well, generating additional income for the centre.

## **Thaxted**

57. This is the newest building and is approximately 8 years old. It is a clean, light and bright purpose built centre. However it is in need of redecoration.

58. The centre is hard to find, it is located up a steep hill opposite Vicarage Mead sheltered housing. There is a lack of signage to the centre the only sign was overgrown and hard to see.

59. The building is very rarely booked or used outside of the Day Centre service.

## **Saffron Walden**

60. The building is formed from an old three storey property, with a much later added single storey extension at the back of the building with a flat roof. The roof has suffered from leaks over a long period.

61. The centre is centrally located on Hill Street, which is a busy road and is central to the town. The location of this centre is ideal and enables them to attract a lot of passing trade, which contributes to its use

## **Costs**

62. As explained in paragraph 15 the Management Committees are responsible for the financial provision of the day to day running costs.

63. This Council is financially responsible for the buildings (except Stansted) as well as the utilities. Each centre has differing financial requirements due to the size of the buildings, maintenance requirements, depreciation and the days they are open. In order to establish a comparable yearly running cost, to the Council, for each centre (excluding capital works) it was agreed to break the cost down per square meter based on 2013-14 actuals. Please see the table below:

Day Centre	Days Open	Yearly cost per Sq M
Great Dunmow	4	£62.95
Saffron Walden	5	£37.42
Thaxted	5	£89.51
Takeley	2	£145.02

## **Demographic Research**

64. From visiting the Centres and speaking with the committees it was established that the over 70s are the main users of the centres.

65. District population data of the over 65s and over 75s seems to be divided over three central locations Saffron Walden, Stansted and Great Dunmow. Please see

appendix 2 for maps displaying the distribution of the population of the over 65s and the over 75s.

## Conclusions

66. The implementation of the recommendations from the last review, to allow the Committees to keep all income from lettings, and to employ a manager to enable this council to reduced Officer support, has not proved as effective as intended. The Management Committees still require support from Officers, which is impacting on the Officers main duties.
67. The day centres all provide a valuable service to the community. It is felt that this Council should continue to support the provision of the centres. However this review has highlighted that some of the centres are at risk of failing. Aging committees and the lack of volunteers has shown that some centres are in a vulnerable state. If this service is to continue it appears that they will need support and assistance from this Council to support their future.
68. Currently the only financial support provided by this council is through the use of the buildings, utilities and officer support. The aging buildings will continue to be a financial pressure as displayed in paragraph 63.
69. Even with the current headlines suggesting there is an aging population it appears that the demand for Day Centres is decreasing as the user numbers suggest.
70. Stansted, Great Dunmow and Saffron Walden centres are all in prime locations, have the lowest operating cost and the greatest capacity to operate commercially.
71. The Scrutiny review has undoubtedly been a useful exercise and has highlighted the need for action.

## Risk Analysis

1.

Risk	Likelihood	Impact	Mitigating actions
Closure of one or more day centres may impact on older residents who use them	3 – although current use is low, those who use the day centres would be affected	3 – it would remove a regular social activity	The proposal to provide transport to other day centres would alleviate the impact of this risk
Difficulty in recruiting/retaining committee members adversely impact	3 – current levels of committee members at some day	3 – day centres struggle to operate without	Fewer day centres would concentrate available volunteers for these roles



the running of day centres	centres suggest this is the case	effective committees	
The council incurs significant costs in maintaining day centre buildings	3 – costs are detailed in the report	2 – some repair costs are contained within the council's revenue building repairs budget	There are examples of buildings in a poor state of repair. Fewer day centres would mean more money available to spend on the remaining ones

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

