

Finance & Procedures Overview & Scrutiny Committee – 24 September 2002

Minutes of the meeting of the **Finance & Procedures Overview & Scrutiny Committee** held on **24 September 2002** when there were present:

Cllr T G Cutmore (Chairman)
Cllr T Livings (Vice-Chairman)

Cllr Mrs J R Lumley
Cllr J R F Mason
Cllr G A Mockford

Cllr C G Seagers
Cllr M G B Starke
Cllr J Thomass

OFFICERS PRESENT

P Warren	Chief Executive
R Crofts	Corporate Director (Finance & External Services)
D Deeks	Head of Financial Services
M Martin	Committee Administrator

440 MINUTES

The Minutes of the meeting held on 23 July 2002 were approved as a correct record and signed by the Chairman.

441 CAPITAL PROGRAMME

The Committee considered the report of the Head of Financial Services which invited Members to agree the revised Capital Programme.

Members noted that the Capital Programme for the Authority shows the capital expenditure and how it is financed. The expenditure is for capital purposes. The Capital Programme is funded by usable capital receipts, credit approvals issued by the Government, capital grants and from revenue.

Appended to the report were details of the Capital Programme, presented in two sections; one for the General Fund and one for Housing.

Recommended to Policy & Finance Committee

- (1) That the revised Capital Programme be agreed.
- (2) That £100,000 be allocated to Local Authority Social Housing Grants and £67,000 to Private Sector Renewal Grants. (HFS)

442 ESTIMATES TIMETABLE

The Committee considered the report of the Head of Financial Services which requested Members to consider and agree the timetable for the estimates and setting of the Council Tax for 2003/04 and to agreed the programming of meetings with the Chamber of Trade and the wider consultation with representatives who pay National Non-Domestic Rates.

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Members noted that staff within the Financial Services division had already begun work on the preparation of estimates. Following consideration by Heads of Service an agreed basis for the estimates would be established. The draft estimates would be considered by the Corporate Management Board and Heads of Service to ensure that corporate issues are dealt with and that initial priorities are established.

Members agreed the proposed timetable as follows:-

- Summary of the draft estimates position to be submitted to the Finance & Procedures Overview & Scrutiny Committee to be held on 26 November 2002
- Information from Government on the level of support should be available to present to the meeting of Finance & Procedures Overview & Scrutiny to be held on 12 December 2002. The broad financial strategy discussed at the November meeting can be reviewed with any further action being identified.
- The business community would be invited to attend the December meeting of this Committee. Their subsequent responses would be fed into the main meeting to discuss the budget.
- At the meeting of Council to be held on 28 January 2003, the Council Tax for Rochford District and the detailed draft estimates will be considered and approved by Members, together with the Capital Programme and Schedule of Fees and Charges. Members noted that Housing tenants would also have been consulted by this stage with regard to the rent increase expenditure programme.

Resolved

That the budget timetable, as outlined above, be agreed. (HFS)

443 CLOSURE OF ACCOUNT & REVENUE ACCOUNT

The Committee considered the report of the Head of Financial Services which contained an analysis of variations, in excess of £5,000, over or under the revised estimate for 2001/02, following an underspend on the General Fund net revenue budget.

Members noted that:-

- the estimates for the current financial year have been based on the individual estimates less a provision for vacant posts of £241,000, together with target savings of £225,000.
- the steady increase in staff advertising costs over the last few years, has been due in part to a greater turnover in staff, together with increasing costs of advertising for certain positions in technical and professional journals. Shortages exist in specific skills, and escalating housing costs is making it difficult to attract suitably qualified staff to the South East.

Recommended to Policy & Finance Committee

That the budget amendments be agreed, as identified in the report. (HFS)

444 THE WAY FORWARD FOR HOUSING CAPITAL FINANCE – CONSULTATION PAPER

The Committee considered the report of the Head of Financial Services which invited Members to comment on a suggested response to a consultation paper which related to 'The Way Forward for Housing Capital Finance'.

Members noted that:-

- The paper sets out radical reforms of the Finance Regime and changes to the capital receipts arrangements, together with implications for housing subsidies and Local Authority Social Housing Grants. The report set out the details of the current system.
- The Local Government Bill contains a new proposal in that the Secretary of State may, by regulation, make provision about the use of capital receipts by a Local authority. The Secretary of State could make regulation to vary the amount of any set aside and for it to be paid to him into a central pool. The consultation paper contained suggestions on how this could be operated.
- The proposals would particularly affect those Authorities who are debt free and currently do not have to set aside 75% of capital receipts received. An authority becomes debt free by repaying debt, usually by receipts from, for example, large scale voluntary housing transfer. Tenants within this authority have previously rejected this option. Members further noted that this authority could be debt free in about 6 years' time, but the response to the consultation needs to be based on our current position.
- As regards Local Authority Social Housing Grant, the suggested response should be that the Council values the current system as it encourages the partnership between Housing Associations and the Authority. If the problem is with debt free Authorities, then this is the part of the legislation that should be changed.

Resolved

That the suggested officer comments contained within the report form the basis of this Council's response to the consultation document. (HFS)

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445 CHAMBERS OF TRADE – BIDS FOR TOWN CENTRE INITIATIVES 2002/03

The Committee considered the report of the Chief Executive which updated Members on the three Chambers of Trade bids for Town Centre initiatives discussed at the July meeting.

Members noted that following this meeting, officers had undertaken discussions with representatives of each of the Chambers of Trade and revised bids had been received. Members noted that the funding could be allocated within budget.

Resolved

That the following bids for town centre initiatives be supported.

- (1) Rayleigh and District Chamber of Trade - £3410
To undertake a survey of Brook Road Industrial Estate for the formulation of a development strategy.
- (2) Hockley Chamber of Trade - £1700
To provide additional items to the town centre enhancement scheme such as trees, street furniture and bins.
- (3) Rochford Chamber of Trade - £3220
To undertake a Market Town Health Check. (CEX)

446 TACKLING POOR PERFORMANCE IN LOCAL GOVERNMENT: A CONSULTATION PAPER

The Committee considered the report of the Chief Executive which summarised the content of the Government's consultation paper on tackling poor performance in local government. Members noted that the paper outlined the Government's approach to tackling the poorest performing authorities identified through the Comprehensive Performance Assessment (CPA) framework process. The CPA reports would identify poor performing authorities and their failure to deliver continuous improvements as required by best value. This would provide potential grounds for intervention under Section 15 of the Local Government Act 1999.

Appended to the report were details outlining the main symptoms of poor performance as identified by Government. A Council identified as poor performing through the CPA process would be expected to prepare a recovery plan, identifying the key actions and solutions necessary to deliver essential improvements to service delivery. A relationship manager would be appointed by the Office of the Deputy Prime Minister to engage with the Authority and to recommend to Ministers whether further intervention was necessary

Members were in agreement with the officer comments detailed in the report, namely that:-

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- Local government appears to be seen by Central Government as local administration focussing on the delivery of the national agenda, rather than democratically elected local government which may be focussing on differing local priorities and issues.
- Greater emphasis should be placed by Government on intervention as a last resort and that any involvement of Ministers and officials is of concern.
- Any intervention must be flexible and sensitive to local circumstances.

Resolved

That the officer comments contained in the report form the basis of this Council's response to the consultation paper. (CEX)

The meeting closed at 8.27 pm.

Chairman

Date