

Member Budget Monitoring Sub-Committee – 29 November 2000

Minutes of the meeting of the **Member Budget Monitoring Sub-Committee** on **29 November 2000** when there were present:

Cllr G Fox – Chairman
Cllr Mrs J Helson
Cllr C R Morgan
Cllr R E Vingoe
Cllr P F A Webster

OFFICERS PRESENT

P Warren – Chief Executive
R J Honey – Corporate Director (Law, Planning & Administration)
R Crofts – Corporate Director (Finance & External Services)
D Deeks – Head of Financial Services
J Bostock – Principal Committee Administrator

103 MINUTES

The Minutes of the meeting held on 17 October 2000 were approved as a correct record and signed by the Chairman.

104 LEISURE CONTRACT – BEST VALUE AND CONSULTANT'S REPORT

It was agreed to defer consideration of this item to the next meeting of the Sub-Committee.

EXCLUSION OF THE PRESS AND PUBLIC

Resolved

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

105 PURDEYS INDUSTRIAL ESTATE, ROCHFORD

The Corporate Director (Law, Planning & Administration) reported in confidence on an offer which had been received for Council land at Purdeys Industrial Estate, Rochford.

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The Sub-Committee agreed that it would be appropriate to commence negotiations and also appropriate and cost-effective to instruct the District Valuer to negotiate on the basis of his valuations to achieve an early capital receipt.

RECOMMENDED

That the District Valuer be instructed to negotiate the sale of Council's vacant land at the Purdeys Industrial Estate, Rochford to achieve the maximum return. (CD(LPA))

106 REVIEW OF FORWARD BUDGET STRATEGY FOR ESTIMATE PROCESS: 2001/02

The Sub-Committee considered the report of the Head of Financial Services on the current position relating to the following:-

- 2000/01 Revenue Budget
- 2001/02 Revenue Budget
- The Forward Budget Strategy
- Fees and charges
- Structure of the Revenue Accounts for the budget book
- The Housing Revenue Account
- The Capital Programme

Revenue Estimates and the Capital Programme were currently in draft format and the report provided key points relating to each. The Head of Financial Services also tabled an update paper which reflected the latest position now that new information had been received from the Department of Environment, Transport and the Regions and provided an update to schedules A, B and C of the original report.

With regard to Revenue Estimates, it was noted that the Authority was only part way through the financial year and that the financial information would still be subject to alterations.

Prior to the commencement of debate, the Corporate Director (Finance and External Services) advised that-

- In his capacity as Treasurer he had to certify that the Authority's budget was legal (i.e. sufficient monies were available to meet commitments). If budgetary activity becomes illegal during the

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course of a financial year, the Treasurer can issue a Stop Notice. In terms of the scheduled options before Members, there were aspects of schedules A and B which would be imprudent in future years and could indicate a need for higher tax rates if identified expenditure proposals were to be maintained. Schedule C reflected the most prudent approach, providing a balanced budget over time.

- Whilst original indications had suggested that the new Housing Benefit verification framework would need to be in place by 2001/02, software houses had now stated that this timescale was too short. There would be a need for the Authority to make a payment to a software house during 2001/02 and the Government was providing a grant of £21,675 for this purpose. Expenditure on verification was a requirement and, at this stage, it was not possible to identify the likely final cost. Once a verification framework was in place there would be lower thresholds for benefit subsidy.
- The Authority had now been allocated a grant of £18,700 for the new scheme for supporting vulnerable people in the community. Given that this would not be sufficient to meet the associated resource requirements, Officers were in consultation with Castle Point Borough Council with a view to some partnership working so that monies could be pooled. Work on the scheme would be audited by the Department of Social Security.

The Sub-Committee endorsed the Partnership approach being taken in relation to the scheme for supporting the vulnerable in the community. During debate of Standing Spending Assessment (SSA), a Member commented that, whilst there had been an increase in the Assessment figure, the question of whether this was adequate to meet all the legislation led costs facing the Council remains. Such costs included those associated with requirements to consult the public and the modernising agenda. Fees for audit and inspections also fitted this category. Given that the public was likely to be aware that there had been some increase in Government grant, it could be of value to highlight additional non-optional costs faced by the Council.

The Sub-Committee recognised that, whilst there was logic in taking an approach which could facilitate a balanced budget, as with other years the decision making process would involve the political dimension. However, this year there may be some room for collective working.

Responding to Member questions, officers indicated that-

- Whilst SSA had increased, it was still not at the level of 5-6 years ago. Gearing was such that for any 10% rise in budget there would need to be a 20% rise in Council Tax.

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- Whilst monies within a capital fund which had originally been identified for revenue purposes could be used, the monies in this category had been set aside for leisure contract purposes.
- It would be possible to produce a revised schedule, which demonstrated the consequences of a Council tax increase of 6% per annum.
- There is an overall responsibility placed on the Council through the Local Government Act 2000 for the social, economic and environmental well being of residents to be taken into account in the provision of services.
- Current projections included one off Committee proposals for which final decisions had yet to be made. It was also possible that individual Groups may have some bids they would like included.
- In the discussions relating to the Housing Revenue Account and as part of Best Value Review, officers would be producing further reports on longer term issues associated with the Account.

In terms of moving forward, the Sub-Committee concurred with the view of the Chairman that, at this stage, it would be of value for the Political Groups and the Sub-Committee to be able to give further consideration to salient aspects of budget strategy in advance of final Budget/Council Tax setting meetings. The Sub-Committee concurred with the suggestion of the Chief Executive that it would assist if officers could be available to make presentations to each Political Group and that a meeting of the Member Budget Monitoring Sub-Committee be scheduled for 5.30pm on Wednesday 3 January to enable further consideration of strategy.

During discussion of the Capital Programme element of the report, it was noted that aspects relating to building assets would be subject to review by the proposed Asset Management Group. The Head of Financial Services confirmed that it would be possible to include a footnote identifying items where capital provision had been converted to revenue in future schedules. It was noted that the Housing Capital Programme was likely to receive a much larger Government contribution in future, although precise details were not yet available.

107 MODERNISING LOCAL GOVERNMENT FINANCE – GREEN PAPER

The Sub-Committee considered the report of the Corporate Director (Finance and External Services) which outlined proposed responses to key elements of the Green Paper, as requested by Central Government.

The Corporate Director updated the Sub-Committee on the latest work of the Town and Country Financial Issues Group (TACFIG). An all party group of MP's had now been set up and registered. One aim was for an early day motion and adjournment debate. TACFIG had also been invited to a Ministerial meeting.

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In response to Member questions the Corporate Director confirmed that a proposal that the County Council should raise and collect Council Tax was a fundamental element.

RECOMMENDED

That this Council's response to the Modernising Local Government Finance Green Paper be on the basis of the views within the report, the key elements of which are set out as Appendix 1 to these Minutes. (CD(F&ES))

108 SINGLE STATUS AGREEMENT AND JOB EVALUATION

The Sub-Committee considered the exempt report of the Corporate Director (Law Planning and Administration) which addressed the budgetary aspects of implementing the Single Status Agreement.

During debate and in response to Member questions, Officers indicated that the progression of the job evaluation exercise should result in appropriate information on findings being available by October/November 2001. As this stage, funding was required to progress the project in accordance with that timetable. The scheme should be sufficiently progressed to allow for any funding implications to be considered in more detail at the half-yearly budget review. Officers also advised on the current view from the regional employers and the background of work to date, including previous established objectives

The Sub-Committee concurred that the job evaluation exercise should progress and that it would be appropriate to consider in more detail any funding implications at the time of the half yearly budget review .

RECOMMENDED

- (1) That budget provision of £8,000 split partly in 2000/01 – 2001/2 for the one off implications of undertaking job evaluation be agreed.
- (2) That a review of the likely funding implications be undertaken at the time of the half yearly budget review. (CD(LP&A))

109 LAND ADJOINING THE MARKET CAR PARK, RAYLEIGH

The Sub-Committee considered the exempt report of the Head of Legal Services which outlined possible operational uses for an area of land to the eastern point of the Market Car Park in Rayleigh.

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The Committee concurred with the observation of the Corporate Director (Law, Planning and Administration) that this was a matter which could usefully be referred to the proposal Asset Management Group. A Member commented on the value of considering the most appropriate storage location at this site.

RECOMMENDED

That the Asset Management Group undertake an early review of this area. (HLS)

110 LAND AT HIGHFIELD CRESENT, RAYLEIGH

The Sub-Committee considered the exempt report of the Head of Legal Services on the future use of surplus land, formerly part of the garden of a Council owned property in Highfield Crescent, Rayleigh.

Resolved

That the Head of Legal Services disposes of the surplus land adjacent to 9 Highfield Crescent, subject to any necessary adjustments to the boundary to maintain adequate access and the service of formal notice under the Housing Act 1985 as may be necessary to accommodate such change. The disposal to be at market value and on such other terms and conditions as the Head of Legal Services considers appropriate. (HLS)

Meeting closed at 10.30 pm

Chairman

Date