

MINUTES OF A MEETING OF THE
EXECUTIVE HELD IN THE COUNCIL
CHAMBER, WALLFIELDS, HERTFORD
ON TUESDAY 14 FEBRUARY 2006 AT
7.30 PM

PRESENT: Councillor A P Jackson (Chairman/Acting
Leader).
Councillors M R Alexander, N Burdett,
M G Carver, D Clark, T Milner and R L Parker.

ALSO IN ATTENDANCE:

Councillors H G S Banks, A L Burlton,
R N Copping, J Demonti, R Gilbert,
Mrs M H Goldspink, A M Graham, J Hedley,
D A A Peek, J O Ranger, J P Warren and
M Wood.

OFFICERS IN ATTENDANCE:

Mandy Barton	- Principal Accountant
Simon Chancellor	- Head of Accountancy Services
Simon Drinkwater	- Director of Corporate Governance
Neal Hodgson	- Director of Regulatory Services
Martin Ibrahim	- Senior Democratic Services Officer
Mary Orton	- Director of Policy and Performance
Lois Prior	- Head of Communications
Dave Tweedie	- Director of Resources

RECOMMENDED ITEMS**ACTION****624 TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2006/07 AND PRUDENTIAL CODE**

The Acting Leader and Executive Member for Finance submitted a report on the Guidelines and Strategy for the Council's Investment and Borrowing and their impact on various monitoring indicators.

The Local Government Act 2003 required the Council to have regard to the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans were affordable, prudent and sustainable. Therefore, the Act required the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy, setting out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

The suggested strategy for 2006/07 in respect of the following aspects of the treasury management function was based on the Treasury Officers' views on interest rates, supplemented with leading market forecasts provided by the Council's treasury advisor. The strategy covered:

- treasury limits in force which will limit the treasury risk and activities of the Council;
- Prudential Indicators;
- the current treasury position;
- the borrowing requirement;
- prospects for interest rates;

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- the borrowing strategy;
- debt rescheduling; and
- the investment strategy.

The Acting Leader referred to the statutory duty to determine the 'Affordable Borrowing Limit', which had to have regard to the Prudential Code. He outlined the relevant prudential indicators for 2006/07 – 2008/09 for the purposes of setting an integrated treasury management strategy.

The Acting Leader outlined the prospects for interest rates, based on advice received from the Council's treasury advisers, Sector Treasury Services, and current City forecasts.

The Acting Leader did not anticipate any capital borrowing requirement during 2006/07. In respect of proposed capital expenditure, he referred to a separate report elsewhere on the agenda where he would be proposing amendments to the sums detailed, following updated information received since the despatch of the agenda.

Due to high rates of interest payable on the outstanding £1.89 million PWLB loans and the expected low level of the corresponding discount rates for maturities, any potential restructuring or premature repayment of the loans would be very expensive as their repayment would attract heavy premiums (in excess of £1M). The Executive noted that if market conditions did change, any opportunities would be investigated, to pursue any potential advantages to the Council.

In response to a Member's question, it was clarified that the maturity dates of both outstanding loans were in the mid 2020s.

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The Acting Leader detailed the proposed Investment Strategy and the Council's investment priorities as the security of capital, and the liquidity of its investments.

In response to a Member's question, Officers clarified the nature of the investment of in-house funds.

The Executive supported the recommendation as now detailed.

RECOMMENDED - that the 2006/07 Treasury Management Strategy Statement and Annual Investment Strategy and Prudential Indicators for East Herts Council be approved.

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625 CAPITAL PROGRAMME 2005/06 (REVISED) TO 2008/09

The Acting Leader and Executive Member for Finance submitted a report seeking approval for the Council's Capital Programme for the period 2005/06 (Revised) to 2008/09.

The Executive recalled that it had amended the Council's Capital Programme in June 2005 taking into account slippage and other rephasings following the 2004/05 Capital Out-turn position. A number of further amendments to the Programme had since been approved, including a number of new schemes and projects in line with the Council's corporate priorities. A complete review of the current programme had been undertaken and a new draft programme prepared for the period 2005/06 (Revised) to 2008/09. Lead officers had also been invited to submit proposals for new schemes to be included within the Programme.

In order to co-ordinate this review and to give greater focus to the Council's overall capital planning arrangements, the Capital Strategy Group had considered the draft Programme in detail. In particular, it had assessed the proposed new schemes against the

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Council's vision and corporate priorities. Project Initiation documents had been used by project control officers to provide information in support of new bids, and these had been scrutinised by the Strategy Group. The Project Initiation documents, as well as setting out details and resource requirements for each scheme, also aimed to identify links with the Council's corporate objectives, service plans and key processes.

The Acting Leader set out the Draft Programme as now submitted. The Executive noted that the revised budget for the current year of £8.3m reflected slippage of just under £1.35m compared to the current approved position of £9.65m. He proposed an amendment to a particular scheme involving Castle Hall New Display Units of an additional £4,000, following the receipt of tenders that were higher than the original estimate. In response to a Member's question, it was clarified that this had arisen from a higher quality material being required as a result of a condition imposed by the Development Control Committee.

The Draft Programme included proposals for a number of new schemes, which had been endorsed by the Capital Strategy Group. However, the proposed programme did not yet reflect any resource requirement in respect of the Council's long-term Leisure Strategy or any proposals for Castle Hall.

The Acting Leader stated that it was intended that the proposed Programme would be funded substantially from available Capital Receipts. Specific Government Grants in respect of Private Sector Housing Grants and Implementing Electronic Government would also be utilised together with funding that had been secured from Department of the Environment, Food and Rural Affairs (DEFRA) for the expansion of the Council's recycling arrangements and the County Council relating to costs associated with implementing Decriminalised Parking Enforcement.

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In response to a Member's question, the Director of Resources undertook to provide details of the proposed refurbishment works at Grange Paddocks changing rooms.

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The Executive noted that Policy Development Scrutiny Committee, at its meeting held on 6 February 2006, had considered and supported the proposals. The Committee Chairman reported that the Committee would be looking at the long-term Leisure Strategy and its implications for the Programme.

The Executive supported the recommendations as now detailed and amended.

RECOMMENDED - That (A) the Draft Programme for the period 2005/06 (Revised) to 2008/09, as now amended, be approved; and

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(B) the comments of the Policy Development Scrutiny Committee be received.

**626 ALL DIVISIONS REVENUES ESTIMATES PROBABLE
2005/06; ESTIMATE 2006/07**

The Acting Leader and Executive Member for Finance submitted a report detailing the second stage of the estimates process, which showed proposals for expenditure by each service area.

The Acting Leader detailed the estimates in respect of all General Fund Services at Appendix 'B8' to the report now submitted. The Estimates were reported in line with the Council's operational management arrangements. The costs of office accommodation together with the Divisional Establishments (including Support Services) costs (as recommended for approval by the Executive on 6 December 2005) had now been fully recharged to the service budgets now being submitted.

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The Probable Estimates for 2005/06 were based on the actual payments to date, plus anticipated expenditure to the end of the financial year. The Estimates for 2006/07 were based on current (November 2005) prices except where existing contracts or Service Level Agreements allowed for indexation. Price increases due in 2006/07 had been anticipated in such cases. The Estimates for 2006/07 included the full effect of the 2005 pay award and a 2.95% pay award for 2006.

The Executive noted that Policy Development Scrutiny Committee, at its meeting held on 6 February 2006, had considered and supported the proposals.

The Acting Leader referred to the outcome of the base budget reviews which were detailed at Appendix 'A8' of the report now submitted. He updated the Executive in respect of Lottery Partnership funding which should be deleted from the list. He advised that the item relating to Watercourses was still outstanding.

In response to a question from Councillor Mrs M H Goldspink relating to the Dial-A-Ride service, the Director of Policy and Performance clarified the statutory position. In response to a query from Councillor M Wood relating to an individual case, the Executive Member for Regions and Partnerships undertook to investigate the specific circumstances, if supplied with the details.

In response to a question from Councillor R Gilbert, the Acting Leader clarified the arrangements for the Council's support for the Citizens Advice Bureau and confirmed that the net payment had increased.

The Executive recommended the proposals as now detailed.

RECOMMENDED - That (A) the probable Revenue Estimates for 2005/06 and the draft Revenue Estimates for 2006/07 be approved; and

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(B) the comments of the Policy Development Scrutiny Committee be received.

627 FEES AND CHARGES 2006/07

The Acting Leader and Executive Member for Finance submitted a report proposing fees and charges for a variety of services in 2006/07.

The Executive recalled that the budget strategy for 2006/07 had been set out at the Executive meeting in September 2005, and approved by Council. As part of the strategy, officers were asked for suggestions for fees and charges that reflected increases of at least 2.5%.

Officers had prepared proposals for increasing fees and charges, the details of which were set out in Appendix 'A9' of the report now submitted.

The Executive was reminded that post tender negotiations were ongoing in respect of the provision of the meals on wheels service. At this stage, it was necessary to set a charge for 2006/07, which was recommended at £2.50. Details of prescribed fees for Development Control fees were not included as they were not yet known.

Following the outsourcing of the swimming pools, the Council only had input into the core prices to be charged at the pools. These core prices referred to swimming, swimming lessons, water aerobics and schools. Details of the proposals from Aspire Leisure Trust were outlined in Appendix 'B9' of the report now submitted.

It was not proposed to increase Building Control fees in 2006/07, as the Building Control Trading Account was currently in surplus. Proposed fees for pest control included a new charge for return visits for 'rats and mice' where a re-infestation had occurred because

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advice had not been adhered to by the customer. It was proposed that 50% of this charge should also apply for those on benefits.

It was not proposed to increase land charges fees in 2006/07, as increasing competition from the private sector, as reported previously, was already impacting on the level of income from the service.

The Acting Leader proposed two amendments to the recommendations in the report now submitted. In respect of playschemes, it was proposed to increase charges to £2 per session and £5 per day, resulting in additional income of £10,000. Also, he proposed deleting the proposed charge for Section 106 Agreements. This related to a proposed growth item which had now been withdrawn (see Minute 628 below). This had been expected to raise £11,000.

The Acting Leader referred to the options regarding car park charges as detailed in Appendix 'C9' to the report now submitted, which also detailed the anticipated additional annual income for each option. The potential additional income which could be generated in 2006/07 was dependent on which of the options Members wished to support. He recommended that options 1, 2, 4 and 5 be supported.

In total, the increases now being proposed, excluding car parking, would generate an additional £40,100. If the recommended options for car parking were included, this would result in additional income of £454,600, that would contribute towards funding traffic management options, such as the County-wide concessionary fares scheme and parking enforcement.

In respect of the proposed car parking charges, the Executive Member for Community Safety requested that consideration be given to the impact on traffic and on-street parking of the proposed increases in Sawbridgeworth. Councillor R Gilbert expressed

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opposition for option 5 that would discontinue season tickets. The Executive Member for Environmental Management noted these comments.

In response to a question from Councillor Mrs M H Goldspink relating to consultation on the proposed discontinuation of season tickets, the Director of Resources clarified that the car parking proposals would be subject to statutory consultation once the Notice for the Orders were advertised.

In respect of proposed free pest control services for those on income related benefits, Councillor R Gilbert suggested introducing an element of the charge. The Acting Leader stated that this suggestion would be taken on board and considered in the future.

In respect of playschemes, Councillor A M Graham asked how many new spaces would be created as a result of the proposed increased charges. The Executive Member for Community Development responded by stating that one additional scheme was being looked at. The Acting Leader referred to the MORI survey results and consultation findings where there had been a tolerance towards increased charges compared to other service areas.

The Executive noted that Policy Development Scrutiny Committee, at its meeting held on 6 February 2006, had considered and supported the proposals. The Executive's attention was drawn to the Committee's request that charges for copies of development control decisions be increased to £11. This was supported by the Executive.

The Executive supported the proposals as now detailed.

RECOMMENDED - that (A) the increases in fees and charges for 2006/07, as now detailed, be approved,

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(B) options 1, 2, 4 and 5 for proposed increases in car parking fees and charges as set out in Appendix 'C8' of the report submitted be approved, and

DR

(C) the Director of Corporate Governance be authorised to make the Order detailing the proposed car parking charge regime for 2006/07.

DCG

628 GROWTH 2006/07 AND EFFICIENCY SAVINGS 2006/07

The Acting Leader and Executive Member for Finance submitted a report seeking approval for growth items and efficiency savings to be included within the budget for 2006/07.

The Executive had received a list of growth items, which had been carefully scrutinised by the Corporate Management Team totalling £738,800. The Acting Leader referred to a revised list which had been tabled, totalling £947,200. The Executive noted that some were special items requiring one-off expenditure, whilst others were growth items, which were permanent additions to the base budgets.

The Acting Leader detailed the proposed efficiency savings at Appendix 'B10' to the report now submitted. As a result of the Base Budget Review undertaken, the total identified savings were £194,250.

The Executive noted that the Policy Development Scrutiny Committee, at its meeting held on 6 February 2006, had considered and supported the proposed growth and efficiency savings for 2006/07. The Committee Chairman commented that the Committee had raised the possibility of potential for savings on grass cutting as part of the grounds maintenance contract. The Acting Leader responded by stating that this proposed increase had been reviewed carefully and could not be avoided, if the standards achieved with previous investment were to be

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maintained. He also stated that as the proposed investment was a special item, the position would be reviewed again.

The Executive supported the recommendations as now revised and detailed.

RECOMMENDED – that (A) the growth items as now amended and detailed, be approved for inclusion in the 2006/07 revenue estimates, and **DRS**

(B) the efficiency savings now detailed, be approved for inclusion in the 2006/07 revenue estimates. **DRS**

**629 COUNCIL REVENUE ESTIMATES - PROBABLE
2004/05 : ESTIMATES 2006/07**

The Acting Leader and Executive Member for Finance submitted a report which provided the Executive with the detailed Probable Estimates for 2005/06, and the Estimates for 2006/07 in order to set the Council Tax and budget for the year 2006/07.

The Acting Leader referred to the Probable Estimates for 2005/06 and revealed that the overall position showed a potential underspend of some £443,000 compared to the original Estimate. The main contributory factors to this position were detailed in the report now submitted.

He also suggested that up to £300,000 of the underspend which was attributable to a “windfall” in Benefits subsidy could be used in support of the 2006/07 Council Tax. He reminded Members that a number of the growth items proposed (see Minute 628 above) were special items. Therefore, it would be prudent to fund these from the Benefits windfall item.

The Acting Leader outlined the position on Balances and other Reserves currently held by the Council. He outlined the basis for the 2006/07 Estimates, and

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highlighted the effects of the service planning process for future levels of Council Tax. The Executive's attention was drawn to the revised medium term financial model, which was tabled at the meeting. It was noted that the model contained many variables and assumptions, and as such, future projections of Council Tax levels were only indicative.

The Executive Member stated that, under the Prudential Code of Accounting, the Council needed to be satisfied that the revenue budget it set, along with the future Capital programme, could be met and was sustainable. Further to the Gershon review it was part of the service planning process that 2.5% efficiency savings were delivered over each of the next three years. The Council was well placed regarding work required to deliver these target savings, as the recent comprehensive budget reviews had proved to be a very useful process in identifying savings for 2006/07, as well as potential actions for the future. The proposed budget for 2006/07 and the projected future budgets had been set at a sustainable level.

The Acting Leader referred to previous agenda items relating to growth items and efficiency savings, where amendments had been tabled. As a result, a revised summary paper was tabled indicating the revised growth, efficiency items and fees and charges. The summary also included the final grant settlement figure of £7,718,115, which had been confirmed by the Government. He stated that, based on their approval, the Council Tax at Band D for the District in 2006/07 would be £137.52. This compared to £131.22 in 2005/06 and represented an increase of 4.8%.

The Acting Leader also outlined the range of consultation initiatives that had been pursued, including the statutory duty to consult the business community. Details of the outcome of the consultation were set out in the report now submitted. In response to a Member's question, the Acting Leader commented that the new

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process for statutory consultation with the business community, introduced in 2004, had resulted in a more effective dialogue.

The Acting Leader concluded by referring to the issue of concessionary fares. A separate report on the agenda dealt with this item (see Minute 631 below). He stated that these proposals took account of the sum required for the Council to participate in the County-wide scheme.

The Executive noted that Policy Development Scrutiny Committee, at its meeting held on 6 February 2006, had considered and supported the proposals.

The Executive recommended the proposals as now amended and detailed.

RECOMMENDED - That (A) representations received under Section 65 of the Local Government Act 1992 be considered formally,

(B) the adjustments to the General Fund Revenue Estimates for 2005/06 (Revised) and 2006/07 now detailed, be made, DR

(C) the comments of the Policy Development Scrutiny Committee of 6 February 2006 be received,

(D) subject to any adjustments being made, District expenditure of £15, 399,635 be set for 2006/07, excluding Parish Precepts, Revenue Support Grant and the Council's share of the National Non-Domestic Rating Pool, and DR

(E) appropriations to/from Reserves be made as set out within the report now submitted. DR

ACTION**630 FEES FOR HACKNEY CARRIAGE VEHICLE AND DRIVERS; PRIVATE HIRE VEHICLE AND DRIVERS AND PRIVATE HIRE OPERATORS' LICENCES AND ANCILLARY CHARGES 2006/2007**

The Executive Member for Community Safety submitted a report on proposed increases to the fees charged to recover the costs of issuing and administering licences relating to hackney carriage and private hire vehicles.

The Executive noted that the provisions of the Local Government (Miscellaneous Provisions) Act 1976 allowed for fees to be levied for Hackney Carriage and Private Hire licensing functions, but required that the cost of a licence or associated charges were reasonable and related to the cost of the licensing scheme itself. Furthermore, any increase in fees above that set out in relevant legislation could only be introduced after the prescribed procedures had been followed. As these fee increases were subject to specific legislative requirements, the proposals were being reported to the Executive separately from the corporate annual fees and charges report.

The Executive Member detailed the existing fees and the proposed fees for the period 1 April 2006 to 31 March 2007 in Appendix 'A12' to the report submitted.

The proposed fees had been duly advertised in local newspapers on 15 December 2005 and the final date for objections was 13 January 2006. The Executive Member reported that no objections had been received.

The Executive supported the recommendations as now detailed.

RECOMMENDED - That the increase in fees for the period 1 April 2006 to 31 March 2007, as set out in Appendix 'A12' to the report submitted, be approved.

DRS

ACTION**631 CONCESSIONARY FARES**

The Acting Leader and Executive Member for Finance and the Executive Member for Regions and Partnerships submitted a joint report on a proposal for a free fare concessionary travel scheme for the District. Members recalled that this issue had been deferred from the previous Executive meeting pending further discussions by Officers with relevant parties.

The Acting Leader reported that despite Officers' best efforts, the Council was still awaiting information. However, at this late stage, there was a need for a more pragmatic approach to be followed. Therefore, the Council needed to make a decision to enter the County-wide scheme.

The Acting Leader referred to the issue of the costs and the difficulty in budgeting accurately for these, in the absence of reliable information from the bus operators. He reminded Members of the growth sum for this item recommended earlier at this meeting (see Minute 628 above) as a result of the inadequate grant provision from the Government. At present, the potential costs were approximately £600,000 for 2006/07. He expressed the hope that when the actual figures became available, there would be an adjustment in the Council's favour.

The Acting Leader and Executive Member for Finance and the Executive Member for Regions and Partnerships proposed three recommendations. Firstly, that the Council entered the County-wide scheme offering free fare travel within Hertfordshire and for all routes starting and finishing within Hertfordshire, to all over-60s and others eligible for the scheme.

Secondly, that the costs as now detailed, which the Council had been forced to accept as a result of the unwillingness of other authorities in Hertfordshire to negotiate a better deal for Council taxpayers, be noted.

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Finally, it was suggested that the Policy Development Scrutiny Committee on 28 March 2006, be asked to consider a strategy to examine the process to date in the concessionary fares scheme, in order to learn lessons for the future and to explore a methodology that could be used in future negotiations for the second phase of the scheme.

The Policy Development Scrutiny Committee Chairman supported the final recommendation, but suggested that the timing be considered as it might be helpful to consider the issue after a period of the scheme's implementation. The Acting Leader suggested that it would be necessary for the Scrutiny Committee to give early consideration to the issue in order to inform future negotiations over the next phase of the scheme.

The Executive supported the recommendations as now detailed.

RECOMMENDED - that (A) the Council becomes part of the County-wide scheme offering free fare travel within Hertfordshire and for all routes starting and finishing within Hertfordshire, to all over-60s and others eligible for the scheme;

(B) the costs as now reported, which the Council had been forced to accept as a result of the unwillingness of other authorities in Hertfordshire to negotiate a better deal for Council taxpayers, be noted; and

(C) the Policy Development Scrutiny Committee on 28 March 2006, be asked to consider a strategy to (1) examine the process to date in the concessionary fares scheme, in order to learn lessons for the future and (2) to explore a methodology that could be used in future negotiations for the second phase of the scheme.

ACTIONRESOLVED ITEMS632 MINUTES

RESOLVED - that the Minutes of the Executive meeting held on 7 February 2006, be confirmed as a correct record and signed by the Chairman.

633 PROVISIONAL GRANT SETTLEMENT 2006/07 AND 2007/08

The Acting Leader and Executive Member for Finance submitted a report updating Members on the details of the grant settlement for 2006/07 and 2007/08.

It was noted that the Government's intention was to move towards three year settlements in the next Spending Review Period. Therefore, this year's announcement covered the two remaining years of Spending Review 2004 (i.e. 2006/07 and 2007/08).

The Executive noted the report.

RESOLVED – that the report be noted.

634 PARKING SERVICE STRUCTURE

The Executive Member for Environmental Management submitted a report seeking approval for a change to the staffing structure of the Council's parking service team, in order to add management capacity and resilience into the service team.

The Executive recalled that the Council took on the service of decriminalised parking enforcement in January 2005. Therefore, the parking service was a new area of operation for the Council, and was a very important service with a high public profile and a large volume workload. The smooth and efficient operation of this service was a high priority for the

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Council.

The Executive Member detailed the current staffing structure in the report now submitted. It had become apparent that this structure was not best suited to meet the needs of the Council, as it restricted the team manager’s ability to detach himself from day-to-day operational issues, and to focus on the development of the service at a more strategic level. Accordingly, approval was sought to amend the structure by deleting one of the proposed Parking Services Assistant posts, and replacing it with a new post of Parking Services Supervisor. This post would act as line manager to the notice processing, administrative and clerical staff, which would introduce greater supervisory support into the team.

The Executive noted the financial implications of the proposals as detailed in the report now submitted.

The Executive approved the proposals.

RESOLVED - That an amendment to the staffing structure of the Council’s parking service team, to delete one administrative assistant post, and replace it with a new post of Parking Services Supervisor, be approved.

DPP

The meeting closed at 9.24 pm

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Chairman
Date