

MINUTES OF A MEETING OF EAST
HERTS COUNCIL HELD IN THE
COUNCIL CHAMBER, WALLFIELDS,
HERTFORD ON WEDNESDAY 20
FEBRUARY 2008 AT 7.30 PM

PRESENT: Councillor A L Burlton (Chairman).
Councillors M R Alexander, D Andrews,
W Ashley, P R Ballam, K A Barnes, R Beeching,
S A Bull, M G Carver, Mrs R Cheswright, D Clark,
N Clark, R N Copping, A F Dearman, J Demonti,
A D Dodd, R Gilbert, Mrs M H Goldspink,
L O Haysey, J Hedley, Mrs D L E Hollebon,
Mrs D M Hone, A P Jackson, G Lawrence,
M P A McMullen, J Mayes, R L Parker,
D A A Peek, M Pope, R Radford, J O Ranger,
P A Ruffles, G D Scrivener, R I Taylor,
M J Tindale, A L Warman, J P Warren, N Wilson,
M Wood, C B Woodward.

OFFICERS IN ATTENDANCE:

Anne Freimanis	- Chief Executive
Simon Drinkwater	- Director of Neighbourhood Services
Tony Hall	- Interim Head of Business Support Services
Philip Hamberger	- Director of Internal Services
Jeff Hughes	- Head of Democratic and Legal Support Services
Martin Ibrahim	- Senior Democratic Services Officer
George A Robertson	- Director of Customer and Community Services
Nick White	- Communications Officer

543 MINUTES

RESOLVED - that the Minutes of the Council meeting held on 20 February 2008 be approved as a correct record and signed by the Chairman.

544 CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed the press and public to the meeting.

He advised with great sadness, the sudden death of John Hinkin, IT Desktop and Network Manager, earlier in the week. The funeral would be held on Wednesday 5 March, at 12.30 pm, at Parndon Wood Crematorium, Harlow. His widow, Valerie, had asked to say that anyone who wished to come back with the family afterwards would be most welcome. Members stood and observed a minute's silence in memory of John Hinkin.

The Chairman was pleased to be able to report that, following a "draw" to identify the Council's nominations to attend one of Her Majesty the Queen's Garden Parties in 2008, Councillors Mrs D L E Hollebon and J J Taylor would be representing the Authority.

Finally, the Chairman reminded Members of the "Fund for the Future" quiz night to be held on 22 February 2008 and advised that further details were available from Councillor J Mayes.

545 DECLARATIONS OF INTEREST

Councillors P R Ballam, S A Bull and M Pope declared personal interests in the matter referred to at Minute 512 – Consolidated Budget Report, as it related to the Citizens Advice Bureau, of which they were members.

ACTION546 PETITION – BUILDING WORKS
AT SUNNY HILL, BUNTINGFORD

Mr and Mrs Hanson had submitted a petition on behalf of local residents, comprising 77 signatures, expressing concern and opposition to the current building operations and works at 7 Sunny Hill, Buntingford.

Mrs Hanson was in attendance and was invited by the Chairman to address the meeting.

Mrs Hanson advised that a total of 175 signatures in support of the petition had now been collected, which demonstrated the strength of local feeling on this matter. She asked the Council to take action on the development and to restrict the proposed activities. The owner of 7 Sunny Hill had not consulted any of the neighbours and now a retrospective application had been submitted.

Mrs Hanson commented that the developments were out of keeping with the local area and that the attitude of the owner and builder had been aggressive. She stated that 15 kennels had been built for the purposes of breeding dogs, such as bull terriers and rottweilers. This had raised a number of safety and security concerns for the petitioners, particularly for young children, the elderly, as well as for the welfare of the dogs themselves. There were also a number of environmental concerns relating to noise, odours and security.

Mrs Hanson concluded by commenting that this was an inappropriate use in a quiet residential area and implored the Council to address the concerns of the petitioners.

In response, the Executive Member for Community Safety and Protection thanked the petitioners for their submission. He apologised for his response being of a technical nature and stated that there were two areas of concern for the Council – planning and environmental health.

ACTION

Officers had investigated the situation and to date, there had been no breach of any environmental legislation. In planning terms, he detailed the legal position in respect of the kennelling. The owner's stated intention of breeding dogs as a hobby might not necessarily be deemed a breach of planning conditions. However, Officers would continue to monitor the position and in particular, the usage of the kennels. He advised that the owner had stated his intention of breeding up to six dogs at any one time and that the additional kennels would be used as temporary housing for any puppies. He commented that certain levels of usage could be considered a planning breach.

The Executive Member acknowledged the potential environmental issues, such as excessive noise and stated that Officers could investigate any complaints. Finally, he advised that Officers would continue to monitor the situation.

Councillor S A Bull, as the local ward Member, congratulated the residents for the publicity they had achieved and offered his support.

Councillor J P Warren, as the local ward Member, expressed his sympathy for the petitioners and offered his full support.

547 MEMBERS' QUESTIONS

Councillor D Clark asked the Leader of the Council if he agreed that it was perverse for the Council to approve the Service Plans, ie the detailed schedule of work for 2008-09, then decide on the Budget, before finally sometime in April, reviewing progress on the 2006-7 and 2007-08 Service Plans to see what had been achieved and what still needed to be done.

The Leader referred the answer to the Executive Member for Resources and Internal Support. The Executive Member stated that a new integrated service and budget planning process had been implemented and that he would justify this in his budget presentation later.

ACTION

Councillor D Clark asked the Leader, as the portfolio holder responsible for the Council's finances for five years, a supplementary question. She referred to previous statements on how the Council aimed to be a learning Council and asked when this would happen and how long the Leader needed.

In response, the Leader stated that he had embarked on the learning process several years ago.

Councillor N Clark referred to the Council meeting last June when the Leader had been unable to say how many members had attended the training session on integrated service and financial planning held on 24 May 2007. He asked the Leader to confirm that only two members, Cllr D Clark and himself, had attended this training and whether any further sessions of this training had been held, when they were held and how many Members had attended.

In reply, the Leader confirmed that two Members had attended the training session referred to, which had been one of eight events scheduled as part of the induction process following the 2007 elections. Other Members had attended other sessions, which had been targeted at new Members primarily.

The Leader commented that he had not received any requests for this session to be replicated. The Executive Member for Community Development, Leisure and Culture was preparing a detailed questionnaire for Members on training and development needs, which would assist in taking a more sophisticated approach in the future.

In response to a supplementary question on whether he had read the Roots report on Uttlesford Council and whether there were similar risks to this Council, the Leader commented that he had not read this report yet, but that, he would do when time allowed. He reiterated that East Herts was a learning Council.

ACTION

Councillor Mrs M H Goldspink asked the Executive Member for Housing and Health whether he believed that the prevention of homelessness was a very good and cost effective way of protecting the vulnerable members of society.

In reply, the Executive Member for Housing and Health agreed with the sentiment of the question. He stated that he had worked passionately on homelessness issues for a number of years. Successive Conservative administrations had worked with partner agencies to tackle homelessness. He referred to the Council's former housing stock, the impact of right to buy (RTB) and the role of registered social landlords (RSLs).

The Executive Member referred to the number of RSLs the Council had worked with and the level of support provided for various housing schemes over the years. This support had taken many forms, such as social housing grant, the provision of land, the setting of challenging affordable housing targets and negotiating section 106 agreements. He detailed various housing and care schemes that the Council had supported.

The Executive Member concluded by expressing his pride in the modern supply of social housing within East Herts. He commented that the Council would continue to address the needs of the homeless.

Councillor Mrs M H Goldspink asked the Executive Member for Housing and Health if it was true that the East Herts Citizens' Advice Service paid for a project-funded worker who worked for East Herts District Council to help to prevent homelessness.

In response, the Executive Member for Housing and Health stated that this was not the case and that the Council paid an additional contribution for the time spent by the project worker in East Herts.

ACTION

Councillor Mrs M H Goldspink asked the Executive Member for Housing and Health if it was true that this Council planned to reduce the funding grant to East Herts Citizens' Advice Service by £50,000 in the year 2009/2010.

In reply, the Executive Member for Housing and Health confirmed that it was and that the Executive Member for Resources and Internal Support would be explaining the medium term financial plan in his budget presentation.

The Executive Member for Housing and Health referred to a recent report on bad debts, which had revealed that bad debts in East Herts were not such a problem compared to other areas. However, he remained committed to giving as much help to vulnerable people within the community.

The Executive Member detailed the level of annual support given to Citizens Advice Bureaux (CAB) by neighbouring Authorities, which ranged from £40,000 in Uttlesford to £108,000 in Epping Forest. East Herts provided £223,000 currently, as well as other funding for special services. He suggested that the Council did not provide such funding to any other organisation without challenging its effectiveness.

The Executive Member reported that along with the Executive Member for Resources and Internal Support, he had met the Chairman of CAB to discuss a number of issues, including his wish for the CAB to give an annual presentation to a scrutiny committee meeting, in order that Members would have the opportunity to ask questions.

The Executive Member stated that contrary to local press reports, it was not proposed to reduce the level of support in 2008/09. This had led to misunderstandings, particularly amongst CAB staff and volunteers. The medium term financial plan did indicate a reduction in 2009/10. However, this was indicative and the CAB Chairman had appreciated the notice of reduction given, in order that further discussions could be held.

ACTION

The Executive Member believed that the Council had always enjoyed a good relationship with the CAB and that this should continue in future discussions on their expenditure. He commented that the Council should challenge all of its spending, especially in discretionary areas. Indeed, he posed the question of whether the Council should be funding services at all that were available elsewhere, such as advice on tax, consumer issues, immigration, education, health and welfare benefits and employment. The Executive Member stated that he would have an open mind on such matters in future discussions with the CAB.

He concluded by reiterating that there would be no reduction in grant to the CAB in 2008/09.

In response to a supplementary question, the Executive Member for Housing and Health confirmed that all Members would have an opportunity to participate in the scrutiny meeting involving the CAB.

548 REPORT OF THE EXECUTIVE

The Leader of the Council reported on the work of the Executive and presented the Minutes of the Executive meetings held on 29 January and 5 February 2008.

The Executive Member for Resources and Internal Support gave a presentation on the Executive's budget proposals for 2008/09. He stated that, as this was the first budget for the newer Members to consider, he hoped to educate and inform on the process and apologised if this appeared to be patronising.

He reminded Members that Council was required to make a decision on the 2008/09 budget and not the medium term financial plan. The budget had been developed to maintain stability, protect investments and to achieve a balanced budget over the medium term.

ACTION

The Executive Member referred to the budget in the context of the Government's reducing grant and the pressures of needing to achieve Gershon efficiency savings. The medium term financial plan indicated a gap of £670,000, which would have to be met either by increased fees and charges or by identifying further savings.

The Executive Member looked back at the successes of the year, such as approving the waste strategy, the tendering of the leisure contract, the Rhodes Complex, Hartham skatepark and the new footbridge over the River Stort. He also detailed the proposals for Reserves and Capital.

The Executive Member referred to the changes in the budget process that had been implemented, which had shifted the focus away from inputs to outputs. He described the service options process that had been undertaken and the role of scrutiny. He detailed specific areas of the proposed budget as follows:

- Concessionary bus fares – a new national scheme would be implemented from April 2008 resulting in increased costs for the Council.
- Subsidised bus routes – the Executive Member for Planning Policy and Transport would be looking at ways of reducing these costs.
- Car parking – the Council had agreed new fees and charges which would enable significant investment to be made in the infrastructure. Also, the Executive Member for Planning Policy and Transport would be looking at the possibility of introducing a discount scheme.
- Playschemes – it was difficult to justify direct provision for a discretionary activity, especially as there was adequate provision in the private sector. Therefore, it was proposed to work in partnership with other service providers by funding up to £20,000 to grant aid

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alternative summer play activities for young people.

- Recycling – the investment in this area marked a significant expansion of service that would help the Authority to achieve its long term targets.

In respect of the Citizens Advice Bureaux (CAB), the Executive Member reiterated what had already been stated and that there would not be a reduction in the grant for 2008/09. As with the Executive Member for Housing and Health, he looked forward to further discussions with the CAB.

The Executive Member referred to other initiatives, such as the Pathfinder project, the Review of Working Arrangements and the new Leisure contract, which provided opportunities for additional savings.

Finally, the Executive Member referred to the proposed council tax rise of 4.5%, which equated to £6.50 a year or 12p a week. The indicative figures shown for future years within the medium term financial plan were only illustrative and that it was his aspiration for a lower figure to be set. In thanking Officers for their hard work on the budget, the Executive Member recommended the proposals as now submitted.

Councillor M Wood, on behalf of the Liberal Democrat Group, referred to the Government's policy of shifting revenue support grant away from shire districts, which had necessitated increasing fees and charges. He highlighted the various proposals submitted by his Group during the budget process, relating to items on dial-a-ride, energy efficiency, eco-house in an urban area, tennis courts in Bishop's Stortford and a cycle track in the Meads, Bishop's Stortford. He expressed his gratitude to the Chairman of Corporate Business Scrutiny Committee for overseeing a constructive debate at that meeting.

Councillor M Wood expressed concern over the impact of some of the budget proposals on the more vulnerable

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sections of society. He reminded Members of the corporate priority relating to the vulnerable. He referred to the proposed withdrawal of playschemes and the future reduction in CAB grant and suggested that these did not fit well with the corporate priority. He reminded Members of previous decisions on the CAB grant which had resulted in them reorganising and yet now, it appeared that they would have to reorganise again. He hoped that the discussions referred to by the Executive Members would be meaningful and reiterated that vulnerable people needed the CAB to provide advice and help.

Although Councillor M Wood was pleased that £20,000 had been allocated for play activities, he did not feel that this would be sufficient. He concluded by stating that his Group would support the budget proposals but with a heavy heart.

Councillor D Clark, on behalf of the Independent Group, referred Members to an excerpt from the original report to the Executive which had stated that budgets had been set at a level that had identified potential risk management issues. Therefore, Members were being asked to approve a budget that was risky. She reminded Members that it was not proposed to have a contingency budget.

Councillor D Clark suggested that the Executive Member had changed the assumptions that had been included within the strategy approved by Council in September 2007. She commented that the Executive Member was now assuming a lower rate of inflation on contracts, thus reducing costs, and a higher rate of interest rates, thus increasing investment income. In her view, these revised assumptions made the forecast look better, at a time when fuel costs had pushed up inflation and interest rates were predicted to fall.

Councillor D Clark referred to the shortfall of £127,000 in Development and Building Control income in 2007/08 and suggested that basing the 2008/09 budget on the same estimates was not prudent.

ACTION

In respect of the proposed council tax rise of 4.5%, Councillor D Clark referred Members to a statement of the Leader in May 2007, in which he had stated that the challenge would be to ensure that council tax increases were minimised as far as possible. She did not believe that an increase of 4.5% represented a minimal increase and stated that Epping Forest Council was looking at a 2.5% increase.

Councillor D Clark, in respect of the medium term financial plan, suggested that the inclusion of a minus figure relating to savings yet to be identified within the forecast was not sufficient to balance the budget. She suggested that £2.3m savings needed to be identified and expressed a lack of confidence that the Executive would be able to achieve this.

She acknowledged that, whilst the Council had achieved initial success in making its Gershon savings, more recently, targets had been missed. She commented that budget problems had been identified a year ago and yet, the Executive was pretending that everything was fine. She did not believe that budget problems were being addressed and stated that she could not support the proposals.

In respect of Minute 512 – Consolidated Budget Report, the Leader referred Members to the additional recommendations that had been circulated in a supplementary report and sought Council's approval for these.

Councillor D Clark commented that, at the Executive meeting held on 5 February 2008, she had queried the new format of the recommendations and whether the legal requirements regarding the Section 65 resolution had been met. She did not believe that this had been recorded and suggested that this ought to be corrected at the next meeting.

The Chairman advised that a reference to this matter had been included in the 10th paragraph of the narrative.

ACTION

Councillor N Clark referred Members to the indices approved by Council in September 2007, as part of the budget strategy. These appeared to have been altered, so that the contract inflation rate had been reduced at a time when inflation was increasing. Also, the projected investment income had been raised from 5% to 5.3%, at a time when interest rates were falling. He suggested that the medium term financial plan needed further work as it contained huge unidentified savings and had been described as unsustainable.

Councillor N Clark also commented that Members' Allowances had not been addressed. He suggested that this budget could be reduced by £210,000, of which £150,000 could be set aside as a contingency and the remaining £60,000 saving could be utilised to reduce the council tax rise to 3.8%. Future years' savings could be used to maintain support for the Citizens Advice Bureaux, whose volunteers provided a valuable service to vulnerable people.

Councillor N Clark did not believe that 4.5% was the lowest council tax rise that could be achieved. He was unclear as to why Members should continue to draw nearly £0.5m in allowances when some people, especially those on fixed incomes, were struggling. He disagreed with the proposals on the CAB and the lack of a contingency. Also, he did not support the recommendation to delegate responsibility for £400,000 spending to be delegated to the Chief Executive without Member scrutiny.

He proposed, and Councillor D Clark seconded, an amendment to the proposals as follows:

Amend Recommendation (A) to read "Officers be requested to bring forward a sustainable medium term financial plan for consideration"

Amend Recommendation (C) to read "the revenue budget for 2008/09, adjusted for a reduction in members' allowances of £210,000 and the addition of

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£150,000 contingency”

Amend Recommendation (D) to read “a proposed council tax increase of 3.8% for 2008/09 be approved”

Delete Recommendation (E)

The Executive Member for Resources and Internal Support disagreed with the economic arguments put forward by Councillors D Clark and N Clark and referred to the independent advice received from the Council’s advisers, Sector. He also pointed out that £400,000 of the favourable variance in 2007/08 had been due to efficiency savings.

Councillor D Clark, in seconding the amendment, referred to the impact of the budget proposals on vulnerable residents, particularly those who could not afford commercial playschemes.

After being put to the meeting and a vote taken, the amendment was declared LOST.

After being put to the meeting and a vote taken, the recommendations of the Executive, as well as the additional recommendations circulated in the supplementary report, were declared CARRIED.

In respect of Minute 513 – Local Government Asset Management Strategies, the Executive Member for Resources and Internal Support referred to his response to a question from Councillor N Clark on the threshold for options appraisals and apologised for an inaccurate answer that had been given in good faith. In fact, he clarified that there had been no specific advice from the Government on the use of consultants. Councillor N Clark accepted this apology.

RESOLVED – that (A) in respect of Minute 512 – Consolidated Budget Report, in addition, the following be approved:

ACTION

- (1) representations received under Section 65 of the Local Government Finance Act 1992, be considered formally;
 - (2) the estimated net revenue expenditure for 2008/09, amounting to £8,710,272, be approved formally; and
- (B) the Minutes of the Executive meetings held on 29 January and 5 February 2008, be received, and the recommendations contained therein, be adopted.

(Note – Councillors D Clark and N Clark requested that, in respect of Minute 512 – Consolidated Budget Report, their dissent from the decisions taken at resolutions (A) and (C) – (F) be recorded.)

549 MINUTES OF COMMITTEES

(A) HUMAN RESOURCES COMMITTEE
– 8 JANUARY 2008

In respect of Minute 446 – Local Government Workforce Strategy 2007, Councillor D Clark welcomed the Committee's decision to receive quarterly updates on the peer review action plan. She referred to levels of staffing and asked the Leader when he expected to have a permanent Head of People and Organisational Services in post.

In reply, the Leader stated that an announcement to Members was imminent.

RESOLVED – that the Minutes of the Human Resources Committee meeting held on 8 January 2008, be received.

ACTION

(B) COMMUNITY SCRUTINY COMMITTEE
– 15 JANUARY 2008

RESOLVED – that the Minutes of the Community Scrutiny Committee meeting held on 15 January 2008, be received and the recommendation contained therein, be approved.

(C) DEVELOPMENT CONTROL COMMITTEE
– 16 JANUARY 2008

RESOLVED – that the Minutes of the Development Control Committee meeting held on 16 January 2008, be received.

(D) CORPORATE BUSINESS SCRUTINY
COMMITTEE – 22 JANUARY 2008

RESOLVED – that the Minutes of the Corporate Business Scrutiny Committee meeting held on 22 January 2008, be received.

(E) STANDARDS COMMITTEE – 6 FEBRUARY 2008

RESOLVED – that the Minutes of the Standards Committee meeting held on 6 February 2008, be received.

(F) CORPORATE BUSINESS SCRUTINY
COMMITTEE – 12 FEBRUARY 2008

RESOLVED – that the Minutes of the Corporate Business Scrutiny Committee meeting held on 12 February 2008, be received and the recommendations contained therein be approved.

ACTION550 MOTION – FINANCIAL PLANNING

Councillor N Clark moved, and Councillor D Clark seconded, the following motion:

“This Council believes that having a sustainable budget for the medium term is an essential part of good financial planning.”

Councillor N Clark referred to earlier decisions taken by Council on the budget and suggested that Members had voted for an unsustainable medium term financial plan. He reminded Members that the Executive report had described the plan as not sustainable over the four year term.

Councillor N Clark commented that the Conservative Administration had blamed the Government for below inflation increases in revenue grant. He stated that 1% of Government grant equated to £80,000 and yet the budget aimed to raise over £0.5m in fees and charges and another £0.5m in council tax. In his view, this demonstrated that the Council's costs were out of control and it was motorists, residents and taxpayers that would pay for this.

He referred to car parking increases of 20% in the last two years and plans for 5% increases for the next three years and asked if this was sustainable for the future of town centres in the District. He reminded Members that the budget did not include any contingency. The 2009/10 savings were dependent on the introduction of alternate weekly waste collections, but at present, there was no identified disposal route.

Councillor N Clark then referred to the capital programme. He stated that in March 2005, the Council had nearly £20m in capital reserves, but by 2011, the programme indicated reserves at only £3.6m. He believed that borrowing was on the horizon as the Council's disposals programme, which provided the receipts to fund capital schemes, would soon dry up. He pointed out that most Members were not even

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aware of which assets had been earmarked for disposal.

Councillor N Clark commented that the medium term financial plan had been based on significant unidentified savings and queried where these would come from. The Executive had identified two potential areas of savings in the review of working arrangements and the new leisure contract. He asked how any Member could determine their support for these items when the budget was based on them.

Finally, Councillor N Clark referred to the Roots report in Uttlesford, which had found a lack of understanding in local councils' finances. Earlier, he had established that few Members in East Herts had received financial training. He suggested that in order to avoid the problems at Uttlesford, the Council needed to address some fundamental issues.

Councillor J O Ranger referred to the earlier budget presentation given by the Executive Member for Resources and Internal Support and praised its clarity. He refuted Councillor N Clark's views on the budget and believed that Council had agreed a budget that had been thought through with clear objectives. He proposed and Councillor R Gilbert seconded, an amendment to the motion as follows:

Add at the end of the motion, "and is the policy followed by Council as is demonstrated by the budget just agreed"

Councillor D Clark, in seconding the motion, referred to the decision taken earlier to approve the draft medium term financial plan for 2008/09 – 2010/11. She also referred to the Executive report which stated that the plan, in its current form, was not sustainable over the four year term. Therefore, she maintained that the Council had agreed an unsustainable medium term financial plan. She suggested that the proposed amendment to the motion did not make sense.

ACTION

The Leader disagreed and commented that there were many variables in the medium term financial plan.

After being put to the meeting and a vote taken, the amendment was declared CARRIED.

After being put to the meeting, and a vote taken, Council approved the substantive motion.

RESOLVED - that this Council believes that having a sustainable budget for the medium term is an essential part of good financial planning and is the policy followed by Council as is demonstrated by the budget just agreed.

(Note – Councillors D Clark and N Clark requested that their dissent from the decision to approve the amendment and the substantive motion be recorded.)

The meeting closed at 9.23 pm

Chairman
Date