



SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

COUNCILLORS' BULLETIN – ISSUE DATE 19 DECEMBER 2001

1. Cabinet Meeting 13th December 2001

Recommended to Council

- (a) that a District Tax Base Figure of 52,891 for the financial year 2002-3, which make allowance for an assumed rate of collection of 99.5%
- (b) for approval, the Tax Base figures for the individual parishes
- (c) That, subject to the comments of parishes, the first instalment of Parish Precepts for 2002/3 be paid by 12th April 2002 (The full precept, if £1000 or less, the greater of £1000 or 50% of the precept otherwise) and any balance by 14th June 2002.

Cabinet recommends that the Financial Strategy, as amended by the Finance and Resources Director in the report dated 13th December 2001, be approved.

Decisions Made by Cabinet

- (a) A charge of £20 be levied for the collection of Refrigerators and Freezers and that a sliding scale of charges for other bulky items should be drawn up for approval. All exemptions as recommended in the report to this charge were approved.
- (b) The Finance and Resource Director was asked to write to the Secretary of State regarding the level of the SSA to be received.
- (c) Cabinet supports the Arts Strategy in principle, although this will not be prejudicial to any financial decisions decided upon at a later meeting.
- (d) Cabinet approved the sale of land on Balsham Road to Granta Housing Society.
- (e) Capital and Revenue Estimates for the staffing and central overhead accounts:
 - i) that cabinet confirm the inflation figure of 2.5% and a pay award provision of 3% for the preparation of the estimates.
 - ii) to approve the Revenue Estimates and Capital Programme as presented to this Committee
 - iii) that the system proposed for the setting and agreement of the Estimates be implemented.
- (f) The following Museum grants were agreed:
 - i) The Farmland Museum - £25,000
 - ii) Cambridge Folk & County Museum - £30,500
 - iii) Museum of Technology - £5,000
 - iv) The decision regarding any grant to be given to the Fitzwilliam Museum was deferred until a feasibility study had been completed.
- (g) Cabinet agreed to Consultants being invited to examine the whole structure and remuneration of the establishment and that Cabinet accepts the conclusions of the Management Team's critical assessment.
- (h) Cabinet authorised the Housing & Community Services Director to implement the proposed HR alterations to his department.
- (i) Cabinet rejected the application for the relief of National Non-Domestic Rate.

Cabinet Agenda for the meeting set for 10th January will not be sent out until 3rd or

4th January.

2. Portfolio Holder for Resources and Staffing Decision

To elect to waive the exemption, or opting to tax as it is more commonly known, so that any rent of (part of) the new office building in Cambourne to a third party will be subject to standard rated VAT. Once made, this decision is irrevocable in respect of this building.

3. Notes of the Meeting with Members of Parliament are included in this bulletin

4. Minutes of the **Environmental Health Portfolio Holder's Meeting** are included.

5. Other Information items

Advisory Groups: a report will be put before Cabinet on the 10th January regarding Management arrangements for advisory groups. Please note that Councillors can put their names forward for the Waste Management Working Group. Councillors already on the Environment Committee need not put their names forward again.

Christmas and New Year: South Cambridgeshire District Council at South Cambridgeshire Hall, 9-11 Hills Road, Cambridge will be closed from 4:30pm on Friday 21st December 2001 until 8:30am on Wednesday 2nd January 2002.

During this period, the telephone number (01223) 443000 will give details of contacts for emergency repairs to Council Houses, Homelessness, Dangerous Buildings, Environmental Health and other emergencies.

CHRISTMAS AND NEW YEAR REFUSE COLLECTION SERVICE

NO COLLECTION of refuse on the following days over the Christmas & New Year period:

Tuesday 25th & Wednesday 26th December 2001 and Tuesday 1st January 2002.

Routine collections during this period are as stated below:

Normal Collection Day		Actual Collection Day
Monday	24th December	Monday 24th December
Tuesday	25th December BH	Thursday 27th December
Wednesday	26th December BH	Friday 28th December
Thursday	27th December	Saturday 29th December
Friday	28th December	Saturday 5th January
Monday	31st December	Monday 31st December
Tuesday	1st January 2002 BH	Wednesday 2nd January
Wednesday	2nd January	Thursday 3rd January
Thursday	3rd January	Friday 4th January
Friday	4th January	Saturday 5th January

Monday 7th January - Normal Collections Resume.

All householders are requested to have their refuse sacks available by 7.00 a.m.

Meetings to be Held Week Commencing the 31st December:

2nd January: Development Conservation and Control Committee

CAMBRIDGESHIRE PENSION FUND

A verbal report was given by the Finance and Resources Director to the Resources

and Staffing Portfolio Holder at a meeting held on 11th December 2001 and is reproduced below for Members' information.

On the 4th December 2001 the Finance and Resources Director attended a meeting of the Pensions Consultative Group held at the offices of Cambridgeshire County Council. The Group consisted of representatives of employers, unions and pensioners and was initially formed to strengthen the management and control of the Cambridgeshire Pension Scheme and to improve the co-operation and communication between all pension groups.

The Pension Fund provides pensions and other benefits for employees of the County Council, District Councils and other public sector organisations in Cambridgeshire. The Fund does not however include teachers, police and firemen for whom independent pension arrangements exist. Whilst the Fund is administered by the County Council, the accounts are a separate entity from the remainder of that Council's assets.

The ability of the Fund to provide statutory benefits is reviewed every three years by a Consulting Actuary and contributions are considered in the light of her report. The last actuarial valuation was completed for the period ended 31st March 1998 and indicated that the assets of the Fund represented 110.5% of the accrued liabilities. The value of the Fund had fallen to £803 million, reflecting the decline in equity. The Fund is 'partitioned' and although the average employer's contribution rate for all participating authorities was 6.7%, this Authority enjoyed a 1.7% reduction. Consequently, since 1st April 1999, a contribution rate of 5.0% applied.

As at 31st March 2001 the Fund had a market value of £904 million, representing a £87 million (8.7%) decrease over the previous year. However, by the 30th September 2001, the latest date for which figures were available, markets prevailing over that period. Investment income during the year ended 31st March 2001 amounted to approximately £23.8 million. This investment income together with other transactions on the Revenue Account during 2000/01, which included the receipt of contributions and the payment of pensions, meant there was £22.1 million of new money available for investment (£24.8 million in 1999/00).

The overall investment policy of the Fund was determined by the Investment Panel consisting of three County Council members, a Peterborough City Council member, a District Councillor representing all other participating bodies in the Fund, the (County) Director of Resources and the fund actuary. Each of the three Managers, JP Morgan, Deutsche (formerly known as Morgan Grenfell) and Schroders are monitored against the market indices for each asset class, weighted in accordance with the benchmark asset allocation for each Manager.

In providing commentary to the Group on the underlying position of the Fund, the Actuary's representative Ms Alison Hamilton, stated that the inherent strength of the Cambridgeshire Fund was principally attributable to two key decisions taken by the Investment Panel in the mid nineteen eighties; firstly the decision not to take advantage of revised Regulations issued at that time allowing funding levels to drop to as low as 75% of perceived liabilities and, secondly, to charge the full cost of pension increases to the Fund (rather than finance from revenue) with the consequential investment gain of these additional contributions being available during the late 1980's and early 1990's when considerable returns on equities were being achieved. Ms Hamilton reminded the Group of the results of the 1998 valuation and the key messages emanating therefrom:

	£m
Assets	752
Liabilities	681
Surplus	71
Funding Level	110%
Composite employer's rate	6.7%
Underlying Contribution Rate	12.0%

As part of her presentation, Ms Hamilton drew attention to the increased life expectancy of pensioners which can be seen from the table below. The associated implications for future employers contribution rates is generally accepted to be in the order of a 2% year on year increase, attributable to this phenomena.

	1971	1997	2021
Male	75	79	82
Female	80	83	85

The individual return of the Fund, over periods of one to five years is as follows:

	Annualised Return %	Percentile	
1996/01 (Five years)	8.7	81	
1997/01 (Four years)	8.0	87	
1998/01 (Three years)	3.6	86	
1999/01 (Two years)	1.7	82	
2000/01 (One year)	- 9.0	80	

The annualised performance of the Fund has therefore been in the lower quartile over the last five years; for longer periods (up to the last ten years) it is between the median and lower quartile.

The number of contributors to the Fund had increased from 18,380 at 31st March 2000 to 19,309 at 31st March 2001, whilst the number of pensioners had increased from 7,521 to 7,919 for the same respective dates.

The Cambridgeshire Fund is in a very strong financial position and in comparison with other Local Authority Pension Funds was, according to the Actuary, one of the better ones when viewed on a national basis. Although as a consequence of the current actuarial valuation it has been decided that employer's contribution rates would have to increase by 1%, working towards the underlying rate of appropriately 13%, nonetheless the Cambridgeshire Fund would continue to enjoy one of the lower composite employer's contribution rates in the Country.

NEW OFFICES PROJECT

For your information, we have been advised by the consultants for this project that the anticipated date for completion of the new offices at Cambourne is now 30th September 2003 for the following reasons:

- the extra build time required for the mixed mode air management system;
- the delay attributable to resolving the planning application;
- the need to satisfy the site specific planning conditions in relation to the dualling of the A428 and the estate road into the Business Park.

A report on the progress with the new offices will be made to Council on the 17th January 2002.

ANNUAL AUDIT LETTER

New regulations require the External Auditor's Annual Audit Letter (previously called the Management Letter) to be published as soon as possible after receipt and that copies should be available for purchase by anyone.

The letter on the audit of accounts for 2000/01 was published with the agenda for Cabinet on the 13th December. If any Member or any of your constituents would like a further copy, please contact the Committee Section on (01223) 443016 or 443030. No charge will be made.

Call in arrangements

The relevant Select Committee, either by the Chairman of that Select Committee or by any five other Councillors, may call in any executive decision recorded in this bulletin for review. The Committee Manager must be notified of any call in by **Monday 7th January 2002**. All decisions not called in by this date will be implemented.

The call in procedure is set out in full in Part 4 of the Council's Constitution, 'Select Committee Procedure Rules', paragraph 16.