



Professional Examination 3

23 June 2004

FINANCE AND MANAGEMENT CASE STUDY

Time allowed - ½ hour

From 12.40 p.m. to 1.10 p.m.

Candidates will be allowed five minutes reading time from 12.35 p.m. to 12.40 p.m.

All questions must be answered.

The case study has been prepared on the assumption that candidates will not necessarily have a detailed knowledge of the type of organisation to which it refers. No additional merit will be accorded those candidates displaying such knowledge.

The weightings for each question are indicated in the parentheses at the end of the question.

Candidates will be allowed to submit, as part of their script, work performed in the morning session, but they should distinguish clearly between work supporting their script and that which is to be considered a part of it.

NOTES TO CANDIDATE

- (i) Answers to be prepared as on 23 June 2004 by Kim Paust, Environmental Services Accountant.
- (ii) The question below is intended to test the candidate's understanding of the situation in the case.

QUESTIONS

1. Draft a briefing note in accordance with the attached memorandum from the Chief Executive who is meeting with Mrs. Bynne this afternoon. (20%)

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WHEELINGHAM MEMORANDUM

FROM ~ Chief Executive – Emma T Crisp-Packett
TO ~ Environmental Services Accountant – Kim Paust
DATE ~ 23 June 2004

Letter

I refer to the attached letter that was received last week when I was on leave. Unfortunately, Mrs Bynne's letter was overlooked as a result and no response was sent. Mrs. Bynne, who lives in the Leader's ward, contacted me this morning chasing a response and, when she found that a reply had not been sent, she was understandably upset.

Consequently, I have agreed to meet Mrs Bynne in person this afternoon and I need a briefing note before the meeting on all the points raised in her letter. Please ensure that you specifically cover the following.

- An explanation of the increase in 2004/05 Council Tax, using Mrs Bynne's own Council Tax bill as an example.
- Background to the recycling initiatives together with an explanation of recycling targets and the credits system. Whilst I appreciate that Government grant penalties will not be imposed until after 1 April 2008, please include, as a notional exercise, an exemplification of the potential impact upon Council Tax of doing nothing on recycling.
 - Take 2004/05 Council Tax as the base;
 - Using current waste volumes, calculate the amount of Government grant that would ultimately be lost assuming zero recycling of domestic waste;
 - Using Mrs Bynne's tax band, calculate the impact of this potential grant loss on her 2004/05 base Council Tax.

We need to satisfy Mrs Bynne's thirst for "facts and figures".

- The reasons for the introduction of wheelie bins and any evidence to refute Mrs Bynne's allegations.

Please let me have your note by 1.10 pm.

Emma T Crisp-Packett

Chief Executive

Mrs Dusty Bynne
23, Beehive Street
Much Wrotting
Wheelingham
WD20 5HG

The Chief Executive
Council Offices
Wheelingham
WD39 1HH

15 June 2004

Dear Ms Crisp-Packett,

I am writing on behalf of the Much Wrotting Residents Association (MWRA) to express concern at the way in which your Council manages its affairs.

Firstly, MWRA members are incensed at the recent increases in Council Tax. My own tax bill went up from £1,193.23 last year to £1,280.81 for the current year, a massive increase of almost 7½% when inflation is barely 3%! How can this be justified? Your Council's spending is clearly out of control and I hold you responsible! I thought that the Government had stopped you pushing through excessive increases like this. I demand an explanation of how this has happened and I want to know what steps you are taking to ensure that costs are kept down in the future.

Secondly, we hear from our contacts within your Council that you are now going to start spending our money on recycling rubbish. What's the point of this when we have enough old quarries in the area to meet the Council's dumping needs in my lifetime at least? Is this being driven by Binbyshire County Council, as our contact indicated that the County would be paying your Council to undertake recycling? Moving funds around like this does not fool us, you know. Council Taxpayers fund both Councils, so why waste even more money on this sort of unnecessary administration? Some explanation and exemplification of the financing of this recycling initiative and its potential impact is essential.

Finally, we hear that, from April 2005, you are to impose wheelie bins on all residents and without any consultation beforehand! This seems to be a change for the worse and certainly there is very little support amongst MWRA members for the introduction of wheelie bins. There has been similar resistance in other authorities, I understand. As an elderly group in the main, MWRA members have real concerns about the size of these things and your requirements that they must be wheeled to the kerbside. Many residents have steps to their properties. How are they supposed to cope? This appears to be another example of the Council downsizing its workforce by getting taxpayers to do the work for them. The losers this time are clearly Wheelingham's residents and its long-suffering refuse collectors. How can this be right?

I would appreciate an urgent response on the above matters as the MWRA has its next meeting on 24 June 2004. Can I make it clear that I want facts and figures, not a lot of fanciful words that tell me nothing?

Yours sincerely

Dusty Bynne (Mrs)