

# Item 3

## SEDGEFIELD BOROUGH COUNCIL CABINET

Conference Room 1,  
Council Offices,  
Spennymoor

Thursday,  
10 January 2008

Time: 10.00 a.m.

**Present:** Councillor Mrs. A.M. Armstrong (Chairman) and

Councillors Mrs. K. Conroy, V. Crosby, Mrs. B. Graham, A. Hodgson,  
Mrs. L. Hovvels, J.M. Khan, D.A. Newell and W. Waters

**In**

**Attendance:** Councillors Mrs. P. Crathorne, Mrs. L. M.G. Cuthbertson, P. Gittins J.P.,  
Mrs. J. Gray, B. Haigh, Mrs. S. Haigh, T. Hogan, Mrs. H.J. Hutchinson,  
B. Lamb, Mrs. E.M. Paylor, A. Warburton and T. Ward

**CAB.129/07    DECLARATIONS OF INTEREST**

Members had no interests to declare.

**CAB.130/07    MINUTES**

The Minutes of the meeting held on 20<sup>th</sup> December 2007 were confirmed as a correct record and signed by the Chairman.

**CAB.131/07    BUDGET FRAMEWORK FOR 2008/09 (KEY DECISION)**

Consideration was given to a report setting out a budget framework for 2008/09 after taking account of the Government's proposed settlements in relation to Revenue Support Grant (RSG), Housing Subsidy and Capital Allocations as well as the Council's Medium Term Financial Plan. (For copy see file of Minutes).

It was explained that the Council had been provisionally notified that it would receive £9,971,348 of external Government support for 2008/09. The grant settlement, which was broadly in line with expectations, showed a year on year cash increase of 1.98% or £190,065, including the base adjustments in accordance with the distribution framework.

The budget framework for 2008/09 reflected the Council's key priorities set out in the Corporate and Transition Plans and took account of financial issues and pressures facing the Council, including pay related costs, fuel price inflation and the drawing to an end of some external funding streams.

Members noted that the budget would be the last one to be determined by the Council before local government in County Durham was re-organised. It had been prepared on the basis of business as usual, with growth in service provision restricted to essential areas only and where they would not be to the detriment of the new council's arrangements.

The budget had been prepared on an outturn basis, which meant that the contingency sum had been eliminated. Any unforeseen issues during the year would be met from efficiency savings within the relevant Portfolio area to avoid the use of balances.

It was pointed out that several requests to enhance service provision had been excluded from the budget framework as a result of shortage of funds, however, if funding did become available during the year, those items could be allowed to commence on a prioritised and considered basis and subject to Cabinet approval.

Paragraphs 3.13 to 3.21 identified a number of proposed enhancements to service delivery to take place during 2008/09. It was noted that grant allocations in respect of the Safer Stronger Communities Fund had not yet been determined by the Local Area Agreement Board. Therefore service provision may need to be reviewed if lower than expected allocations were announced. It was also noted that a further report was to be submitted to Cabinet following clarification as to what the Working Neighbourhoods Fund could be used for.

Specific reference was made to the target budgets for 2008/09 set out in paragraph 3.24.

It was reported that careful planning of the budget meant that the commitment made in the Medium Term Financial Plan to restrict council tax increases to 3.0% could be delivered in 2008/09. The investment in Council services would only add £5.58p per year or 11p per week to the Band D Council Tax. The cost to the Band A taxpayer would be £3.72 per year or 7p per week.

It was pointed out that the Government had been extremely late in issuing the 2008/09 Housing Subsidy Determinations and the final announcement had not yet been made so allowances and allocations could be subject to amendment.

It was reported that the 2008/09 Housing Subsidy settlement had left the Council's Housing Revenue Account relatively unchanged. Spending allowances for Management and Maintenance had increased in excess of inflation by 5.65% and 11.99% respectively, which together with an increase in the guideline rent levels of 5.72%, would result in the net subsidy payable to the Government in 2008/09 for redistribution to other local housing authorities being broadly similar to the existing year, at approximately £3.27m.

Reference was made to the major shift in Government policy in respect of rent convergence. It was pointed out that in contrast with the two previous

years' determinations, the Rent Constraint Allowance had been removed and the guideline rent increases were lower than expected in 2008/09 as they had been modelled on the basis of rent convergence by 2016/2017. The cap on rent increases above 5% had been removed for 2008/09 only, whilst the Government considered the future direction of the subsidy system. It was therefore proposed that the Council should continue with its existing policy of ensuring convergence by 2012 until the Government's position was clarified, which would increase the average rent by approximately 5.5%.

Specific reference was made to paragraphs 4.13 to 4.16, which dealt with the communal heating charges for grouped accommodation.

With regard to the Housing Revenue Account, it was noted that it may be possible to transfer in the region of £1.28m to the Working Balances, which was considered to be a prudent approach in view of the significant issues outstanding including Housing Partnering, Large Scale Voluntary Transfer (LSVT) preparation, the finalisation of equal pay issues and the introduction of changes in Housing Health and Safety Ratings.

It was reported that with regard to LSVT, £411,000 had been allocated to cover the costs of the pre ballot process. In the event of a successful transfer, the costs and any further post ballot costs would be recovered as set up costs from the capital receipt, however, if the ballot was unsuccessful then the HRA would only meet those costs associated with consultation, with the General Fund having to meet the balance from revenue reserves.

It was pointed out that the Medium Term Financial Plan had allowed for a Capital Programme of £20m in 2008/09, subject to resources being available. The larger elements of the programme were outlined in the Council's Transition Plan and were detailed in the table set out in paragraph 5.1.

Members' attention was drawn to the contingency sum of £2.5m which had been provisionally identified to meet other corporate projects such as the funding of planned maintenance of public buildings in accordance with the Asset Management Plan, Local Improvement Programme funding and the replacement of obsolete ICT equipment. The schemes would be assessed and prioritised when funding became available and Cabinet approval would be sought at a future meeting, subject to the availability of resources.

*RESOLVED : That the Budget Framework for 2008/09 be approved and consulted upon in accordance with the timetable previously agreed by Cabinet at its meeting on the 20<sup>th</sup> December 2007.*

**CAB.132/07 LOCAL IMPROVEMENT PROGRAMME - NEVILLE PARADE COMMUNITY CENTRE**

The Lead Member for Social Regeneration and Partnership presented a report regarding a Local Improvement Programme application to refurbish areas of Neville Parade Community Centre, which would help to safeguard existing users as well as expand the available use of the Centre to additional community organisations, including disabled groups and carer/toddler groups. (For copy see file of Minutes).

Members noted that the applicant – Friends of Senior Citizens – had requested £44,353 of LIP funding, which was 92% of the total capital cost of £48,353.

The project met the Department for Communities and Local Government's eligible 'regeneration' definition and demonstrated links to the key LIP criteria elements of the community strategy. It had also been supported by Area 5 Forum.

*RESOLVED : That the application for Local Improvement funds based upon the information provided in the report be approved.*

**CAB.133/07 SEDGFIELD BOROUGH LOCAL DEVELOPMENT FRAMEWORK - ANNUAL MONITORING REPORT 2006/07**

The Lead Member for Planning and Development presented a report regarding the above. (For copy see file of Minutes).

Members were reminded that the Council was required under Section 35 of the Planning and Compulsory Purchase Act 2004 to make an annual report to the Secretary of State regarding the implementation of the Local Development Scheme and the extent to which the policies set out in the Local Development documents have been achieved.

Appendix 1 to the report set out the Annual Monitoring Report 2006/07, which had been submitted as required to the Government Office for the North East and placed on the Council's website.

*RESOLVED: That the Annual Monitoring Report be endorsed.*

**CAB.134/07 PROSPEROUS AND ATTRACTIVE BOROUGH OVERVIEW AND SCRUTINY COMMITTEE**

Consideration was given to the Minutes of the meeting held on 7<sup>th</sup> December 2007. (For copy see file of Minutes).

*RESOLVED : That the Minutes be received.*

**CAB.135/07 AREA FORUMS**

Consideration was given to the Minutes of the following :-

Area 1 Forum	-	10 <sup>th</sup> December 2007
Area 2 Forum		18 <sup>th</sup> December 2007

(For copies see file of Minutes)

*RESOLVED : That the Minutes be received.*

**Published on 11<sup>th</sup> January 2008**

**The key decision contained in these Minutes will be implemented on Monday 21<sup>st</sup> January 2008 five working days after the date of publication unless it is called in by three Members of the relevant Overview and Scrutiny Committees in accordance with the call in procedure rules.**

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**ACCESS TO INFORMATION**

Any person wishing to exercise the right of inspection, etc., in relation to these Minutes and associated papers should contact Gillian Garrigan, on Spennymoor 816166 Ext 4240 [ggarrigan@sedgefield.gov.uk](mailto:ggarrigan@sedgefield.gov.uk)

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