

CABINET

Thursday, 20 November 2008

10.00 a.m.

Conference Room 1,
Council Offices,
Spennymoor

AGENDA and REPORTS



This document is also available in other languages, large print and audio format upon request

العربية (Arabic)

إذا أردت المعلومات بلغة أخرى أو بطريقة أخرى، نرجو أن تطلب ذلك منا.

বাংলা (Bengali)

যদি আপনি এই ডকুমেন্ট অন্য ভাষায় বা ফরমেটে চান, তাহলে দয়া করে আমাদেরকে বলুন।

(中文 (繁體字)) (Cantonese)

如欲索取以另一語文印製或另一格式製作的資料，請與我們聯絡。

हिन्दी (Hindi)

यदि आपको सूचना किसी अन्य भाषा या अन्य रूप में चाहिये तो कृपया हमसे कहे

polski (Polish)

Jeżeli chcieliby Państwo uzyskać informacje w innym języku lub w innym formacie, prosimy dać nam znać.

ਪੰਜਾਬੀ (Punjabi)

ਜੇ ਇਹ ਜਾਣਕਾਰੀ ਤੁਹਾਨੂੰ ਕਿਸੇ ਹੋਰ ਭਾਸ਼ਾ ਵਿਚ ਜਾਂ ਕਿਸੇ ਹੋਰ ਰੂਪ ਵਿਚ ਚਾਹੀਦੀ, ਤਾਂ ਇਹ ਸਾਥੋਂ ਮੰਗ ਲਓ।

Español (Spanish)

Póngase en contacto con nosotros si desea recibir información en otro idioma o formato.

اردو (Urdu)

اگر آپ کو معلومات کسی دیگر زبان یا دیگر شکل میں درکار ہوں تو برائے مہربانی ہم سے پوچھئے۔

AGENDA

1. APOLOGIES

2. DECLARATIONS OF INTEREST

To notify the Chairman of any items that appear in the agenda in which you may have an interest.

3. MINUTES

To confirm as a correct record the Minutes of the meeting held on 6th November 2008. (Pages 1 - 2)

STRATEGIC LEADERSHIP PORTFOLIO

4. REVENUE BUDGETARY CONTROL REPORT POSITION AT 30TH SEPTEMBER 2008 AND PROBABLE OUTTURN 2008 09

Report of Director of Resources. (Pages 3 - 14)

5. CAPITAL PROGRAMME EXPENDITURE AND FINANCING POSITION TO 30TH SEPTEMBER 2008

Report of Director of Resources. (Pages 15 - 20)

MINUTES

6. OVERVIEW AND SCRUTINY COMMITTEES

To consider the minutes of the following meetings:

- (a) Healthy Borough With Strong Communities Overview and Scrutiny Committee - 21st October 2008 (Pages 21 - 24)
- (b) Prosperous and Attractive Borough Overview and Scrutiny Committee - 4th November 2008 (Pages 25 - 28)

N.B. Whilst the following item does not contain any 'exempt' information, it should be noted that if Members wish to raise any questions, it may be necessary to pass the appropriate resolution to exclude the press and public as any queries may involve the disclosure of 'exempt' information.

7. EMPLOYMENT ISSUES PANEL

Minutes of the meeting held on 23rd October 2008. (Pages 29 - 32)

EXEMPT INFORMATION

The following item is not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12 A of the Local Government Act 1972. As such it is envisaged that an appropriate resolution will be passed at the meeting to exclude the press and public.

STRATEGIC LEADERSHIP PORTFOLIO

8. ASSET MANAGEMENT - LEASES OF LAND FOR COMMUNITY BUILDING PROJECTS

Report of Director of Resources (Pages 33 - 38)

9. ANY OTHER BUSINESS

Lead Members are requested to inform the Chief Executive or the Cabinet Secretary of any items they might wish to raise under this heading by no later than 12 noon on the day preceding the meeting. This will enable the Officers in consultation with the Chairman to determine whether consideration of the matter by the Cabinet is appropriate.

B. Allen
Chief Executive

Council Offices
SPENNYMOOR
12TH November 2008

Councillor Mrs. A.M. Armstrong (Chairman)

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

ACCESS TO INFORMATION

Any person wishing to exercise the right of inspection in relation to this Agenda and associated papers should contact Gillian Garrigan, on Spennymoor 816166 Ext 4240 ggarrigan@sedgefield.gov.uk

Item 3

SEDGEFIELD BOROUGH COUNCIL CABINET

Conference Room 1,
Council Offices,
Spennymoor

Thursday,
6 November 2008

Time: 10.00 a.m.

Present: Councillor Mrs. A.M. Armstrong (Chairman) and
Councillors Mrs. K. Conroy, Mrs. B. Graham, A. Hodgson, J.M. Khan and
D.A. Newell

In Attendance: Councillors V. Chapman, Mrs. P. Crathorne, Mrs. L. M.G. Cuthbertson,
G.C. Gray, B. Haigh, Mrs. S. Haigh, J.E. Higgin, A. Smith and T. Ward

Apologies: Councillors V. Crosby, Mrs. L. Hovvells and W. Waters

CAB. 58/08 DECLARATIONS OF INTEREST
Members had no interest to declare.

CAB. 59/08 MINUTES
The Minutes of the meeting held on 23rd October 2008 were confirmed as
a correct record and signed by the Chairman.

**CAB. 60/08 SEDGEFIELD BOROUGH LOCAL DEVELOPMENT FRAMEWORK -
WINDLESTONE HALL SUPPLEMENTARY PLANNING DOCUMENT
(KEY DECISION)**
The Lead Member for Planning and Development presented a report
regarding the Supplementary Planning Document that had been prepared
to guide the redevelopment of Windlestone Hall, a Grade II* Listed
Building which was currently being offered for sale. (For copy see file of
Minutes).

The draft Supplementary Planning Document had been subject to
consultation between 17th March and 28th April 2008 and 72 responses
had been received. The Statement of Consultation attached to the report
identified each of the comments received and how the Council had
responded to them.

Members noted that new housing development on the site would be
contrary to established planning policy and consequently a special
justification would need to be made by a developer, for example, enabling
development, which was referred to in Paragraph 4.32 of the
Supplementary Planning Document.

RESOLVED : That the report be recommended to Council for adoption.

CAB. 61/08 AREA 5 FORUM

Consideration was given to the Minutes of the meeting held on 30th September 2008.

RESOLVED : That the Minutes be received.

Published on 7th November 2008

The key decision contained in these Minutes will be implemented on Monday 17th November 2008 unless it is called in by three Members of the relevant Overview and Scrutiny Committee in accordance with the call in procedure rules.

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

Item 4

REPORT TO CABINET

20th NOVEMBER 2008

REPORT OF DIRECTOR OF RESOURCES

Portfolio: STRATEGIC LEADERSHIP

REVENUE BUDGETARY CONTROL REPORT – POSITION AT 30th SEPTEMBER 2008 AND PROBABLE OUTTURN 2008/09

1. SUMMARY

This report summarises the projected outturn position on the Council's revenue activities that shows:

- The General Fund is expected to use balances of around £1.146m compared to a budgeted use of £0.790m – an additional use of £0.356m.
- Both the Housing Revenue Account and Training and Employment Service are undergoing a process of transferring service provision to external organisations and a financial position statement will be prepared in due course in order to fully incorporate the implications of the transfer.

Details in respect of significant Balance Sheet items are also included in Paragraph 9 in order to provide a wider perspective on the Council's financial standing.

2. RECOMMENDATIONS

It is recommended that: -

- Cabinet notes the position as at 30th September 2008 and the projections for the financial year
- That a further report be submitted detailing the position as at the 31st December 2008.

3. DETAILED FINANCIAL POSITION

3.1 Probable Outturn for 2008/09

The overall forecasted outturn position for the General Fund shows an overspend of £356,000. This is solely attributable to the current economic climate with the Council, in common with other organisations, experiencing severe pressure in energy and fuel bills, a downturn in income and reduced investment returns following a downturn in housing land sales. In fact the collective impact of these 3 areas alone far outweigh the net overspend as the Council is achieving higher than forecasted savings in employees budgets but is also managing other budgets very closely to aid the consolidated position.

It is expected that the forecast presented in this paper represents a pessimistic picture and Directors are in the process of implementing other actions/initiatives that will minimise and reduce expenditure in the latter part of the financial year.

Members will continue to receive quarterly reports but budgets are being reviewed monthly with a close watch being given to the volatile areas as shown in paragraph 3.4.

3.2 Monitoring Arrangements for 2008-2009

As part of the Council's budgetary control monitoring arrangements for 2008-2009 regular reports will be presented to Cabinet detailing the Council's financial position throughout the year. In addition more detailed reports will be considered by the various Strategic Working Groups on a similar reporting cycle.

The expectation is that issues arising from any significant variances from approved budgets will be considered by the Groups who will instigate corrective action where necessary and ensure that their deliberations are reported back to Cabinet at the next budgetary review opportunity.

3.3 General Fund

The following table covers the financial year 2008-09 and shows: -

- The approved budget for each of the main portfolios.
- The actual income and expenditure as recorded in the Council's financial management system as at 30th September 2008
- Forecasted outturn for 2008-2009 based on spend to date and known commitments as at 30th September 2008
- The variance between the annual budget and the projected outturn.

The overall financial position for the General Fund is therefore as follows: -

	Budget 2008/09 £'000	Spend to Date £'000	Probable Outturn £'000	Variance £'000
Strategic Leadership	1,479	551	1,591	112
Healthy Borough				
- Community Health	162	85	154	(8)
- Leisure & Culture	3,987	1,827	4,120	133
Strong Communities				
- Housing	740	321	895	155
- Safer Communities	1,175	643	1,175	-

Prosperous Borough				
- Learning & Employment	251	5	194	(57)
- Social Regeneration & Partnership	1,869	4,824	1,813	(56)
Attractive Borough				
- Environment	5,716	2,719	5,723	7
- Planning & Development	496	267	486	(10)
Other Efficiency Savings	(80)	-	-	80
	15,795	11,242	16,151	356
Use of Balances	790	-	1,146	(356)
Budget Requirement	15,005	-	15,005	-

The main features that contribute to the overall overspend include: -

Salaries and Wages costs amount to approximately 30% of the gross spend on the Council's General Fund services, and as a consequence the relevant budgets are monitored very closely on a monthly basis. The Council set a savings target of £480,000 equivalent to a turnover rate of 5%, [that has now been redistributed across all of the Portfolios]. It is anticipated that the performance target set will be achieved by the 31st March 2009. In addition, it is estimated that an additional £300,000 will be saved over and above this target due to a higher level of staff turnover in the run up to local government reorganisation.

Depending upon where staffing vacancies fall there may be a need to seek the appointment of agency staff where it is found difficult to recruit a replacement to ensure continuity of service delivery in key service areas.

The following section therefore concentrates on factors other than staffing that are having an impact on individual Portfolio budgets.

3.3.1. General Fund

Portfolio	Area of Spend	Comment
Strategic Leadership		<p>The main features that contribute to the overall change in the Portfolio's expected net spend [excluding the impact of salary savings] include: -</p> <p>A net increase in the capital financing charges budget of £106,000 due to reduced investment income arising from a delay in a capital receipt from the sale of surplus land and lower investment rates.</p> <p>Energy costs in the civic buildings budget are £34,000 above budget due to unexpected increases in the price of electricity and gas.</p>

Healthy Borough	Community Health	There are no areas that are currently causing budget concerns, a small underspend of £8,000 is anticipated.
	Leisure & Culture	<p>The overall position for this Portfolio is a projected overspend of £133,000.</p> <p>An increase in energy prices by over 40% has led to an overspend of £158,900 in the energy budget at the four leisure centres and largely accounts for the overall overspend of this report.</p> <p>There are several areas of the budget that are being monitored closely as they are considered to be volatile and subject to external user pressure, namely the use of the leisure centre facilities and bar /catering income.</p> <p>There are a number of other areas that are generating savings, such as reduced salaries costs and this has enabled the overspend to be reduced to £133,000.</p>
Strong Communities	Housing General Fund	<p>The overall position for this portfolio is a projected overspend of £155,000.</p> <p>Selective Licensing income for Private Sector Landlords is estimated to be around £7,000 against a budget of £66,000 – a shortfall of £59,000.</p> <p>There is a reduction in fee income in respect of home improvement agency grant administration of £51,000. The budget anticipated a capital programme of around £1.4m, however the actual programme was set at £1m and the reduced level of activity means that less income will be generated.</p> <p>The salary savings target of £28,000 for this portfolio is not being achieved.</p>
	Safer Communities	There are no areas that are currently causing budget concerns, and the outturn is estimated to be in line with the budget.
Prosperous Borough	Learning and Employment	<p>The overall position for this portfolio is a projected underspend of £57,000.</p> <p>There are a number of vacancies within the Economic Development Section which have resulted from staff turnover, these are being monitored closely and the impact of any savings will be included in future reports. Also there has been a slight increase in the amount of LEGI grant received to cover administration costs.</p>
	Social Regeneration and Partnership	In overall terms the outturn position is expected to be in line with the planned budget.

Attractive Borough	Environment	There are currently no major issues of concern and the expected position is a small overspend of £7,000.
	Planning and Development	There are no major issues in this portfolio and it is anticipated that there will be small underspend of £10,000.

3.4 Volatile Budgets – Position at 30th SEPTEMBER 2008

An earlier report to this Cabinet introduced the concept of Volatile budget reporting and outlined the actions being taken to monitor those specific budgets that were considered to be 'volatile' in nature. The following table shows the anticipated outturn position on these 'uncertain' areas of the budget:

Budget Head	Budget 2008-2009 £	Anticipated Outturn £	Variance £	Volatility Status
Land Charges	232,000	192,000	40,000	Amber
Investment Interest	1,330,000	1,245,000	85,000	Amber
Building Control Fees	175,000	175,000	-	Green
Planning Fees	460,000	460,000	-	Green
Trade Waste Income	230,660	225,000	5,660	Amber
Fixed Penalty Notices	10,000	2,000	8,000	Red
Energy Costs (1)	856,840	1,124,350	267,510	Red
Leisure Centres				
- Catering (2)	142,500	98,500	44,000	Amber
- Bars (2)	210,000	179,600	30,400	Amber
- Use of Facilities	1,339,000	1,269,000	70,000	Red

(1) The additional costs of £267,510 are allocated to the revenue accounts as follows - £183,550 to the general fund, £74,860 to the HRA and £9,100 to Chilton Depot.

(2) Although bars and catering are collectively showing a shortfall in income of around £74,000, operating costs of these functions have reduced by the same amount which means that the budget is cost neutral.

The volatility status indicates the final outturn on the specific budget head, with red indicating that the target was not achieved, amber indicating that the target was not achieved but the overall variance is within acceptable tolerances and green indicating that the income target was achieved or exceeded.

All of the above budget heads have been incorporated within the control figures for the relevant Portfolios and commentary has been included where appropriate within the relevant sections of this report, especially where Budget holders have taken account of falling income streams and reduced operating expenses accordingly, this particularly applies to the bar & catering activities within the Leisure Centres.

3.5 Housing Revenue Account (HRA)

In July 2008 tenants were formally balloted as to whether they supported the Council's proposal to transfer the stock and associated assets to Sedgefield Borough Homes. They voted in favour of the proposal and the Council is therefore proceeding with the stock transfer, subject to final approval of the valuation, the terms of the transfer contract and obtaining all necessary statutory consents

Council considered a detailed report on the 6th August 2008 providing financial implications of pursuing the stock transfer. Project teams have been created, which are working detailed project plans, to ensure that LSVT is delivered by the end of March 2009.

In light of the above, the financial position of the HRA is currently being reviewed to incorporate the implications of the costs and issues arising from the LSVT process. A further report will therefore be prepared showing the expected overall financial position of the HRA for 2008/09. In the meantime, detailed budgetary control monitoring arrangements continue to be exercised for individual budget heads within the HRA.

3.6 Training and Employment Services

The initial budget prepared for 2008/09 predicted that the trading account would require the use of £14,690 in balances and was prepared on the basis of a full year of operation.

A key priority project in the Council's Transition Plan 2008-09 was the merger of the Council's Training and Employment Service with Bishop Auckland College. The training function was successfully transferred at the beginning of November 2008. A statement on the financial position will be prepared in due course once the trading position has been finalised.

4. Further revenue developments during 2008-2009

- There have been no further awards of additional funds since the last report was prepared.

5. Collection Fund Surplus

The Council as billing authority for council tax and non domestic rates purposes maintains on behalf of the authorities which precept on the Council a separate set of accounts known as the Collection Fund. Whilst these accounts are not part of our normal budgetary control reporting arrangements any surplus or deficit on the fund has a direct impact on future council tax levels in the Borough.

As at the 31st March 2008 there was an accumulated surplus on the Fund of **£404,000**, the Borough's share being **£91,250**. Whilst a higher level of funds is being distributed than is currently being held [**£694,900**] the shortfall will be collected during this year.

6. Revenue Reserves 2008-2009

The Council held reserves totalling **£7.646m** at the 1st April 2008 [excluding the Collection Fund] with the budget framework report in respect of 2008-2009 assuming that **£1.985m** would be utilised in this financial year. The current projection is a use of reserves amounting to **£2.363m** as indicated below: -

	Planned	Revised
FUND	£'000	£'000
Balances at 1st April 2008	7,646	7,646
Revenue Purposes		
- Budget Support Fund	790	1,146
- Debt Management Fund	106	106
- Economic Development Fund	90	77
- LABGI Economic Growth Funds	554	554
- Other Funds	75	75
- Housing Revenue Account	70	-
Capital Purposes		
- Asset Management Fund	200	302
- Private Sector Housing Fund	100	103
Anticipated Balance at 31st March 2009	5,661	5,283

The split of revenue reserves as at 31st March 2009 would be as follows: -

	GENERAL FUND	HRA
	£'000	£'000
Balances at 1st April 2008	6,213	1,433
Anticipated Use in 2008/09	2,363	-
Anticipated Balance at 31st March 2009	3,850	1,433

7. Revenue Provisions 2008-2009

In view of the Council's favourable outturn position in 2007/08 provision was made to carry forward unused resources amounting to **£751,300** into the current year to meet specific needs identified within the Budget and Policy Framework, this was in line with the Financial Regulations.

In addition the Council has received grant funding in respect of specific initiatives that was unspent at the 31st March 2008 amounting to **£641,900**. The budget framework already assumes that most of this grant funding will be utilised in 2008/09. The use of the provisions is being monitored as part of these budgetary control arrangements.

8. Balance Sheet Management

Best practice recommends that Council's should report significant items from the "balance sheet", and in particular those items that may have a material impact on the Council if not reviewed on a regular basis.

Based on CIPFA guidance it is considered prudent to report on at least the following items: -

- **External Loan Debt** – monies borrowed by the Council.
- **Short Term Investments** – surplus cash invested by the Council.
- **Current Debtors** – sums owed to the Council in respect of Rents, Council Tax, Overpaid Housing Benefits, Mortgages and Accounts Receivable.

Performance Management arrangements closely monitor the above areas on at least a monthly basis to ensure that the Councils Treasury Management strategy is being adhered to in respect of the first two items and in respect of the last item debt recovery action is instigated where debts are not settled within expected time scales.

External loan debt

- The value of loans outstanding at the 30th September 2008 was **£18.578m**, down from **£18.600m** at the 1st April 2008

Short Term Investments

- As at the 30th September 2008 the Council had **£20.580m** on short-term deposit with Financial Institutions, compared with **£21.770m** at the 31st March 2008. The original budget forecast of investment income was **£1.330m** and the current projections as at 30th September indicate an outturn of **£1.264m** and this is the figure that has been taken into account in the forecast for Strategic Leadership Portfolio shown above.
- The Council will however continue to actively pursue investment opportunities throughout 2008/09 in order to maximise investment returns taking into account in the Treasury Management Strategy.

Current Debtors

- Recovery of all sums due to the Council promptly can have a significant material impact on the cash-flow of the Council and lead onto higher than expected investment returns as indicated above if it is actively managed.
- As at the 31st March 2008 the Council recorded in its Annual Statement of Accounts that the amounts due from debtors amounted to **£8.758m**. [£9.026m for 2006-07]. A proportion of this debt related to year-end grant claims, which is a normal position at this time of year and these have now been certified and paid as an outcome of the external audit process.
- However some of the outstanding debt has to be actively managed to ensure that it is eventually collected and is not written off as a "bad debt". As at the 30th September 2008 the following analysis is available.

Type of Debt	Position @31/03/2008	Position @ 30 th September 2008		
		Total Arrears	Current Arrears	Aged Arrears
	£	£	£	£
Current Housing Rents	430,519	473,447	243,885	229,562
Former Tenants Housing Rents	521,372	492,054	-	492,054
Council Tax – Current year	1,548,570	2,371,221	672,200	1,699,021
Council Tax – Prior Years	1,890,030	2,407,675	43,241	2,364,434
Accounts Receivable	1,117,653	1,618,335	1,442,130	176,205
Housing Benefit Overpayments(1)	555,515	611,338	389,516	221,822
Mortgages	338	281	281	-
Total Outstanding debt	6,063,997	7,974,351	2,791,253	5,183,098
Position 31st March 2008		6,063,997	1,563,639	4,500,358

Current arrears is debt less than 60 days old & aged arrears is debt older than 60 days

(1) Housing benefit overpayments position shown is as at 31/08/08

- Housing Rent is a weekly charge on the property. The five area Housing Management teams manage current arrears with former tenants being managed by a centralised debt recovery team. All Teams work to an approved policy document which involves a number of stages culminating in seeking repossession where a current tenant fails to make arrangements to pay and referral to a Certificated Bailiff in former tenant arrears cases.
- Council Tax is an annual charge and the arrears above reflect those accounts where no arrangements have been agreed to collect the initial charge by instalments. When accounts fall into arrears Liability Orders are obtained from the Magistrates Court. Where this procedure fails to obtain settlement of the debt a range of other recovery processes are initiated including use of Certificated Bailiff and committal proceedings. Whilst the level of arrears looks high it must be taken in the context of the overall total debt raised since the introduction of Council Tax now exceeds £350m, the Councils collection rate to-date is in excess of 99% of amounts due.
- Accounts Receivable debt can relate to any of the services that the Council provides. Debt recovery action is the responsibility of the department that provides the service and raises the initial invoice. If the department is unable to collect the debt the Director of Resources may refer the debt to a Certificated Bailiff for further recovery action.
- Housing Benefit overpayments usually arise where a person in receipt of benefit has failed to notify the Council of a change in circumstances that would affect their entitlement. If the claimant is still in receipt of benefit the overpayment can be recovered at the maximum rate of £9.00 per week. [£12.00 in cases of proven fraud]. Where the claimant is no longer in receipt of benefit or has vacated the property an accounts receivable invoice is sent to the person if a forwarding address is known. Where a former claimant moves back into the Borough and becomes eligible for benefit the debt is reinstated and recovered from on-going entitlement.

- Mortgages debt is all current arrears [i.e. less than 60 days old] and arrangements are in hand to recover the debt outstanding from the one debtor in arrears.

9. LINKS TO CORPORATE OBJECTIVES & VALUES

The details contained in the report support the Council's corporate value of being responsible with and accountable for public finances.

10. RESOURCE IMPLICATIONS

There are no further resource implications arising from this report.

11. CONSULTATIONS

Comprehensive consultation has previously been held during the construction of the 2008/09 Budget Framework. This report does not contain any proposals or recommendations that require further consultation. The relevant Departments have been consulted in projecting the levels of spending during the current year.

12. OTHER MATERIAL CONSIDERATIONS

12.1 *Links to Corporate Objectives/Values*

The Council's Corporate Objectives and Values have guided the preparation of the 2008/09 Budget Framework throughout. Resource availability has been fully re-assessed and directed to assist in achieving the Council's key priorities as set out in the Corporate Plan.

12.2 *Risk Management*

The budget framework report to Council on the 29th February 2008 highlighted a number of risk areas that needed to be monitored to ensure the effective delivery of the 2008/09 spending plans.

There have been no further risks identified during the preparation of this report apart from the continued need by the relevant budget holders to monitor the budgets closely during the year to ensure that spending plans are met. Where potential overspends of expenditure or reduced levels of income are forecast early action should be taken to address the problems faced in order to achieve the performance targets set in the budget framework.

12.3 *Health and Safety*

No additional implications have been identified.

12.4 *Equality and Diversity*

No material considerations have been identified.

12.5 *Legal and Constitutional*

The Budget Framework has been prepared in accordance with the Council's Constitution and full account has been taken of new statutory requirements, e.g. the new statutory minimum concessionary fares scheme. No other legal or constitutional implications have been identified.

There are no other significant material considerations arising from the recommendations contained in this report.

13. OVERVIEW AND SCRUTINY IMPLICATIONS

Consultation and engagement with Overview and Scrutiny Committees has previously been held to develop and review the 2007/08 Budget Framework.

Contact Officer: Azhar Rafiq (Audit and Resources Manager)
Telephone: 01388-816166 Ext. 4352
E-Mail: arafiq@sedgefield.gov.uk

Ward(s): Not Ward Specific

Background Papers: ~ Report to Council 29th February 2008 – Budget Framework 2008-2009.
~ Report to Council 29th February 2008 – Treasury Management Strategy 2008-2009.
~ Report to Council 29th June 2008- Statement of Accounts 2007 – 2008
~ Report to Cabinet September 2008-

Examination by Statutory Officers:

	Yes	Not Applicable
1. The report has been examined by the Council's Head of the Paid Service or his representative.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. The content has been examined by the Council's S.151 Officer or his representative.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. The content has been examined by the Council's Monitoring Officer or his representative.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Management Team has approved the report.	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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Item 5

REPORT TO CABINET

20th NOVEMBER 2008

**REPORT OF DIRECTOR OF
RESOURCES**

BUDGETARY CONTROL REPORT 2008/2009

CAPITAL PROGRAMME EXPENDITURE AND FINANCING POSITION TO 30TH SEPTEMBER 2008

1.0 SUMMARY

- 1.1 This report provides a review of the position on the 2008/09 Capital Programme as at 30th September 2008.
- 1.2 It includes an overview of progress made to date in meeting spending targets, details the carry forward approved by Council of commitments unspent on the 2007/08 capital programme, summarises the available capital resources for financing the programme and, based on the estimated outturn, sets out the proposed financing of the programme in 2008/09.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that:
- (i) Cabinet notes the six month spend position to 30th September 2008 and amendments to the Capital Programme;
 - (ii) No further call can be made of the Contingency Fund until the probable spend on the capital schemes during the remainder of the year have been fully reviewed;
 - (iii) Further reports be submitted to Cabinet and all Strategic Working Groups detailing the position as at 31st December in line with the Budgetary Control Monitoring Arrangements.

3.0 CAPITAL SPEND AND RESOURCES MONITORING 2008/09

Initial Spending Targets / Revised Capital Programme Budget

3.1 The revised spending target as reported to Cabinet on 19th June 2008 is detailed below:

Table 1: Approved programme for 2008/09

Portfolio / Capital Programme	Approved Net Budget (inc c/fwd) £'000	Approved Revision to Programme £'000	Additional External Funding £'000	Revised Gross Budget £'000
Strategic Leadership:				
- ICT	497	-	-	497
- Green Lane/Asset Management	500	(376)	-	124
- Chilton Depot	19	-	-	19
Healthy Borough:				
- Community Health	350	-	30	380
- Leisure and Culture	2,245	376	-	2,621
Prosperous Borough:				
- Social Regeneration	604	-	-	604
- Learning & Employment	180	-	-	180
- Major Regeneration	5,812	-	-	5,812
Attractive Borough:				
- Environment	10	-	-	10
- Planning & Development	65	-	-	65
Strong Communities:				
- Housing (HRA)	8,193	-	-	8,193
- Housing (General Fund)	7,430	-	-	7,430
- Safer Communities	149	-	-	149
Contingency	260	-	-	260
Total	26,314	-	-	26,344

Progress on Capital Programme / Developments during 2008/09

3.2 This section of the report summarises the main developments on each Portfolio's Capital Programme Budgets that have arisen since the Capital Programme 2008/09 report to Cabinet on 19th June 2008.

3.3 Strategic Leadership

Of the original Asset Management Capital Programme budget of £500,000, schemes totalling £376,000 that relate to Leisure Centres are included in the Leisure and Culture total, leaving a £124,000 balance.

3.3 Healthy Borough - Leisure & Culture

The 2008/09 Leisure and Culture Capital Programme has been set a revised net budget approval of £2,621,200, an increase of £376,000 funded from the Asset Management Programme.

3.2.3 Prosperous Borough - Major Regeneration

There have been no significant amendments to the Programme Budget since the report to Cabinet on 19th June 2008. However a full report on the Local Improvement Programme was submitted to Cabinet on 23rd October 2008 and detailed the schemes to be funded and arrangements for managing the programme through its remaining life.

Revised Capital Programme and Actual Spend to 30th September 2008

3.3 The adjustments explained above have resulted in a revised spending target of £26.34 million for 2008/09. A summarised statement of actual spend to 30th September 2008 across all portfolios is shown as follows:

Table 2: Actual spend to September 2008

Portfolio	Revised Gross Budget £'000	Actual Gross Spend £'000
Strategic Leadership:		
- ICT	497	209
- Green Lane/Asset Management	124	20
- Chilton Depot	19	22
Healthy Borough:		
- Community Health	380	62
- Leisure and Culture	2,621	296
Prosperous Borough:		
- Social Regeneration	604	113
- Learning & Employment	180	27
- Major Regeneration	5,812	514
Attractive Borough:		
- Environment	10	0
- Planning and Development	65	21
Strong Communities:		
- Housing (HRA)	8,193	2,226
- Housing (General Fund)	7,430	3,523
- Safer Communities	149	163
Contingency	260	-
Total	26,344	7,196

3.4 A gross total of **£7.196** million has been spent in the first six months to 30th September 2008 or 27% of the gross capital programme budget of **£26.344** million. In two areas the gross spend to date has exceeded the budget and it will be necessary to use £17,000 from the Contingency for Chilton Depot (£3,000) and Safer Communities (£14,000).

3.5 Due to the nature of capital projects it is difficult to predict exactly when financial payments will be made, unlike revenue budgets which can be profiled accurately. Therefore an accurate assessment of expected spending at this point in time cannot be made. Capital spending has traditionally been concentrated in the latter half of the year, particularly in the last quarter, and this is again likely to be the case for 2008/09. Some capital projects have significant lead-in times, major programmes of works may require a dedicated staffing resource and in other cases there may be a need to secure funding

approval from other agencies before expenditure is incurred. All of these issues can lead to delays in capital projects.

- 3.6 The position on the capital programme will be reviewed in detail with programme managers over the coming weeks to identify a forecasted spend position for the end of the year and this will be reported in due course.

Capital Resources

- 3.7 Based on current projections the total level of capital resources likely to be available to finance this year's Capital Programme is summarised in the table below. Capital resources are split between those brought forward from 2007/08 and those expected to be received in 2008/09:

Table 3: Capital Resources Available for 2008/09

Available Capital Resource	Brought Forward Resources £'000	Received/ Anticipated In Year £'000	Total Anticipated Resources £'000
Capital Receipts:			
- Housing Right To Buys	896	370	1,266
- Housing Land Sales	-	30	30
- General Fund Receipts	761	3,600	4,361
- MRI – see para 3.7 below	9,320	-	9,320
Total Capital Receipts	10,977	4,000	14,977
Capital Grants	237	30	267
Government Support	-	7,654	7,654
Capital Contributions	31	2	33
Earmarked Reserves	405	1,947	2,352
LEGI	-	500	500
LABGI	-	319	319
Total Available Resources	11,650	14,452	26,102

- 3.8 The amount of MRI shown above includes a sum of £5m which was used to over-finance the 2007/08 Capital Programme. This was a technical accounting adjustment in order to reduce the Councils minimum revenue provision in that year.
- 3.9 In addition to the above figures there is a sum of £214,000 available to fund Section 106 schemes. As yet no specific schemes have yet been identified in the capital programme.

Financing the Capital Programme

- 3.10 It can be seen from the above Table that there is a slight shortfall of resources available to the Council to entirely support its spending target, mainly as a result of the shortfall of Right to Buy receipts because of the economic downturn in the country. There is however a Contingency Fund of £260,000 built into the Programme and therefore it may now not be possible to make calls on that sum. It should be noted that most of the above resources have actually been realised, which means that the funding to support the capital

programme is mainly secure. If additional resources are received these can be used to supplement existing spending levels.

- 3.11 Assuming the revised spending targets are achieved, there will be no unused capital resources to carry forward into 2009/10.

4.0 CORPORATE POLICY CONSIDERATIONS

- 4.1 This report does not contain proposals that would require any changes to the Council's agreed policy framework and corporate objectives.

5.0 RESOURCE IMPLICATIONS

- 5.1 There are no further resource implications arising from this report.

6.0 CONSULTATIONS

- 6.1 Comprehensive consultation has previously been held during the construction of the 2008/09 Budget Framework. This report does not contain any proposals or recommendations requiring further consultation.

7.0 OTHER MATERIAL CONSIDERATIONS

7.1 *Links to Corporate Objectives/Values*

The Council's Corporate Objectives and Values have guided the preparation of the 2008/09 Budget Framework throughout. Resource availability has been fully re-assessed and directed to assist in achieving the Council's key priorities as set out in the Corporate Plan.

7.2 *Risk Management*

The major risks of the overall capital programme can be identified and mitigated within the process of effective budgetary monitoring and control.

The efficient delivery of the capital programme can be facilitated by the reporting of financial issues and progress reports which can identify overspends or delays within a project.

The council pursues value for money through quarterly financial/progress reports and these can highlight delays which may result in less effective purchasing in the last quarter of the financial year.

7.3 *Health and Safety*

No additional implications have been identified.

7.4 *Equality and Diversity*

No material considerations have been identified.

7.5 *Legal and Constitutional*

The Budget Framework has been prepared in accordance with the Council's Constitution and full account has been taken of new statutory requirements. No other legal or constitutional implications have been identified.

8.0 OVERVIEW AND SCRUTINY IMPLICATIONS

8.1.1 Consultation and engagement with Overview and Scrutiny Committees has previously been held in development and review of the 2008/09 Budget Framework.

Contact Officer: Alan Smith (Director of Resources)
Telephone No.: 01388-816166 ext. 7776
E-Mail Address: asmith@sedgefield.gov.uk

Ward(s): Not Ward Specific

Background Papers:

1. Report to Council 29th February 2008 – Budget Framework 2008/2009.
2. Report to Cabinet 19th June 2008 – Capital Programme 2008/09
3. Report to Cabinet 3rd July 2008 – 2007/08 Capital Final Outturn Position as at 31st March 2008
4. Report to Cabinet 23rd October 2008 – Local Improvement Programme

EXAMINATION BY STATUTORY OFFICERS

	YES	NOT APPLICABLE
1. The report has been examined by the Council's Head of the Paid Service or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. The content has been examined by the Council's S151 Officer or his representative.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. The content has been examined by the Council's Monitoring Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. The report has been approved by Management Team	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Item 6a

SEDGEFIELD BOROUGH COUNCIL HEALTHY BOROUGH WITH STRONG COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE

Council Chamber, Council
Offices, Spennymoor

Tuesday, 21 October
2008

Time: 10.00 a.m.

Present: Councillor J.E. Higgin (Chairman) and

Councillors W.M. Blenkinsopp, Mrs. P. Crathorne, Ms. I. Jackson,
T. Ward and Mrs E. M. Wood

In

Attendance: Councillors V. Chapman, G.C. Gray, J.G. Huntington and B. Lamb

**Observer
with**

Councillors Mrs. A.M. Armstrong and W. Waters

**Chairman's
Consent**

Apologies: Councillors Mrs. D. Bowman, J. Burton, Mrs. S. Haigh,
Mrs. H.J. Hutchinson, K. Thompson and A. Warburton

Mrs. M.Thomson (Tenant Representative)

H&S.13/08 DECLARATIONS OF INTEREST

No declarations of interest were received.

H&S.14/08 MINUTES

The Minutes of the meeting held on 9th September, 2008 were confirmed as a correct record and signed by the Chairman.

**H&S.15/08 OVERVIEW AND SCRUTINY REVIEW GROUP- LEISURE CENTRES
CONCESSIONARY PRICING SCHEME - PROGRESS ON ACTION
PLAN**

Consideration was given to a report detailing progress to date on Cabinet's response and Action Plan following consideration of its recommendations arising from the Leisure Centre Concessionary Pricing Scheme Review. (For copy see file of Minutes).

It was explained that the Leisure Services Marketing Manager, was present at the meeting to outline progress and respond to any queries.

Members were reminded of the background to the review and recommendations provided by the Review Group, the Action Plan which had been drawn up and suggested timescale.

Details on progress of each action were outlined. It was explained that the Action Plan had been in place for approximately two years. Some areas were completed whilst others were still ongoing.

Specific reference was made to the recommendation relating to concessionary prices remaining at their current level. It was explained that due to substantial rises in unit energy costs modest price increases had been implemented for 2008/9.

The Committee noted that with regard to partnership working and in particular the web-based implementation plan, this had been delayed. Three surgeries in Spennymoor were scheduled to go live in September, 2008. However, the website was still being developed. The Primary Care Trust would be providing information on progress at the next meeting of the Healthy Borough Strategic Working Group.

It was explained that recommendation 6 of the action plan related to the establishment of a focus group to provide a forum for consultation regarding the Leisure Centre Concessionary Pricing Scheme. The Committee was informed that the focus group had not been established. Base campaigns had increased the number of concessionary users registered within the Torex system from 1,557 in 2006 to 8,460 in October, 2008.

The recommendation relating to the promotion of information and advertisement including case study examples on the Concessionary Pricing Scheme was ongoing. Examples were given of promotions including free swim promotions for selected super output areas, zest for life campaign additional activities for over 50's, care home residents and disabled residents.

With regard to the recommendation relating to all members being transferred onto the B:Active Scheme, it was explained that the process was 75% complete as of October, 2007. Capital, however, was not available in 2008 to purchase additional data capture equipment, resulting in the manual compilation of some performance indicator data.

The Committee was informed that with regard to the recommendation on Leisure Services taking account of findings from the reports evaluating initiatives in Wales and Scotland and identifying any further improvements which could be made, expressions of interest had been submitted to the Department of Culture, Media and Sport, on behalf of the new authority, to take advantage of free swimming for those people aged 60 years and over and 16 years and under. Confirmation to proceed with the scheme would be made by Durham County Council Cabinet.

During discussion of this item reference was made to the launch of the play rangers programme the following weekend and sessions which would be organised on a weekly basis after school at play areas principally in the eastern area and the need for the programme to be rolled out to other areas within the Borough.

AGREED : *That the Committee is satisfied that the actions following the Overview and Scrutiny Review on Leisure Centres Concessionary Pricing Scheme had been*

implemented or are ongoing and that no further reports are required.

H&S.16/08 PROGRESS ON HOUSING PARTNERING ARRANGEMENTS

It was explained that the Director of Housing together with the Head of Housing Property Services, were present at the meeting to outline progress and, to answer any queries. (For copy of presentation see file of minutes.

Members were reminded that at its meeting on 24th June 2008 the Committee had identified progress on housing partnering arrangements to be included within the work programme.

The Committee was informed that the partnering project contract had commenced in February 2008 and included :-

Housing Repairs and Maintenance Service
Housing Capital Programme
Private Properties Group Repair Scheme
New Build Homes
Improvements to Spennymoor Leisure Centre – Arts Resource Centre.

A detailed breakdown of jobs which had been undertaken by the Repairs and Maintenance Service since 2004 and number of jobs issued were identified. The performance of the service since April 2008 in relation to each category of repairs and maintenance was also identified. It was noted that within the service grounds maintenance to the inside curtilage of council properties was included. This was a discretionary service.

Details were given of the void turnaround time and emergency call-out statistics. It was noted that with regard to the voids turnaround time this had decreased since April 2008 from 41.66 days to 10.13 days in September 2008. In respect of emergency call-outs statistics it was noted that repairs transferred from during the day had reduced from 698 in 2007/8 to 186 between April 2008 and September 2008.

The Committee was also informed of the customer satisfaction questionnaire cumulative results from April 2007 to September 2007 compared with the same period in 2008.

Progress in relation to promises made under partnering arrangements was also outlined. Particular reference was made to efficiency savings, energy efficiency, apprenticeships, tenants handbooks and demonstration of continuous improvement. It was explained that the proposal to extend the service beyond 6.00 p.m. was being looked at. There had been a reduction of time in relation to void turnaround, a charter was to be established with Sedgefield Borough Homes and a customer resource centre was being considered.

It was noted that the Audit Commission had commented in relation to the partnership that early indications were that the Partnership was working well with high tenant satisfaction, significantly reduced design tender and

mobilisation periods and a commitment to freeze prices throughout the three years contract.

During discussion of this item a query was raised regarding financing of the repairs and maintenance service and customer satisfaction. It was explained that the majority of people were satisfied with the service. The repairs element of the contract was financed through Council rents and that element of the service would be transferred to Sedgefield Borough Homes. The remainder of the contract including the leisure element which was financed through Council Tax would be transferred to Durham County Council.

A query was also raised regarding sub-contracting and ensuring that standards of work were maintained. It was explained that a specification had been developed and sub-contractors were aware of the standards to be achieved.

Cabinet Members then left the meeting to allow the Committee to deliberate.

AGREED : That the Committee is satisfied on the progress being made on partnering arrangements.

Councillor Blenkinsopp requested that it be placed on record that he was not in support of the above decision.

H&S.17/08 DURHAM COUNTY COUNCIL HEALTH SCRUTINY COMMITTEE
Consideration was given to the Minutes of the meetings held on 14th July, 2008 and 11th September, 2008. (For copies see file of Minutes).

Members were informed that NHS County Durham (formerly County Durham PCT) were undertaking a public consultation exercise "Seizing the Future" which identified proposals for changes to services at Bishop Auckland General Hospital, Darlington Memorial Hospital and University Hospital North Durham. A number of public meetings were to be held across the County in relation to the consultation. Dates of meetings would be circulated to members.

AGREED : That the Minutes be received.

H&S.18/08 WORK PROGRAMME
Consideration was given to the Work Programme for the Healthy Borough with Strong Communities Overview and Scrutiny Committee. (For copy see file of Minutes). An update was given on the progress on the Committee's two Review Groups Healthy Borough Review Group and Strong Communities Review Group.

AGREED : That the Work Programme be agreed.

ACCESS TO INFORMATION

Any person wishing to exercise the right of inspection, etc., in relation to these Minutes and associated papers should contact Miss. E.A. North, Tel 01388 816166 Ext 4237, enorth@sedgefield.gov.uk

Item 6b

SEDGEFIELD BOROUGH COUNCIL

PROSPEROUS AND ATTRACTIVE BOROUGH OVERVIEW AND SCRUTINY COMMITTEE

Council Chamber,
Council Offices
Spennymoor

Tuesday,
4 November 2008

Time: 10.00 a.m.

Present: Councillor G.C. Gray (Chairman) and
Councillors Mrs. L. M.G. Cuthbertson, P. Gittins J.P., Mrs. I. Hewitson and Mrs. E. Maddison

In Attendance: Councillors V. Chapman, A. Gray and J.E. Higgin

Apologies: Councillors D.M. Hancock, G.M.R. Howe, Mrs. S. J. Iveson, B. Lamb, Mrs. E.M. Paylor, A. Smith and B. Stephens

P&A.12/08 DECLARATIONS OF INTEREST

No declarations of interest were received.

P&A.13/08 MINUTES

The Minutes of the meeting held on 23rd September 2008 were confirmed as a correct record and signed by the Chairman.

P&A.14/08 PERFORMANCE INDICATORS

Consideration was given to a report measuring performance against the Prosperous Borough and Attractive Borough elements of the Corporate Plan covering the period 1st April 2008 to 30th September 2008. (For copy see file of Minutes).

The report provided data on 34 Performance Indicators of which 6 were key to the Council's aims and objectives.

Of the 17 Prosperous Borough Indicators, 12 had demonstrated improved performance against 2007/2008 actual outturns, 5 were performing at a worse level whilst 10 indicators were on schedule to achieve the 2008/2009 target and 5 were off target. In respect of the Attractive Borough Performance Indicators it was noted that of the 17 indicators 13 had demonstrated improved performance against 2007/2008 actual outturn and 2 had performed at a worse level. 12 Indicators had performed above 2008/9 target and 5 were below target.

Specific reference was made to the following :-

CPP04 Percentage of Unemployed Adults undertaking training with SBC who gain employment

The Committee was informed that this Indicator was performing 7% below target. It was explained that over the past 2 months there had

been a significant decline in job opportunities in the local job market which was having an impact on job outcome rates.

CPP10(i) Number of new start businesses registering with the Inland Revenue as a result of support received through Sedgefield Borough Council

This Indicator was thought to be below target as a result of the effect of the recent down turn in the economic climate.

CPP12 Number of new clients using revised Shildon Business Centre offer

It was explained that this Indicator was performing 8 new clients below target. A marketing plan was being produced to tackle this situation and to advertise the service across Sedgefield Borough Council. It was anticipated that this would raise the performance for Quarter 3.

CPP13 Number of Businesses attending Your Business Forum workshops

It was noted that this Indicator was performing 53.5 businesses below target. The Committee was informed that plans were in progress to launch a newly branded South Durham Business Network during January 2009. It was forecast that attendance at this event would be around 150.

XBV218(b) Percentage of Abandoned Vehicles removed within 24 hours from the point at which the Authority is legally entitled to remove the vehicle

Members were informed that there had been no abandoned vehicles removed in Quarter 1. A reason was assumed to be the price of scrap metal leading people to scrap cars rather than abandon them.

XBV219(b) Percentage of Conservation Areas in the Local Authority area with an up-to-date Character Appraisal

This Indicator was performing 13.3% below target. It was noted that one Conservation Area Appraisal was due to be submitted to Council for approval and two were currently being processed. It was anticipated that the end of year target would be met.

CPA02 Number of Collections Missed per 100,000 Collections of Household Waste

This Indicator was performing 68 missed collections per 100,000 off target. The high number of missed collections was due to a new kerbside recycling scheme which had been introduced in April 2008. For the first three months of the new contract the number of missed collections was extremely high. However, the number of missed collections was reducing month on month. The number had reduced from 93 in Quarter1 to 78 in Quarter 2.

NI192 Percentage of Household Waste sent for re-use, recycling and composting

It was noted that the target for this Indicator may not be achieved as the anaerobic digester was out of commission and no date had been given when it would be operational.

XBV204 The percentage of appeals allowed against the authority's decision to refuse on planning applications

The Committee was informed that this Indicator was performing 13.3% off target. The Quarter 2 figure reflected one appeal which had been upheld out of a total of 3 during the period.

AGREED : That the report be accepted.

P&A.15/08 WORK PROGRAMME

Consideration was given to the Committee's Work Programme (for copy see file of Minutes).

An update was given on the Committee's two review groups Attractive Borough Scrutiny Review Group and Prosperous Borough Scrutiny Review Group.

AGREED : That the Committee's Work Programme be approved.

ACCESS TO INFORMATION

Any person wishing to exercise the right of inspection, etc., in relation to these Minutes and associated papers should contact Liz North 01388 816166 ext 4237 email: enorth@sedgefield.gov.uk

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Item 7

SEDGEFIELD BOROUGH COUNCIL EMPLOYMENT ISSUES PANEL

Conference Room 1,
Council Offices,
Spennymoor

Thursday,
23 October 2008

Time: 10.30 a.m.

Present: Councillor A. Hodgson (Chairman) and
Councillors A. Gray, G.C. Gray, B. Haigh, D.M. Hancock and A. Smith

Apologies: Councillors Mrs. E. Maddison

EIP.8/08 DECLARATIONS OF INTEREST
Members had no interests to declare.

EIP.9/08 MINUTES
The Minutes of the meeting held 11th September 2008 were confirmed as a correct record and signed by the Chairman.

EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That in accordance with Section 100(a)(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following items of business on the grounds that they may involve the likely disclosure of exempt information as defined in Paragraph 1 of Schedule 12a of the Act.

EIP.10/08 APPLICATION TO RETIRE UNDER REGULATION 30 OF THE LOCAL GOVERNMENT PENSIONS SCHEME (LGPS)
The Panel considered a report of the Director of Resources regarding an application to retire under Regulation 30 (Employee Initiated Retirement) of the Local Government Pension Scheme (LGPS). (For copy see file of Minutes).

Members' attention was drawn to Section 3 of the report which provided guidance on the financial impact of Regulation 30.

It was noted that the applicant's combined age and service did not meet the Rule of 85 and therefore the following additional criteria needed to be satisfied:

- The reasons why the employee wanted to retire were considered to be valid and significant.
- The operational requirements of the employing department would not be diminished should the application be approved.

Specific reference was made to the table on Appendix 1 attached to the report which assessed the application against the policy criteria.

RESOLVED : That the application to retire early under Regulation 30 of the LGPS on a reduced benefits basis be approved.

EIP.11/08

APPLICATION FOR FLEXIBLE RETIREMENT

The Panel considered a report of the Director of Leisure Services regarding an application for flexible retirement. (For copy see of Minutes).

Members were reminded that in accordance with the Council's adopted Flexible Retirement Policy all applications for flexible retirement must be considered on an individual basis and decisions made on the merits of each case. Requested reductions in hours and/or grade must be compatible with the business requirements of the Council and should only be allowed in circumstances where the request did not adversely affected Council services.

The Panel considered the application taking account of the evaluation criteria set out in paragraph 3.3 of the report.

RESOLVED : That the application for flexible retirement be approved.

EIP.12/08

TRANSFER OF TRAINING AND EMPLOYMENT SERVICES TO BISHOP AUCKLAND COLLEGE EARLY RETIREMENT/VOLUNTARY REDUNDANCY

Consideration was given to a report regarding the transfer of staff from the Council Training and Employment Services to Bishop Auckland College and the requests received for early retirement/voluntary redundancy from employees whose current posts were not included within the structure of the merged training organisation. (For copy see file of Minutes).

It was explained that the Council's Training and Employment Services was financially independent of the Council, offsetting its costs with income generated through contracts won from external funding bodies such as the Learning Skills Council and Jobcentre plus. It had therefore been agreed with the College that as part of the merger process, early retirement costs would be paid out of the balances accrued over the lifetime of the Service and any residual amount would transfer to the College to cover further costs associated with service transformation post transfer.

The Panel's attention was drawn to the legal and constitution implications of the report and the requirement for both applicants to sign a compromise agreement waiving their rights to TUPE and twelve weeks' statutory notice.

Specific reference was also made to Appendix 1 of the report which set out the costs of allowing the requests for early retirement/voluntary redundancy.

RESOLVED : That the early retirement and voluntary redundancy applications of those employees listed on the schedule at Appendix 1 be approved.

ACCESS TO INFORMATION

Any person wishing to exercise the right of inspection, etc., in relation to these Minutes and associated papers should contact Mrs. Gillian Garrigan, Spennymoor 816166 Ext 4240

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Item 8

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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