

Item 3a

SEDGEFIELD BOROUGH COUNCIL

Council Chamber
Council Offices
Spennymoor

Friday,
24 February 2006

Time: 11.00 a.m.

Present: Councillor J.K. Piggott (Mayor) and

Councillors Mrs. A.M. Armstrong, W.M. Blenkinsopp, Mrs. K. Conroy, Mrs. J. Croft, V. Crosby, Mrs. A.M. Fleming, R.S. Fleming, Mrs. B. Graham, A. Gray, G.C. Gray, Mrs. J. Gray, B. Hall, A. Hodgson, Mrs. L. Hovvels, G.M.R. Howe, J.G. Huntington, M. Iveson, M.T.B. Jones, J.M. Khan, J.P. Moran, G. Morgan, D.A. Newell, K. Noble, B.M. Ord, R.A. Patchett, Mrs. E.M. Paylor, Ms. M. Predki, G.W. Scott, A. Smith, J.M. Smith, Mrs. I. Jackson Smith, Mrs. C. Sproat, K. Thompson, T. Ward, W. Waters and J. Wayman J.P

Apologies: Councillors B.F. Avery J.P, D.R. Brown, J. Burton, Mrs. B.A. Clare, M.A. Dalton, T.F. Forrest, D.M. Hancock, K. Henderson, J.E. Higgin, B. Meek, Mrs. C. Potts, J. Robinson J.P and Mrs. L. Smith

C.55/05 DECLARATIONS OF INTEREST

Councillor R. Fleming indicated that as Lead Member for Resource Management, he would be declaring a prejudicial interest in item 7 – Arrangements for Review of the Constitution,

C.56/05 MINUTES

The Minutes of the meeting held on 25th November, 2005 were confirmed as a correct record and signed by the Mayor.

C.57/05 MAYOR'S ANNOUNCEMENTS

The Mayor reported that since the last meeting he had attended 62 functions and events including Durham County Brass Band Association's Annual Grading Contest at Spennymoor Leisure Centre, Regional Volunteer of the Year 2005 Award Ceremony at County Hall, the opening of a Christmas Fayre at St. Francis Church, Newton Aycliffe and a Drop-in at the Business Centre at Newton Aycliffe. He had also attended an Annual Thanksgiving Service for Butterwick Hospice, a meeting with two Olympic Swimming Champions at Newton Aycliffe Leisure Centre, the launch of the Local Strategic Framework and Action Plans for Physical Activity at the Red Lion, Trimdon; a presentation of monies awarded to the Bowls Club at Ferryhill Leisure Centre and a School Dance Festival at Newton Aycliffe Leisure Centre.

The Mayor reported that he had also attended a GEM Luncheon Presentation to the Licensing Team of Sedgefield Borough Council; a charity dance entertainment evening at Ferryhill Leisure Centre and a Steam Twilight Photographic Exhibition at the Locomotion, Shildon.

Members were informed that the Mayor had had the honour of attending a visit of HRH The Earl of Wessex to Durham County Council's Young People's Service at Aycliffe Young People's Centre.

The Mayor expressed his appreciation to Councillor Vince Crosby for raising £410 for the Mayor's Charity by competing in a Marathon Workout.

It was also reported that he had attended a number of Golden Wedding and Diamond Wedding Celebrations together with a number of Civic Services and civic functions and events as well as a number of charity evenings.

C.58/05

BUDGET FRAMEWORK 2006-07

Consideration was given to a report of the Director of Resources (for copy see file of Minutes) regarding budget proposals for 2006/2007.

It was explained that Cabinet at its meeting on 12th January, 2006 approved the initial budget framework. During the four week consultation period all Overview and Scrutiny Committees considered their respective budget areas and consultation had also taken place with the Council Tax Focus Groups.

Cabinet had considered the findings of the consultation process at its meeting on 16th February, 2006 when it made a number of recommendations for the budget and policy framework 2006/2007. The recommendations were outlined in Appendix A to the report.

Significant reference was made to the following :-

General Fund

The Council's net spending requirements for 2006/7 would be £14,045,480 and the details of how this was to be spent were set out in the report. Whilst this represented an increase in spending of 13% the proposed increase in Council Tax was 3% - taking the Band D tax from £175.60 to £180.87 an increase of £5.27.

Housing Revenue Account

No changes to the initial budget for the Housing Revenue Account were proposed by Cabinet and the increase in Housing rents required was recommended to be an increase in basic and target rents of 3.20% with effect from 3rd April, 2006 with the adjustment for rent restructuring set at up to +£2 per week. This would have the impact of increasing the average rent on the HRA by 5%.

Capital Spending

No changes to the initial budget framework for capital spending were proposed by Cabinet which would mean that total capital expenditure be fixed at £15,650,000 and allocated to portfolios in accordance with the table set out in Appendix B to the report. It was noted that the Programme

had been set in line with the Medium Term Capital Investment Plans contained in the Medium Term Financial Plan.

Treasury Management Strategy Incorporating the Prudential Code

This covered the borrowing and investment activities of the Council and the effective management and the associated risks in relation to those activities. A separate report provided details of the Strategy followed by the Council and made recommendations for the Council's borrowing, investment and treasury activities over the next few years and had been developed taking full account of the Budget Framework for 2006/07.

Robustness of Budget Estimates

A prudent approach had been taken to the development of service budgets based on realistic and achievable spending and income targets with appropriate consideration of any risks and uncertainties that may be encountered.

The provision of a contingency fund would provide further flexibility for the Council to respond to any additional and unexpected spending needs that may be required during the year.

It was noted that a full report on the revenue position of the current year's budget would be considered by Cabinet on 2nd March, 2006. That report showed that both the General Fund and the Housing Revenue Account outturn spending were being controlled within the original budget provision.

Balances and Reserves

The balances and reserves held at 31st March, 2006 were presented and the following noted :-

Budget Support Fund

This was set up to provide support to the General Fund to allow spending levels to be adjusted over the medium term. The Budget Framework 2006/07 now provided for the use of balances of £500,000 to support revenue spending.

Insurance Fund

Established to cover the Council's self-insured risks. Whilst the revised balance would fall as claims continue to be met, the current level of funding was regarded as satisfactory in the medium term.

Economic Development Fund

It was noted that there were ongoing commitments against the fund over the next few years and it was planned that £108,500 would be utilised in 2006/07.

No external grant funding was now available to support the incentives programme and the fund was therefore running down and had a very limited future life.

Training and Employment Services

The Training and Employment Services Scheme had proved extremely successful, however, it was expected that there would be an anticipated operating loss of around £75,000 in 2005/06 which would be met from the Training Fund.

Asset Management Fund

The fund was available to provide support to meet the Council's commitments under the Asset Management Plan. There was no planned use of this Fund next year.

Private Sector Housing Fund

Established some years ago when housing association loans were repaid to provide support to private sector housing initiatives.

Loan Debt Support Fund

This fund was used to support the costs associated with managing the Council's debt portfolio. It was expected that around £200,000 would be utilised in 2006/07 to assist in rescheduling the Council's capital financing costs.

Youth Development Fund

This fund was used to support projects and initiatives aimed at developing the skills and talents of young people in Sedgefield Borough.

Other Fund Balances

Covering a range of small balances which are used for technical accounting purposes.

General Reserve

The balance on this reserve of £2.2m represented around 15% of net revenue spending which was well above the minimum level advised by the Audit Commission of 5%. The medium term targets was to maintain the reserve at around £2m.

Housing Revenue Account

Balances were expected to total £4.1m at 31st March, 2006. This took account of the forecast contribution to balances in the current year of around £650,000 including reimbursement of LSVT costs. As the Housing Subsidy Settlement had released additional resources into the HRA no use of balances would be required to fund revenue activities. However, there was a planned contribution of £500,000 to the Capital Programme to assist with the transition to a programme focused on meeting the Government's Decent Homes Standards by 2010. It was also likely that there would be a requirement to use HRA Reserves to assist with the implementation of the Service Improvement Plan and the impact of this would be reported to Cabinet in March, 2006.

PRECEPTING AUTHORITIES

Parishes

The precept for 2006/07 total £4,268,252 compared with £4,120,981 for the current year, an increase of £147,271 (3.6%). This equated to an average parish Council Tax of £163.83 at Band D, an increase of £5.81 (or 3.7%) over the current year. Details of the increase applicable to each Parish were detailed in Appendix C to the report.

Durham County Council

Durham County Council met on 21st February, 2006 to consider its spending for 2006/07 and to consider a recommendation that would require a precept on this Council of £25,204,043.12 equating to a Council Tax of £967.41 at Band, an increase of £42.57 or 4.6% over the current year.

Durham and Darlington Fire and Rescue Authority

The Fire and Rescue Authority met on 16th February, 2006 to consider its spending plans for 2006/07 and to consider a recommendation that required a precept on this Council in the sum of £2,007,123.12 which equated to a Council Tax of £77.04 at Band D, an increase of £3.60 or 4.9% over the current year.

Durham Police Authority

The Police Authority at its meeting on 17th February, 2006 agreed to issue a precept on the Council of £2,626,142.40 which equated to a Council Tax of £100.80 at Band D, an increase of £4.77 or 4.96% over the current year.

During discussion on the Budget Framework the following amendment proposal was moved by Councillor B.M. Ord and seconded by Councillor K. Thompson :_

“That this Council reduces its 2006/07 General Fund Budget by 3% and that the savings be met by efficiency savings from the areas of Inform, Town Twinning and Logo rebranding.”

Following a vote the amendment was rejected.

- RESOLVED :**
- 1. That the Council's 2006/07 General Fund Revenue Budget, totalling **£14,045,480** be approved.*
 - 2. That the Housing Revenue Account Budget be approved and that a rent increase of 3.20% be applied to all basic and target rents with a rent restructuring adjustment of up to + £2, effective from 3rd April 2006.*
 - 3. That the council's 2006/07 Capital Spending Programme, totalling **£15,650,000**, as set out in Appendix B to the report be approved.*
 - 4. That in accordance with Section 25(1) of the Local Government Act 2003, the comments of the Director of Resources, in relation to the robustness of the budget estimates being considered and adequacy of the financial reserves, be noted.*

5. That the calculations required under Section 32 to 36 of the Local Government Finance Act, 1992 be approved as follows:-

	£
Aggregate of the calculations required under Section 32(2)(a) to (e) of the Act (i.e. gross expenditure of the Borough plus Parish precepts)	93,500,672
Aggregate of the calculations required under Section 32(3)(a) to (c) of the Act (i.e. income which will be credited to the Borough's General Fund)	75,186,940
Being the difference between the above calculations, in accordance with Section 32(4) of the Act – the budget requirement for the year	18,313,732

6. That the calculation of the sums which the Council estimates will be payable for the year into its General Fund be approved as follows:-

	£
Revenue Support Grant	9,133,274
Collection Fund Surplus	200,000
	8,980,458

7. That the calculation required under Section 33(1) of the 1992 Act, as the basic amount of the Council Tax for the year, i.e. the total in 5 above, less the total in 6 above, divided by the Tax Base 26,053, be approved as follows - **£344.70** (i.e. an average local Tax at Band D).

8. That the aggregate amount of all special items (Parish Precepts) in accordance with Section 34(1) of the Act, amounting to **£163.83** be approved.

9. That the Council Tax for the year for those dwellings in the area to which no special items relates, calculated in accordance with Section 34(2) of the Act, be **£180.87** (i.e. the Council Tax at Band D for Borough Council purposes).

10. That the amounts given by adding to the amount at 9 above, the amounts of the special items for those parts of the Council's area, calculated in accordance with Section 34(3) of the Act be as set out under Band D in Appendix D to this report (i.e. Council Tax at Band D for Borough and Parish Councils in each Parish or part of the Borough).

11. That the amount to be taken into account for the year in respect of categories of dwellings listed in different valuation bands calculated in accordance with Section 36(1) of the Act, using as the base those amounts set out in 10 above, be as shown in Appendix D to the report.

12. That it be noted that for the year 2006/07 Durham County Council, Durham and Darlington Fire and Rescue Authority, and Durham Police Authority have stated the following amounts in the precept issued to the Council in accordance with Section 40 of the Act, for each of the categories of dwellings shown below:-

	A	B	C	D	E	F	G	H
Authority	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Durham County Council	644.94	752.43	859.92	967.41	1,182.39	1,397.37	1,612.35	1,934.82
Combined Fire Authority	51.36	59.92	68.48	77.04	94.16	111.28	128.40	154.08
Durham Police Authority	67.20	78.40	89.60	100.80	123.20	145.60	168.00	201.60

13. That, having calculated the aggregate in each case, of the amounts at 11 and 12 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the amounts shown at Appendix F as the amounts of Council Tax for the year 2006/07 for each of the categories of dwellings shown.

14. That the Director of Resources be authorised to serve notices, enter into agreements, give receipts, make adjustments, institute proceedings and take any action available to the Council to collect or enforce the collection of the Non-Domestic Rate and the Council Tax from those persons liable.

15. That the Director of Resources be authorised to nominate officers, from time to time, within the Resources Department, to conduct proceedings on behalf of the Council in connection with the implementation of 14 above.

16. That, in accordance with Part II of Schedule 1 of the Council Tax (Administration and Enforcement) Regulations 1992, the Council resolves that instalments of Council Tax due from Council house tenants, will be due on a weekly basis simultaneous with the rent.

NB : In accordance with the Council's Rules and Procedures 13.4 Councillors W.M. Blenkinsopp, Mrs. J. Croft, G.M.R. Howe, J.G. Huntington, M.T.B. Jones, B.M. Ord, Mrs. E.M. Paylor, G.W. Scott, J.M. Smith, Mrs. C. Sproat, K. Thompson and J. Wayman, J.P., requested that their names be recorded as having voted against the increase in Council Tax.

C.59/05

TREASURY MANAGEMENT STRATEGY 2006-07

Consideration was given to a report of the Director of Resources (for copy see file of Minutes) detailing the Treasury Management Strategy 2006/7 and the impact of the Prudential Code for Capital Finance.

It was explained that the report outlined the Strategy to be followed by the Council over the medium term in relation to its Treasury Management activities.

Members noted that the Council would need to comply with the Prudential Code for Capital Finance in Local Authorities and approve the Prudential Indicators outlined in the Appendix to the report.

Members considered the Treasury Management Strategy which was required by the Council's Constitution to be reported and the management of the risks involved.

- RESOLVED :**
1. *that the Treasury Management Strategy 2006/07 be approved.*
 2. *That the Investment Strategy 2006/07 be approved.*
 3. *That the Prudential Indicators and Limits 2006/07 to 2008/09 be adopted.*
 4. *That the 'Authorised Limit' for borrowing as shown in Appendix A to the report be approved.*

C.60/05

ARRANGEMENTS FOR REVIEW OF THE CONSTITUTION

NB : In accordance with Section 81 of the Local Government Act 2000 and the Member's Code of Conduct, Councillor R.S. Fleming declared a prejudicial interest in this item and left the meeting for the duration of the discussion and voting thereon.

Consideration was given to a report of the Chief Executive Officer (for copy see file of Minutes) regarding arrangements for a Review of the Constitution.

It was explained that the Constitution itself needed to be kept under regular review to ensure that it reflected existing law and its operation continued to provide an efficient and effective framework for delivering the Council's objectives. This report was a further review for the purposes of Article 15 of the Constitution.

The report outlined areas where it was considered appropriate to make some immediate changes to the Constitution including :

- a) Changes resulting from the Cabinet decision taken on 19th January 2006 on Indemnities for Members and Officers: Impact of the Local Authorities (Indemnities for Members and Officers) Order 2004 Report of the Solicitor to the Council and Monitoring Officer.
- b) Changes resulting from the decision of Cabinet on 2nd February 2006 considered at Standards Committee on 9th February 2006,

forthcoming Comprehensive Performance Assessment, Key Lines of Enquiry, Corporate Governance Inspection implications for Standards and Ethics, the Standards Committee and Member Training – Taking the Ethics Agenda Forward: Report of the Solicitor to the Council and Monitoring Officer.

- c) Request for changes from the Neighbourhood Services Department (Environmental Health) resulting from legislative changes.
- d) Request for changes from the Neighbourhood Services Department (Planning Division) relating to proposed operational changes.

RESOLVED : 1. *That the Council approves the amendments set out in the Appendix and directs the Council's Monitoring Officer:*

(a) to amend the Constitution accordingly and make all necessary and consequential amendments; and

(b) to publish an amended version on the Council's website.

C.61/05

**SUMMARY OF CHANGES TO STANDARDS ARRANGEMENTS:
"STANDARDS OF CONDUCT IN ENGLISH LOCAL
GOVERNMENT:THE FUTURE - DECEMBER 2005"**

Consideration was given to a report of the Solicitor to the Council and Monitoring Officer (for copy see file of Minutes) summarising the recently published discussion paper by the Government "Standards of Conduct in English Local Government : The Future - December 2005".

It was explained that the discussion paper set out a vision and regime for the future which dramatically changed the roles of the Standards Board, Local Standards Committees and duties of the Monitoring Officer.

The vision was for the different elements of the different elements of the conduct regime, such as the Members' Code of Conduct, the Standards Board and Local Standards Committees to work effectively together and be integrated as a whole.

The proposals involved an increase in the number of cases referred for investigation and determination at local level. The changes would mean the evolution of the Standards Board into "a strategic, arms length body dealing only with the most serious cases nationally". The Board would develop a specific role that would support, advise and guide local authorities.

It was recognised that the increase in local decision-making would increase the workload of some authorities, particular District Councils with large numbers of Parishes. It was anticipated that there would be significant financial implications resulting from the transfer to the Council of

The Standards Board responsibility for conducting investigations and determinations. Significantly, the Government had not made proposals to commit additional funding to local authorities to carry out those new functions. This was a particular concern.

- RESOLVED :*
- 1. That the report received.*
 - 2. That the Leader and the Chief Executive raise concerns via national bodies regarding the lack of proposals for additional public funding for the transfer of responsibilities from the Standards Board to local authorities.*

C.62/05

**SEDGEFIELD BOROUGH LOCAL DEVELOPMENT FRAMEWORK -
ADOPTION OF THE RESIDENTIAL EXTENSIONS SUPPLEMENTARY
PLANNING DOCUMENT**

Consideration was given to a report of the Director of Neighbourhood Services (for copy see file of Minutes) in respect of the Residential Extensions Supplementary Planning Document.

It was explained that the Council had considered the draft Residential Extensions Supplementary Planning Document on 30th September 2005. The Document was then subject to a six-week public consultation exercise during which time the Council had received 18 comments from 8 organisations.

As a result of the consultation, some changes would be made to the draft Supplementary Planning Document to provide a more positive grammatical approach within the Document; expand the text with regard to protected species; and to clarify the meaning of certain paragraphs.

- RESOLVED :* *That the Council adopts the Residential Extensions Supplementary Planning Document.*

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