

SEDGEFIELD BOROUGH COUNCIL

Council Chamber, Council
Offices, Spennymoor

Tuesday, 27 February
2007

Time: 11.30 a.m.

Present: Councillor Mrs. L. Hovvels (Mayor) and

Councillors W.M. Blenkinsopp, D.R. Brown, Mrs. B.A. Clare,
Mrs. K. Conroy, V. Crosby, Mrs. A.M. Fleming, R.S. Fleming,
Mrs. B. Graham, A. Gray, Mrs. J. Gray, B. Hall, D.M. Hancock,
A. Hodgson, J.G. Huntington, M. Iveson, M.T.B. Jones, J.P. Moran,
G. Morgan, B.M. Ord, R.A. Patchett, J.K. Piggott, J. Robinson J.P.,
A. Smith, J.M. Smith, T. Ward and W. Waters

Apologies: Councillors Mrs. A.M. Armstrong, B.F. Avery J.P, J. Burton, Mrs. J. Croft,
M.A. Dalton, T.F. Forrest, G.C. Gray, K. Henderson, J.E. Higgin,
G.M.R. Howe, J.M. Khan, B. Meek, D.A. Newell, K. Noble,
Mrs. E.M. Paylor, Mrs. C. Potts, Ms. M. Predki, G.W. Scott,
Mrs. I. Jackson Smith, Mrs. L. Smith, Mrs. C. Sproat, K. Thompson and
J. Wayman J.P.

MINUTES SILENCE

A minute's silence was held as a mark of respect for former Borough Councillor John Fleming and former County Councillor John Dormer who had both recently died.

C.65/06 DECLARATIONS OF INTEREST

No declarations of interest were received.

C.66/06 MINUTES

The Minutes of the meeting held on 23rd January, 2007 were confirmed as a correct record and signed by the Mayor.

C.67/06 MAYOR'S ANNOUNCEMENTS

The Mayor reported that since the meeting held on 24th November 2006 she had attended 46 functions and events including : two carol singing events at the Thames Centre, Newton Aycliffe, the official opening of the "Winter One Stop Shop" at Newton Aycliffe, a Charity Coffee Morning at Butterby Grange, Spennymoor, Spennymoor Operatic Society's Pantomime, "Aladdin", and Fishburn Youth Group's Pantomime.

The Mayor also reported that she had attended a colouring competition at Bishop Middleham C of E Primary School, a cheque handover for the Yellow Pages Sculpture Competition at Hardwick Primary School, a reception at Ferryhill Town Council for Phil Nixon, a national darts player, and a number of retirement events for staff who had given long and loyal service to Sedgfield Borough Council.

In addition, the Mayor reported that she had attended a number of charity nights, civic balls, carol services, diamond and golden wedding anniversary celebrations and the Stars in Your Eyes Charity Evening at Spennymoor Town Hall which raised over £500 for the Mayor's charities.

C.68/06

BUDGET FRAMEWORK 2007/8

Consideration was given to a report and an addendum report of the Director of Resources (for copies see file of Minutes) regarding budget proposals for 2007/2008.

It was explained that Cabinet at its meeting on 11th January, 2007 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 15th February, 2007 when it made a number of recommendations for the budget and policy framework 2007/2008. 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 2007/8, after the use of balances would be £14,618,060 and the details of how this was to be spent were set out in the report. This represented an increase in the Band D tax from £180.87 to £186.11 an increase of £5.24.

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 3.6% plus 0.5% with effect from 2nd April, 2007 with the adjustment for rent restructuring set at up to +£2 per week. After receipt of grant this would have the net impact of increasing the average rent, 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 would be fixed at £20m. 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 to be 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 2007/08.

Robustness of Budget Estimates

Section 25 of the Local Government Act 2003 required the Chief Financial Officer to report the robustness of the estimates and the adequacy of the results. It was noted that in preparing 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.

Reasonable provision had been taken for pay awards and inflation during 2007/2008. Budgets had been prepared at outturn prices, there is no Contingency Sum available in 2007/08 therefore any unexpected demand on revenue expenditure would have to be found from savings or efficiencies in service delivery.

It was noted that a full report on the revenue position of the current year's budget would be considered by Cabinet on 1st March, 2007. 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 expected to be held at 31st March, 2007 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 2007/08 provided for the use of balances of £700,000 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.

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 £27,000 in 2006/07 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. The Capital Programme 2007/08 assumed the

use of £100,000 to finance asset management works to various Council buildings.

Private Sector Housing Fund

Established some years ago when housing association loans were repaid to provide support to private sector housing initiatives. A sum of £100,000 would be used during 2007/08 to support private sector housing regeneration 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 £150,000 would be utilised in 2007/08 to assist in rescheduling the Council's capital financing costs.

Other Fund Balances

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

General Reserve

The balance on this reserve of £2.240m represented around 15% of net revenue spending which was well above the minimum level advised by the Audit Commission of 5%. The medium term target was to maintain the reserve at around £2m.

Housing Revenue Account

Balances were expected to total £3.88m at 31st March, 2007. There was an ongoing commitment to use a further £100,000 of HRA reserves during 2007/8 to assist with the implementation of the Service Improvement Plan. 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.

Equal Pay Claims

The Council faced a number of equal pay claims which would need to be met from either General Fund or the Housing Revenue Account reserves at some stage in the future. Experience at other Councils indicated that the cost of such claims continued to grow as claims were pursued through Employment Tribunals. Whilst it was difficult to assess the potential costs to be faced by the Council reserves were being maintained at such a level which should allow the Council to meet its commitments without any impact on future service provision.

PRECEPTING AUTHORITIES

Parishes

The precept for 2007/08 total £4,400,003.43 compared with £4,268,252.00 for the current year, an increase of £131,751.43 (3.1%). This equated to an average parish Council Tax of £168.26 at Band D, an increase of £4.43 (or 2.7%) 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 20th February, 2007 to consider its spending for 2007/08 and to consider a recommendation that would require a precept on this Council of £26,032,063.49 equating to a Council Tax of £995.49 at Band D, an increase of £28.08 or 2.9% over the current year.

Durham and Darlington Fire and Rescue Authority

The Fire and Rescue Authority met on 23rd February, 2007 to consider its spending plans for 2007/08 and to consider a recommendation that required a precept on this Council in the sum of £2,099,321.94 which equated to a Council Tax of £80.28 at Band D, an increase of £3.24 or 4.2% over the current year.

Durham Police Authority

The Police Authority at its meeting on 23rd February, 2007 agreed to issue a precept on the Council of £3,549,078 which equated to a Council Tax of £135.72 at Band D, an increase of £34.92 or 34.64% 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 J.G. Huntington :_

“That this Council reduces its 2007/08 General Fund Budget through efficiency savings being met from the area of Neighbourhood Wardens with five of the Neighbourhood Wardens becoming Environmental Enforcement Officers and others being considered for internal vacancies, other savings were to be met from the area of Town Twinning.”

Following a vote the amendment was rejected.

RESOLVED : 4.1 *That the Council's 2007/08 General Fund Revenue Budget, totalling £14,618,060 be approved.*

4.2. *That the Housing Revenue Account Budget be approved and that a rent increase of 3.6%+0.5% be applied to all rents with a rent restructuring adjustment of up to + £2.00, effective from 2nd April 2007.*

4.3. *That the council's 2007/08 Capital Spending Programme, totalling £20m, as set out in Appendix B to the report be approved.*

4.4. *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.*

4.5. 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)	93,535,003.43
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)	74,516,940.00
Being the difference between the above calculations, in accordance with Section 32(4) of the Act – the budget requirement for the year	19,018,063.43

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

	£
Revenue Support Grant	9,601,288.00
Collection Fund Surplus	150,000.00
	9,751,288.00

4.7. 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 4.5 above, less the total in 4.6 above, divided by the Tax Base 26,150 be approved as follows - **£354.37** (i.e. an average local Tax at Band D).

4.8 That the aggregate amount of all special items (Parish Precepts) in accordance with Section 34(1) of the Act, amounting to **£168.26** be approved.

4.9 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 **£186.11** (i.e. the Council Tax at Band D for Borough Council purposes).

4.10 That the amounts given by adding to the amount at 4.9 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).

4.11 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 4.10 above, be as shown in Appendix D to the report.

4.12 That it be noted that for the year 2007/08 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	663.66	774.27	884.88	995.49	1,216.71	1,437.93	1,659.15	1,990.98
Combined Fire Authority	53.52	62.44	71.36	80.28	98.12	115.96	133.80	160.56
Durham Police Authority	90.48	105.56	120.64	135.72	165.88	196.04	226.20	271.44

4.13 That, having calculated the aggregate in each case, of the amounts at 4.11 and 4.12 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 2007/08 for each of the categories of dwellings shown.

4.14 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.

4.15 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 4.14 above.

4.16 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 Procedure Rule 13.4, Councillors W.M. Blenkinsopp, D. Hancock, J.G. Huntington, M.T. B. Jones and B.M. Ord requested that their names be recorded as having voted against the increase in Council Tax.

C.69/06

TREASURY MANAGEMENT STRATEGY 2007/8

Consideration was given to a report of the Director of Resources (for copy see file of Minutes) detailing the Treasury Management Strategy 2007/08 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 approve the Prudential Indicators outlined in the Appendix to the report in order to comply with the Prudential Code for Capital Finance in Local Authorities.

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 2007/08 be approved.
 2. *That the Investment Strategy 2007/08 be approved.*
 3. *That the Prudential Indicators and Limits 2007/08 to 2008/09 be adopted.*
 4. *That the 'Authorised Limit' for borrowing as shown in Appendix A to the report be approved.*

C.70/06

ARRANGEMENTS FOR THE REVIEW OF THE CONSTITUTION

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 :

- *changes to Senior Management Structure: designation of Director of Neighbourhood Services as Deputy Chief Executive.*
- changes requested by the Chief Executive relating to decisions to approve changes/revisions to staff establishment structures.
- changes to Cabinet Functions/Scheme of Delegations regarding authorisation of attendance of members at courses, seminars, etc.
- revisions to the remit of Licensing Committee 2 and the Scheme of Delegations to Officers arising from the implementation of the Gaming Act 2005.
- revisions to the composition of Housing Review Panels to facilitate decision-taking.
- changes to the Political Management Structure to assign responsibility for Business Transformation and Data Quality.
- changes to the Scheme of Delegations to Officers arising from the new corporate policies on the Regulation of Investigatory Powers Act 2000.
- modifications to the Officer Delegations at Part 3C : Officer Delegations, made at the request of relevant officers.

- 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.71/06

DELEGATED AUTHORITY FOR THE CHIEF EXECUTIVE TO AMEND FORMAL ORGANISATION (STAFFING) STRUCTURES BELOW CHIEF OFFICER LEVEL

Consideration was given to a report of the Chief Executive (for copy see file of Minutes) recommending that the level of authority delegated to the Chief Executive be extended to cover all posts below Chief Officer level.

It was explained that research into this and other Council's establishment control arrangements had been undertaken by the Head of Organisational Development. This had identified that the limited responsibility currently delegated to the Chief Executive for amending the Council's organisation (staffing) structures for posts graded Scale 6 and below was relatively inflexible and needed to be revisited. This would mean that appropriate staffing changes could be effected more quickly and efficiently in a climate of ever increasing change.

Furthermore, in order to meet the challenges of the Local Government White Paper (Strong and Prosperous Communities) and the Transformational Government Strategy of an effective and appropriately structured workforce the Council needed to bring its establishment control arrangements into line with those of other progressive local authorities in the region.

- RESOLVED :**
- 1. That authority be delegated to the Chief Executive to amend the Council's formal staff structures below Chief Officer level in accordance with the specific safeguards and limitations set out in this report.*
 - 2. That the Council's Monitoring Officer be directed to make all necessary changes to the Constitution.*

C.72/06

REGULATION OF INVESTIGATORY POWERS ACT 2000 : GOING FORWARD : IMPLEMENTING IMPROVEMENTS

Consideration was given to a report of the Solicitor to the Council (for copy see file of Minutes) identifying the key findings from the recent visit of the Office of Surveillance Commissioner and making representations for the implementation of the findings of the report from the Commissioners.

A revised corporate policy and procedures document on the Act, having regard to best practice in leading authorities in the field and the recommendations of the Office of Surveillance Commissioners and consultations which had taken place with key officers within the Council, had been considered by Cabinet in December, 2006.

The new policy had implications for the Constitution which were identified in the report.

The opportunity had been taken to review training arrangements. The deployment of CCTV facilities across the range of enforcement activities of the Council would be dealt with in a separate report of the Director of Neighbourhood Services.

- RESOLVED :**
- 1. That all surveillance exercises, including covert surveillance be conducted by the Council in accordance with the terms of the Act and the Corporate Policy and Procedures document.*
 - 2. That only the Chief Executive be permitted to authorise a surveillance exercise, under Section 29 of the Act, involving use of covert human intelligence sources or any staff investigations in consultation with the Solicitor to the Council.*
 - 3. That this report be referred to all officers conducting enforcement functions which may carry*

out covert surveillance and that the policy be available on the Council's Intranet.

- 4. That the Solicitor to the Council be authorised to take all necessary steps to conclude satisfactory arrangements with regard to corporate procedures and raising awareness of the Corporate Policy and Procedures document with appropriate officers in the Council.*
- 5. The Solicitor to the Council oversees training arrangements on RIPA, to suspend authorisation of officers where further training is required and to generally keep the policy document up to date and be responsible for regular review of the Central Register of Authorisations.*
- 6. That the Solicitor to the Council be responsible for an annual review report to Cabinet in February each year upon the operation of the Act; that the Central Register of Authorisations be similarly reviewed on a quarterly basis.*
- 7. That the effective date for the operation of the policy shall be 27th February 2007.*
- 8. That the Head of Environmental Services and Head of Housing Management and Public Health Services Manager be authorising officers for the purposes of Section 28 of the Act in relation to their duties and functions*
- 9. That all consequential changes to the Constitution be approved.*

C.73/06

ROYAL GARDEN PARTIES

Consideration was given to a report of the Chief Executive (for copy see file of Minutes) regarding Royal Garden Parties to be held at Buckingham Palace on Tuesday 10th July 2007, Tuesday 17th July 2007 and Thursday 19th July 2007.

The report set out details of criteria for persons eligible to attend. It was explained that it was the Queen's wish that those invited should be drawn from as wide a range as possible and from persons who had not previously attended a Royal Garden Party.

It was normal practice for the Mayor elect and partner to attend together with one other Member of the Council and partner. Only named representatives submitted by the 9th March would be allowed to attend and no substitutes would be permitted at a later date. As this was an election year, and it could not be foreseen who would be Members of the Council

following the elections on 3rd May, 2007, it was considered appropriate that as well as nominating the Mayor Elect the Council should be represented by the Chief Executive, Brian Allen and his partner. This would ensure that the Council was represented whatever the outcome of the election.

RESOLVED : That the Mayor Elect and partner and the Chief Executive and partner be appointed to attend one of the Royal Garden Parties.

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 item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 1 of Part 1 of Schedule 12a of the Act.

C.74/06 REVIEW OF SENIOR MANAGEMENT ARRANGEMENTS - FORMAL DESIGNATION OF A DEPUTY CHIEF EXECUTIVE

Consideration was given to a report of the Chief Executive (for copy see file of Minutes) making proposals for a review of senior management arrangements and the formal designation of a Deputy Chief Executive.

RESOLVED : That the recommendations detailed in the report be adopted.

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