

Item 3

SEDGEFIELD BOROUGH COUNCIL

Council Chamber,
Council Offices,
Spennymoor

Friday,
29 February 2008

Time: 11.00 a.m.

Present: Councillor Mrs. S. J. Iveson (Mayor) and

Councillors Mrs. A.M. Armstrong, B.F. Avery J.P, W.M. Blenkinsopp, Mrs. D. Bowman, T. Brimm, D.R. Brown, V. Chapman, D. Chaytor, Mrs. K. Conroy, Mrs. P. Crathorne, V. Crosby, Mrs. L. M.G. Cuthbertson, T.F. Forrest, P. Gittins J.P., A. Gray, G.C. Gray, Mrs. J. Gray, B. Haigh, Mrs. S. Haigh, Mrs. I. Hewitson, J.E. Higgin, A. Hodgson, T. Hogan, Mrs. L. Hovvels, Mrs. H.J. Hutchinson, J.M. Khan, B. Lamb, Mrs. E. Maddison, C. Nelson, D.A. Newell, B.M. Ord, Mrs. E.M. Paylor, Mrs. C. Potts, J. Robinson J.P, A. Smith, B. Stephens, K. Thompson, A. Warburton, T. Ward, W. Waters and Mrs E. M. Wood

Apologies: Councillors J. Burton, D. Farry, Mrs. B. Graham, D.M. Hancock, G.M.R. Howe, J.G. Huntington and Ms. I. Jackson

MINUTES SILENCE

A minutes silence was held as a mark of respect for Borough Councillor Jim Waymen, JP., who had recently died.

C.67/07 DECLARATIONS OF INTEREST

No declarations of interest were received.

C.68/07 MINUTES

The Minutes of the meeting held on 10th January, 2007 were confirmed as a correct and signed by the Mayor.

C.69/07 MAYOR'S ANNOUNCEMENTS

The Mayor reported that she had attended forty eight functions and events since the meeting of the Council on the 23rd November including the official opening of Bishop Auckland College by HRH the Princess Royal, Durham County Fire Service presentation of monies to the Mayor's charity appeal, the launch and signing of the joint recycling services and a Royal Navy Presentation at Auckland Castle.

She had also attended the Spennymoor School Presentation Evening, County Durham School Swimming Gala, the presentation of medals at Newton Aycliffe Leisure Centre and Sedgfield Youth Award Ceremony at Sedgfield Racecourse.

In addition, she had attended a number of carol services, charity nights as well as Diamond Wedding and Golden Wedding anniversary celebrations.

C.70/07**TREASURY MANAGEMENT STRATEGY 2008/9**

Consideration was given to a report of the Director of Resources (for copy see file of Minutes) detailing the Treasury Management Strategy 2008/09 and the impact of the Prudential for Capital Finance.

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

Members noted that it was usual to produce a three year Strategy but because of the outcome of the Local Government Review in County Durham and the inception of a new unitary from April 2009 the report only considered the Strategy for the 2008/09 financial year.

The Council would ballot its tenants regarding the transfer of the Council's housing stock during 2008. Members were kept informed of the implications for the Council's borrowing and investment decisions following the results of the ballot.

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 2008/09 be approved.*
 2. *That the Investment Strategy 2008/09 be approved.*
 3. *That the Prudential Indicators and Limits 2008/09 be adopted.*
 4. *That the minimum revenue provision statement as shown in Appendix B be adopted.*
 5. *That the authorised Limit for Borrowing as shown in Appendix B be approved.*

C.71/07**BUDGET FRAMEWORK 2008/9**

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 2008/9.

It was explained that Cabinet at its meeting on 10th January, 2008 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 residents and tenants groups.

Cabinet had considered the findings of the consultation process at its meeting on 14th February, 2008 when it made a number of recommendations for the budget and policy framework 2008/09. The recommendations were outlined in Appendix A to the report.

Significant reference was made to the following :-

General Fund

The Council's net spending requirement for 2008/09 after the use of balances would be £15,005,440 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 £186.11 to £190.02 an increase of £3.91.

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 target rent of 3.9% + 0.5% with effect from 7th April, 2008 with the adjustment for rent restructuring set up to +£2 per week. This would have the impact of increasing the average rent by 5.6%.

It was noted that since the last reported position on ER/VR, arrangements for the transfer of staff and work to Mears had been resolved and costs had been incurred in the current year that could be replenished in 2008/9 ensuring the HRA minimum balance was maintained.

It was proposed that of the forecasted £1.4m available, £700,000 be returned to working balances and the remaining £700,000 set aside as contingency to cover the bedding in period of the partnership agreement and impact of Health and Safety ratings.

Capital Spend

No changes to the initial budget framework for Capital Spend were proposed by Cabinet which would mean that the 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 Financial Plan and Transition Plan.

Treasury Management Statutory Incorporating the Prudential Code

This covered the borrowing investment activities of the Council and the effective management of 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 on the Council's borrowing, investment, and treasury activities over the 2008/9 financial year and had been developed taking into account the budget framework for 2008/9.

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 risk and uncertainties that maybe encountered.

Reasonable provision had been made for pay awards and inflation during 2008/9. Budgets had been prepared at outturn prices, there was no contingency sum available in 2008/9 therefore any unexpected demand revenue expenditure would have to met 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 13th March, 2008. That report showed that both the General Fund and 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, 2008 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 2008/9 provided for the use of balances of £790,000 to support revenue spending.

LABGI Fund

This fund had been established from the proceeds of a Local Authority Business Growth Initiative grant, paid by the Government as a result of increased economic activity in 2005/06 and 2006/07. The fund had four streams all designed to stimulate economic growth throughout the Borough. It was anticipated that the balances on the fund would be fully utilised or committed by March 2009.

Insurance Fund

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

Training and Employment Services

This fund was used to support the Council's training schemes, which had provided training opportunities to thousands of people over many years. It was anticipated that there would be an operating surplus of around £40,000 in 2007/08. During 2008/09 it was anticipated that the balance on the fund would be transferred to Bishop Auckland College as part of the merger proposals.

Asset Management Fund

The fund was available to provide support to meet the Council's commitments under the Asset Management Plan. The 2008/09 Capital Programme assumed the use of £200,000 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. The Capital

Programme assumed the full use of the funds to support private sector housing regeneration initiatives within the Borough.

Loan Debt Support Fund

This fund is used to support the costs associated with managing the Council's debt portfolio. It was anticipated that £106,000 would be utilised in 2008/09 to assist in rescheduling the Council's capital financing costs.

Other Fund Balances

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

General Reserve

The balance on this reserve of £2.240m representing 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 reserves at around £2m.

Housing Revenue Account

HRA balances were expected to total £2.150m at 31st March 2008. There were ongoing commitment to use a further £70,000 of HRA reserves during 2008/09 to assist with the implementation of the Service Improvement Plan.

PRECEPTING AUTHORITIES

Parishes

The precept for 2008/9 totalled £4,620,445.59 compared with £4,400,003.43 for the current year, an increase of £220,442.16 (5.0%). This equated to an average parish Council Tax of £173.61 at Band D, an increase of £5.35 (3.2%) over the current year. Details of the increases applicable to particular Parishes were shown in Appendix C to the report.

Durham County Council

Considered its spending plan for 2008/9 and considered a recommendation that required a precept on this Council of £27,262,849.30 which equated to a Council Tax of £1,024.38 at Band D, an increase of £28.89 or 2.9% over the current year.

Durham and Darlington Fire and Rescue Authority

The Fire and Rescue Authority met on 19th February, 2008 to consider its spending plans for 2008/9 and approved recommendation that required a precept on this Council of £2,198,848.68, equating to a Council Tax of £82.62 at Band D, an increase of £2.34 or 2.9% over the current year.

Durham Police Authority

The Police Authority had considered its spending plans for 2008/09 and approved a precept on this Council in the sum of £3,791,696.46 equating to a Council Tax of £142.47 at Band D, an increase of £6.75 or 4.97% over the current year.

During discussion of the budget framework the following amendment proposal was moved by Councillor B.M Ord and seconded by Councillor K. Thompson:-

“This Council reduces its 2008/9 General Fund budget by efficiency savings being met from the areas of Neighbourhood Wardens, Town Twinning and Inform”

Following a vote the amendment was rejected.

NB : In accordance with the Council’s Procedure Rule 13.4 Councillors W.M. Blenkinsopp, T.D. Brimm, A. Warburton, P Gittins, Mrs. E. Wood, B. Ord, K. Thompson, B. Haigh, Mrs. E. Maddison, Mrs. I. Hewitson, Mrs. L. Cuthbertson and T. Hogan requested that their names be recorded as having voted for the amendment.

- RESOLVED :**
1. *That the Council’s 2008/09 General Fund Revenue Budget, totalling £15,005,440 be approved.*
 2. *That the Housing Revenue Account Budget be approved and that a rent increase of 3.9% + 0.5% be applied to all rents with a rent restructuring adjustment of up to + £2.00, effective from 7th April 2008.*
 3. *That the council’s 2008/09 Capital Spending Programme, totalling £20m, 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)	97,913,915.59
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)	78,288,030.00
Being the difference between the above calculations, in accordance with Section 32(4) of the Act – the budget requirement for the year	19,625,885.59

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

£	
Revenue Support Grant	9,791,296.00
Collection Fund Surplus	157,000.00
	9,948,296.00

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 26,614 be approved as follows - £363.63 (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 £173.61 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 £190.02 (i.e. the Council Tax at Band D for Borough Council purposes).
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).
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.
12. That it be noted that for the year 2008/09 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	682.92	796.74	910.56	1,024.38	1,252.02	1,479.66	1,707.30	2,048.76

<i>Council</i>								
<i>Combined Fire Authority</i>	55.08	64.26	73.44	82.62	100.98	119.34	137.70	165.24
<i>Durham Police Authority</i>	94.98	110.81	126.64	142.47	174.13	205.79	237.45	284.94

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 2008/09 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 4.14 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.

C.72/07

LOCAL GOVERNMENT REORGANISATION TRANSITIONAL ARRANGEMENTS - APPOINTMENT OF IMPLEMENTATION EXECUTIVE - THE COUNTY DURHAM (STRUCTURAL CHANGE) ORDER 2008

Consideration was given to a report of the Chief Executive (for copy see file of Minutes) relating to the executive arrangements during the transition period of local government re-organisation process and inviting the Council to nominate a Member to serve on the Implementation Executive established by the County Durham (Structural Change) 2008.

RESOLVED : That the Leader of the Council, Councillor Mrs. Agnes Armstrong, be nominated to serve on the Implementation Executive during the first transitional period as defined in the Order.

C.73/07

ARRANGEMENTS FOR REVIEW OF CONSTITUTION

Consideration was given to a report of the Chief Executive (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 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 16 of the Constitution.

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

- Part 2 – Articles of the Constitution – Article 10 - Article 10.03(c) to be amended.
- Part 2 – Articles of the Constitution – Article 13 – Council Employees – paragraph 13.02 – additional paragraph (c).
- Part 3A – Responsibility for Functions A. Council function – Determination of Application for review of Premises Licence – to insert number 53.
- Part 3B – Responsibility for Functions B. Cabinet Function: pg.56: item 11 to be amended; item 17 to be deleted.
- Various changes to the Officer Delegations at Part 3 – Responsibility for Functions – C. Officer Delegations:
 - (a) to amend R29
 - (b) to delete R31
 - (c) to insert two new officer delegations under Resources
 - (d) to amend NS59 and NS60 to include additional officer
 - (e) to add additional name to NS64.
 - (f) to amend NS79.
- Part 4 – Rules of Procedure – C – Budget and Policy Framework Procedure Rules – update paragraph 5.
- Part 4 – Rules of Procedure – C – Budget and Policy Framework Procedure Rules – update Budget Heads.
- Part 4 – Rules of Procedure – G – Contract Procedure Rules – changes to Procedure Rule 2.
- Update allowances at Part 6 - Members' Allowance Scheme.

RESOLVED : *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.*
- b) *To publish an amended version on the Council's website.*

C.74/07

**SEDGEFIELD BOROUGH LOCAL DEVELOPMENT FRAMEWORK -
DRAFT WINDLESTONE HALL SUPPLEMENTARY PLANNING
DOCUMENT**

Consideration was given to a report of the Deputy Chief Executive (for copy see file of Minutes) regarding the above document which had been prepared to guide the redevelopment of Windlestone Hall.

Windlestone Hall was a Grade II Listed Building and was currently being offered for sale by the County Council.

Under the provisions of the Planning and Compulsory Purchase Act 2004 the Borough Council could bring forward Supplementary Planning Documents in advance of the adoption of its core strategy provided that the document was linked to a saved policy in the Local Plan.

The Draft Supplementary Planning Document had been successfully screened against the EU Directive on Strategic Environmental Assessment 2001/42/ EC and had undergone a comprehensive sustainability appraisal report.

RESOLVED : That the attached Draft Windlestone Hall Supplementary Planning Document be endorsed and published to undergo a 6 week consultation process.

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