

DURHAM COUNTY COUNCIL

At a Ordinary Meeting of the County Council held in the Council Chamber, County Hall, Durham on **Wednesday 22 February 2012 at 10.00 am**

Present:

Councillor D Morgan (Chairman)

Councillors L Marshall (Vice-Chairman), B Alderson, J Armstrong, B Arthur, B Avery, J Bailey, A Bainbridge, B Bainbridge, A Barker, A Bell, E Bell, J Bell, R Bell, J Blakey, G Bleasdale, D Bowman, D Boyes, P Brookes, J Brown, B Brunskill, D Burn, C Carr, J Chaplow, P Charlton, J Cordon, A Cox, R Crooks, R Crute, K Davidson, M Dixon, J Docherty, N Foster, D Freeman, P Gittins, B Graham, J Gray, D Hancock, N Harrison, S Henig, M Hodgson, G Holland, K Holroyd, A Hopgood, L Hovvels, S Hugill, J Hunter, E Huntington, G Huntington, O Johnson, P Jopling, A Laing, J Lee, J Lethbridge, R Liddle, D Maddison, C Magee, C Marshall, D Marshall, N Martin, P May, J Moran, E Murphy, B Myers, D Myers, A Napier, A Naylor, M Nicholls, J Nicholson, B Ord, E Paylor, M Plews, C Potts, G Richardson, C Robson, J Rowlandson, A Savory, J Shiell, J Shuttleworth, M Simmons, B Sloan, D J Southwell, W Stelling, B Stephens, D Stoker, P Stradling, P Taylor, T Taylor, O Temple, G Tennant, K Thompson, L Thomson, R Todd, E Tomlinson, J Turnbull, Andy Turner, Allen Turner, C Vasey, C Walker, M Wilkes, J Wilkinson, M Williams, A Willis, J Wilson, R Yorke, B Young, R Young and S Zair

Apologies for absence were received from Councillors D Barnett, D Brown, M Campbell, D Farry, B Harrison, S Iveson, J Maslin, E Mavin, L O'Donnell, R Ord, M Potts, J Robinson, S Robinson, A Shield, B Wilson, M Wood, C Woods and A Wright

Prior to the formal start of the meeting, the Chairman reported the death of former Easington District Councillor Thomas (Tom) Longstaff who died peacefully in his home on 10 February. Tom represented the Eden Hill Ward on Easington District Council from 1999 to 2008. Members stood for a moment's silence as a mark of respect to Tom.

1 Minutes

The minutes of the meeting held on 11 January 2012 were confirmed by the Council and signed as a correct record by the Chairman.

2 Declarations of Interest

There were no declarations of interest from Members in relation to the business on the agenda.

3 Chairman's Announcements

There were no Chairman's announcements to be made.

4 Leader's Report

Councillor Henig provided the Council with an update report which included the following:

- The 'join in' programme had been launched, which was a London 2012 programme of activities and events for the 20 weeks leading up to Durham hosting the Olympic Torch Relay and for 12 weeks beyond this to the closing ceremony of the London 2012 Paralympic Games.
- New recycling bins had been delivered to households in the Chester le Street area and the new system of household waste collection had commenced. It was anticipated that the new household waste collection service would realise savings in excess of £9m over the next 5 years. Positive feedback on the new bins had been received from residents in the Chester le Street area, as well as those in the Derwentside area where the system of household waste collection was already taking place.
- The first round of consultation on the Community Governance Review in Crook and Durham City had taken place and had been considered by the Constitution Working Group. The majority of respondents in the Durham City area had favoured a Town or Parish Council, although those from the Newton Hall area expressed a preference for their own Parish Council. Respondents from Crook had preferred that current arrangements remain. It was important that any final decision on the Community Governance Review reflected the views of the public.
- Last year, the County Council committed to make savings from the management/back office function in addition to the £3.65m savings in management costs achieved through LGR. Management savings set out in the MTFP were already being achieved, with twice as many management posts being removed than frontline posts. In line with the commitment to reduce management costs at all levels of the organisation the Chief Executive would be presenting a report recommending a revision of the current Corporate Management Team structure to the March Cabinet meeting.

Councillor Hopgood referred to the recent grading of outstanding for the County Council's safeguarding and looked after children's services and congratulated those involved in the services.

Councillor Henig replied that he too was delighted at the grading of outstanding for safeguarding and looked after children's services and welcomed the comments made by Councillor Hopgood. He congratulated the portfolio holder, Councillor Vasey and all staff involved in these services.

5 Questions from the Public

There were no questions from the public.

6 Petitions

There were no petitions to receive.

7 Report from the Cabinet

The Council noted a report from the Cabinet which provided information on issues considered by the Cabinet at its meetings on 25 January and 8 February 2012 (for copy see file of Minutes).

Councillor Henig referred to the Cabinet recommendation that all libraries would remain open despite the budget reductions imposed. Consultation on the proposals had commenced and following the consultation a further report for a decision on the future of the library service would be considered by Cabinet in July 2012.

8 Budget 2012/13 - Report under Section 25 of Local Government Act 2003

The Council considered a report from the Corporate Director of Resources which provided information on the robustness of the estimates and the adequacy of reserves in accordance with the requirements of Section 25 of the Local Government Act 2003 (for report see file of Minutes).

Moved by Councillor Henig, **Seconded** by Councillor Napier and

Resolved:

That the Council have regard to the report when approving the budget and the level of Council tax for 2012/13.

9 Medium Term Financial Plan 2012/13 - 2015/16 and Revenue and Capital Budget 2012/13

The Council considered a report from Cabinet which detailed budget recommendations for 2012/13 and the Medium Term Financial Plan 2012/13 to 2015/16 (for report see file of Minutes).

In moving adoption of the Cabinet report, Councillor Henig made a statement on the Budget and Precept for 2012/13, summarised as follows:

There continued to be an unprecedented level of cuts in Government funding, with cuts of over £65m in the current financial year. There was a forecast of the need to deliver £159.2m of cash savings for the five year period 2011/12 to 2015/16 and savings of £171.8m when including forecasts for 2016/17. This equated to a 40% net revenue budget reduction compared to the 2010 budget. This was the largest programme of Council savings ever seen, and affected the poorest areas of the Country the hardest. A recent study by the Institute for Fiscal Studies showed that the spending cuts were larger in the poorer parts of the Country, and more in the north than in the south. 1 in 10 Councils were planning a real increase in budgets, with these in particular being in the south of the Country in more affluent areas. The programme of cuts was indefensible and obscene.

Councillor Henig thanked all staff involved in the process of preparing the budget.

In seconding the adoption of the Cabinet report, Councillor Napier added his thanks to all involved in the budget process. Following the Autumn Statement it was clear that financial difficulties would continue beyond 2015/16, with a forecast of £172m worth of cuts between 2010/11 and 2016/17. Despite budget pressures, some areas of growth had been achieved within the Council, and he expressed pride in the Council's Capital Programme of £360m.

An Amendment was **Moved** by Councillor Martin and **Seconded** by Councillor Temple as follows:

Libraries

Reduce Town Centre Library opening hours to 40 hours (rather than 36 hours)

Make Ferryhill a town centre library at 40 hours per week.

For all libraries with opening hours between 31 hours and 39 hours reduce to 30 hours (rather than 20 hours)

Annual cost of opening hours adjustments = £187K per year

For the first year of these reductions, establish an 'Opportunity Community Initiative Fund' of £50k to enable grants to be made to community groups through a bidding process for them to run extended hours activity on local library premises at £5K for up to 10 libraries.

Annual cost for year 1 only = £50k

Reduce cut in book fund by £40K

Annual cost = £40k

Total annual cost = £277K (year 1) and £227K following years.

NEIGHBOURHOOD WARDENS

Reduce saving in front-line wardens, pest control officers, enforcement, and education teams by £500k.

Annual Cost = £500k

ECONOMIC DEVELOPMENT

Create a £1M fund for three years for training apprentices/students in engineering.

The funding will be used to provide:

- funding for secondary schools to send students to engineering training centres such as SW Training in Newton Aycliffe to cover transport and training costs.*
- transport concessions for Durham-based engineering apprentices aged 16-24.*
- a contribution towards apprentice training costs for over 19s to cover the current funding gap.*

Annual cost = £1m

CAPITAL IMPROVEMENTS TO COMMUNITY CENTRES

Provide additional capital grants from a fund of £850k for community centres on the extended list to bid against where they can demonstrate they are viable and can raise the 30% matched funding.

The annual cost for funding the prudential borrowing from 2013/14 = £76k

Capital Improvements to Roads and Highways

Provide additional funds of £1m for road and path repairs especially linked to Member LAMA funds to enable the LAMA funds to be used more effectively.

The annual cost for funding the prudential borrowing from 2013/14 = £90k

Revenue costs

	2012/13	2013/14	
Libraries	£277K	(£50K)	
Neighbourhoods	£500K		
Economic Development	£1,000K		
Community Centres	-	£76K	
Roads	-	£90K	
Total	£1,777K	£116K	

Funded by in 2012/13

- Stop publishing County Durham News but retain the service information distribution.

Annual Saving = £155k

- Higher targets for recycling from the twin bin system. Budget is based on 3% increase initially followed by 1% per year in two subsequent years. Experience elsewhere is that this is an extremely cautious expectation. If the Council was to set a target for 5% initially (still much lower than other councils have experienced).

Annual Saving = £280k

- Reduce members' car mileage to 45p per mile. Mileage only to be claimed for sanctioned meetings – i.e. not for 'reading days'

Annual Saving = £34k

- Reduce Members Special Responsibility Allowances by 25%.

Annual Saving = £73k

- Reduce contingency fund by £1,235K

Annual Saving = £1,235k

Funded by in 2013/14

Reduce contingency fund by £116K

Annual Saving = £116k

Medium Term Financial Plan (MTFP)

At this stage the Contingency Fund has been reduced in 2013/14 to balance the additional cost in this year. It is recommended that consideration be given to achieving additional savings in 2013/14 in the following areas:

1. Unitisation of the following functions – Communications, Business Support and Policy, Planning and Performance
2. Reduction in the number of Directorates and personal support to them

Savings achieved in these areas would negate the need to reduce the Contingency Fund in 2013/14 and provide additional savings to support the overall MTFP.

Upon a vote being taken, the Amendment was **lost**.

An Amendment was **Moved** by Councillor R Bell and **Seconded** by Councillor Bainbridge as follows:

Libraries

1. Restoration of planned Library opening hours cutbacks for Town Centre Libraries (£158,000)
2. Restoration of planned Library opening hours cutbacks for Community Libraries (£124,000).
3. Restoration of planned cutbacks to the book fund (£66,000)

Annual cost of opening hours and book fund adjustments = £348,000 per year

Funded by in 2012/13

1. Stop publishing County Durham News but retain the Events Guide & Guide to Services.
Annual Saving = £155,000
2. Reduce Contingency Fund by £193,000
Annual Saving = £193,000

Medium Term Financial Plan (MTFP)

The Contingency Fund would be reduced in 2012/13 pending realisation of annual recurring savings of an estimated £500,000 from 2013/14, by unitising Communications Teams and their budgets from all Service Groupings.

Upon a vote being taken, the Amendment was **lost**.

An Amendment was **Moved** by Councillor Shuttleworth and **Seconded** by Councillor Arthur as follows:

Highways Maintenance

Invest an additional £1m into the highways maintenance budget
Additional cost - £1m

Funded by in 2012/13

- Stop publishing County Durham News
Annual Saving = £155,000

- *Reduce the Corporate Policy and Communications Team to 3 full time equivalent officers*
Annual Saving = £845,000

Upon a vote being taken, the Amendment was **lost**.

On a further vote being taken it was:

Resolved:

That the report of the Cabinet and its recommendations be adopted in full.

10 Council Tax Setting

The Council considered a report from Cabinet which detailed the information to calculate and set the Council tax for the Council's area for 2012/13 (for report see file of Minutes).

Moved by Councillor Henig, **Seconded** by Councillor Napier that the report of the Cabinet and its recommendations be adopted, and with it the setting of the Council Tax.

Resolved:

That the following be adopted

- (a) It be noted that on 14 December 2011 the Cabinet calculated the Council Tax Base 2012/13;
 - i) for the whole Council area as 157,295.3 band D equivalent properties [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and
 - ii) for dwellings in those parts of its area to which a Parishprecept relates as in Appendix 3 attached to the report.
- (b) the Council Tax Requirement for the Council's own purposes for 2012/13 (excluding Parish precepts and the Charter Trustees for the City of Durham) is £201,787,849.
- (c) the following amounts be calculated for 2012/13 in accordance with Sections 31 to 36 of the Act:
 - i) being the aggregate of the gross expenditure which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils: £1,200,029,833.
 - ii) being the aggregate of the gross income which the Council estimates for the items set out in Section 31A(3) of the Act: £985,833,000.
 - iii) being the amount by which the aggregate at (c) i) above exceeds the aggregate at (c) ii) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act): £214,196,833.
 - iv) being the amount at (c) iii) above (Item R), all divided by Item T ((a) i) above), calculated by the Council, in accordance with Section 31B

of the Act as the basic amount of its Council Tax at Band D for the year (including Parish precepts): £1,361.75.

- v) being the aggregate amount of all special items referred to in Section 34 (1) of the Act: (total of all Parish precepts including Charter Trustees): £12,408,984.
- vi) being the amount at (c) iv) above less the result given by dividing the amount at (c) v) above by Item T ((a) i) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax at Band D for the year for dwellings in those parts of its area to which no Parish precept relates: £1,282.86.

- (d) it be noted that for 2012/13 County Durham and Darlington Fire and Rescue Authority has recommended the following amounts will be in the precept issued to the County Council, in accordance with Section 40 of the Act, as shown in the table below:

COUNTY DURHAM AND DARLINGTON FIRE AND RESCUE AUTHORITY

A	B	C	D	E	F	G	H
£							
60.30	70.35	80.40	90.45	110.55	130.65	150.75	180.90

- (e) it be noted that for 2012/13 Durham Police Authority has recommended that the following amounts will be in the precept issued to the County Council, in accordance with Section 40 of the Act, as shown in the table below:

DURHAM POLICE AUTHORITY

A	B	C	D	E	F	G	H
£							
102.27	119.32	136.36	153.41	187.50	221.59	255.68	306.82

- (f) the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2012/13 for each part of its area and for each of the categories of dwellings.

DURHAM COUNTY COUNCIL

A	B	C	D	E	F	G	H
£							
855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72

AGGREGATE OF COUNCIL TAX REQUIREMENTS

(excluding Parish, Town Council and Charter Trustees)

A	B	C	D	E	F	G	H
£							
1,017.81	1,187.45	1,357.08	1,526.72	1,865.99	2,205.26	2,544.53	3,053.44

- (g) the Council's basic amount of Council Tax for 2012/13 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992.
- (h) the Chief Executive be instructed to publish a notice in accordance with the Act, relating to the amounts of council tax set.

11 Housing Revenue Account Medium Term Financial Plan 2012/13 to 2016/17 and 2012/13 Budget

The Council considered a report from Cabinet which provided details of the Cabinet's budget recommendations in respect of the Housing Revenue Account (HRA) Medium Term Financial Plan (MTFP) for 2012/13 to 2016/17 and the 2012/13 budget (for report see file of Minutes).

Moved by Councillor Robson, **Seconded** by Councillor Napier and

Resolved:

That the report of the Cabinet and its recommendations be adopted in full.

12 Council Plan and Service Plans 2012-2016

The Council considered a report of the Assistant Chief Executive that sought approval of the Council Plan 2012-2016 (for copy see file of Minutes)

Resolved:

That the recommendation contained in the report be approved.

13 Proposals for the Implementation of new Pay and Grading Arrangements for Council Employees

The Council considered a report of the Corporate Director of Resources which proposed changes to pay and grading arrangements for all employees engaged under the National Joint Council Terms and Conditions of employment and provided an update on these proposals following negotiations with recognised Trade Unions through the Council's partnership Agreement (for copy see file of Minutes).

Moved by Councillor Napier, **Seconded** by Councillor Henig and

Resolved:

That the recommendations contained in the report be approved.

The Chairman referred to paragraph 4.2 (c) of Part 4 of the Council's Constitution and informed the Council that any further motions or recommendations on the agenda that remained to be dealt with would be deemed formally moved and seconded, together with any amendments. No speeches would be allowed on these items and the vote would be taken in the usual way.

14 Members' Allowances Scheme 2012/13

The Council considered a report of the Head of Legal and Democratic Services that sought agreement to a members allowance scheme for 2012/13, having due regard to the recommendation of the Independent Remuneration Panel (for copy see file of Minutes).

Moved by Councillor Napier, **Seconded** by Councillor Henig and

Resolved:

That the recommendations contained in the report be approved.

15 Motions on Notice

Councillor R Bell informed the Council that he would withdraw his motion and would bring it forward to a future meeting of the Council.

16 Questions from Members

There were no questions from Members.