

NORTHAMPTON BOROUGH COUNCIL

CABINET

Wednesday, 24 February 2010

PRESENT: Councillor B Hoare (Chair); Councillor PD Varnserry (Deputy Chair);
Councillors Beardsworth, Church, Crake, B Markham and Perkins

1. APOLOGIES

There were none.

2. MINUTES

The Chair then signed the public Minutes of the meeting of 10 February 2010.

The Supplementary minutes were altered to reflect that Councillor Crake had not been present.

3. DEPUTATIONS/PUBLIC ADDRESSES

RESOLVED

- (1) That Councillors Clarke and Mildren be granted leave to address Cabinet on Item 6, 'Corporate Plan 2010-2013'.
- (2) That Councillors Clarke and Mildren be granted leave to address Cabinet on Item 7 'Capital Programme 2010-2013'.
- (3) That Mr Stephen Richards and Councillors Clarke and Mildren be granted leave to address Cabinet on Item 8 'General Fund Revenue Budget 2010-2013'.
- (4) That Councillors Clarke and Mildren be granted leave to address Cabinet on Item 9 'Housing Revenue Account Budget 2010-2013'.
- (5) That Councillors Clarke and Mildren be granted leave to address Cabinet on Item 10 'Prudential Indicators 2010-2013'.
- (6) That Councillors Clarke and Mildren be granted leave to address Cabinet on Item 11 'Treasury Strategy 2010-2013'.

Mr Steven Richards, from Alliston Gardens Community Centre then addressed Cabinet. He welcomed the reduction to the proposed cut in caretaking costs for community centres. He hoped that the Council's support of the centres would reflect a consistency in line with the amount of work that was put into each centre. He referred to the high usage of Alliston Gardens Community Centre in particular and called for a flexible approach to ensure that the hard work at these centres was recognised.

4. DECLARATIONS OF INTEREST

There were none.

5. AMENDMENTS TO THE SCHEME FOR THE RECOVERY OF BUILDING REGULATION CHARGES

This item had been incorporated into the fees schedule in item 8 of the agenda.

6. CORPORATE PLAN 2010-2013

Councillor Clarke addressed Cabinet. Referring to the report, he was unable to separate the consultation responses to the Corporate Plan from those for the Budget. He echoed comments from the public quoted in the report, which suggested a lack of detailed information on budget proposals and poor understanding of anticipated outcomes. For

example, there was no information about likely job losses and the resulting impact on services.

Councillor Mildren addressed Cabinet and reminded them that the main debate would be held the following night at the Full Council meeting. He praised the appearance of the Corporate Plan document but warned that the Council would be judged on its content. He then challenged a statement referring to a reduction in income from Council Tax and commented that Councillors would speak up at the Full Council meeting.

Councillor B Hoare, as relevant Portfolio Holder, presented the report to Cabinet. He commented that the consultation had been to verify public views on key priorities and drew attention to figures in the report indicating the public's high value of the town centre. He pointed out that there had been a greater response to this year's consultation with a larger number of public and forum meetings than before. He recommended that the document be passed to Full Council for adoption.

Councillor B Markham praised the team that produced document in such an accessible format. He made clear that the budget had to align with corporate objectives and service plans along with the actions set out in the report.

Councillor Beardsworth referred to the hard work put in to ensure people could stay in their homes and praised the good initiatives that demonstrated what the Council was trying to achieve in spite of difficult financial constraints.

Councillor PD Varnsberry referred to the public's perception of the importance of leisure and cultural activities as set out in the report. He highlighted the public support for the 'Crackers' pyrotechnic arts event, organised in partnership with the Royal & Derngate and The World Famous, which attracted an audience of 20,000 to Delapre Abbey; and Street Football in the town, provided by the Sports Development Team.

Councillor Church commented on the necessity for a sound policy framework to continue to create a 'vibrant and viable town centre' and hoped that the County Council did not cut funding to the Joint Planning Unit, which was needed for the policy framework.

Referring to the public's desire for a cleaner, safer town, Councillor Crake congratulated the environment teams for their continued efforts throughout the recent bad weather.

Councillor B Hoare then summed up and reminded Cabinet of the importance of being realistic and open and not promising to deliver activities that were not affordable.

RESOLVED

That Cabinet:

- (1) Recommend the adoption of the Corporate plan to Full Council (Appendix 1);
- (2) Delegate to the Chief Executive, in consultation with the Leader, the authority to finalise the:
 - a. Corporate Plan for presenting to Full Council 25 February in line with the budget decisions, service plans and any other consequent changes
 - b. Associated set of corporate measures to underpin the Plan to be developed alongside the service planning process

7. CAPITAL PROGRAMME 2010-2013

Councillor Clarke addressed Cabinet and added his appreciation to the Environmental Service teams for their recent achievements during bad weather. He asked Cabinet to be mindful of this when they planned to reduce staffing levels in this area. He then referred to the proposed expenditure for repairs to the Grosvenor Centre Car Park and asked why money that should be paid by Legal and General was showing in the Council's budget figures. He called for more transparency in relation to the Grosvenor Centre deal. He then asked for clarity regarding an amount of Section 106 money set aside for work in Upton Country Park.

Councillor Mildren addressed Cabinet. He referred to Annex C of the report, forecasting zero capital receipts over a 3-year period and also queried capital directives, wondering if they were to cover the cost of redundancies.

Councillor Perkins, as relevant Portfolio Holder, presented the report to Cabinet and outlined its purpose. He explained that the capital programme was in line with corporate priorities and fulfilled statutory obligations and he highlighted a number of issues addressed in the appendices. Referring to the Upton Park Section 106 money, Cabinet was advised that the 106 funds received from the applicant/developers had been held in reserves pending development of the projects and would now be taken out of the reserves to fund the projects. With regard to the Grosvenor Centre car park improvement costs, these had been the subject of an earlier detailed report to Cabinet which had set out the existing lease obligations and the urgent need to carry out the works. Cabinet was advised that terms within the Development Agreement allowed for these capital costs to be repaid to the Council when the Agreement went 'unconditional'.

Councillor Church commented that the details of the Grosvenor Centre deal had been fully and openly discussed in public at a Cabinet meeting the previous autumn and councillors had been given opportunities at that time to question aspects of it. He pointed out that the improvements were necessary owing to a number of years of underinvestment.

Councillor B Hoare highlighted the significant investment in disabled facilities in both private and council stock. He also stressed the need to work with Adult Services to identify need and to provide accommodation support, which would reduce the growing demand for home adaptations.

RESOLVED

1. That the Cabinet recommend to Council that they approve
 - a. The draft capital strategy for 2010-11 to 2012-13, as set out in Annex A.
 - b. The capital programme for 2010-11, including future year commitments, as set out in Annex B.
 - c. The capital financing principles to be applied in 2010-11, as set out in the Capital Strategy (Annex A) pages 29-31
 - d. The proposed financing of the capital programme for 2010-11 and future years, as set out at paragraphs 3.2.12 and Annex C.
 - e. That Cabinet be authorised, once the programme has been set, to approve new capital schemes and variations to existing schemes during 2010-11, subject to the funding being available and the schemes being in accordance with the objectives and priorities of the Council.
2. That Cabinet note:
 - The contribution of each new scheme in the 2010-11 capital programme to the Council's corporate priorities for 2010-2013, as set out in Annex D.

- The risks outlined at paragraph 4.2.

8. GENERAL FUND REVENUE BUDGET 2010-2013

Councillor Clarke addressed Cabinet. He requested that Standing Orders be suspended for the following night's Full Council meeting so that members could have a full debate on the budget. He then commented that he had attended the public consultation meetings and it was his opinion that the way the budget was presented was deceitful and presented efficiency savings that included job reductions and cuts to services. He claimed that the job losses were hidden within restructures outlined in the report and asked for details of which jobs were to be cut.

In response to a question from Councillor PD Varnsvery, Councillor Clarke confirmed that he had attended one public consultation meeting.

Councillor Mildren addressed Cabinet. He referred to a recent article in the Times newspaper that reported a survey suggesting that councils were setting low council tax increases at the expense of jobs and service cuts. He felt that it was inevitable that jobs would be lost so that others in post could have their contracts fulfilled. He forecast more of the same for coming years.

Councillor Perkins presented the report to Cabinet and explained its purpose. He pointed out that the proposed council tax increase of 2.47% was significantly lower than the average increase of 3% across the county. He expressed concern that the Government calculations for funding were based on inaccurate population figures and also that the underfunding of the Government's scheme for concessionary fares added extra pressure. He explained that the public had been listened to and highlighted some of the changes that had been made to the original proposals presented to Cabinet in December. He accepted that there were risks in delivering a budget of this nature but these had to be managed in order to improve the Council. He acknowledged that Government funding would reduce over the future and this had been addressed in the budget. He reminded Cabinet that there was a limited amount of money available and that the public did not want excessive rises in taxation. He thanked the Directors and Finance teams for their delivery of the budget and was confident that services would continue to be delivered more effectively.

Councillor B Markham refuted the claim of a hidden agenda, referring again to the changes made as a result of the public consultations. Councillor Perkins reminded Cabinet that the draft budget had contained 12 pages of detail, which he felt gave broad messages about the efficiency and value for money offered by the Council. Councillor PD Varnsvery pointed out that the consultation had been the most thorough in recent history and that the public had been listened to, especially in relation to their concerns about community centre funding.

Summing up, Councillor B Hoare commented that the Council had to be mindful of people's income and the level of council tax was a key factor. Job losses and service reductions were not guaranteed outcomes if savings could be made to address inefficiencies in an organisation. He also thanked officers for their work in the preparation of the budget papers.

RESOLVED

1. That the feedback from consultation with the public, organisations and the Overview and Scrutiny Committees, be considered and welcomed (detailed at Annex 1 and in the Corporate Plan 2010-2013 report elsewhere on this agenda).
2. That the Council's representations on the provisional formula grant settlement be noted (Annex 2).

3. That the projected 2009/10 outturn position of £283k under spend (as at the end of December 2009) be noted.
4. That the issues identified through Equalities Impact Screening and Assessments be noted (Annex 6).
5. That the changes to the proposed budget (detailed at Annex 3), in light of the consultation responses, equalities issues and the final formula grant settlement, be agreed.
6. That the Cabinet acknowledges the issues and risks detailed in the Section 151 Officer's statement on the robustness of estimates and the adequacy of the reserves (Annex 8).
7. That the draft Fees and Charges set out in Annex 10 be noted.
8. That Cabinet agree that the additional £124k LABGI awarded in 2009/10, together with any remaining unallocated LABGI funding in the Corporate Initiatives Reserve at the end of 2009/10 and any new allocation for 2010/11 be set aside in an earmarked reserve for Regeneration and Development for one off purposes.
9. That Council be recommended to delegate authority to the Chief Executive and Director of Finance and Support to implement all budget options and restructurings.
10. That authority be delegated to the Director of Finance and Support in consultation with the Portfolio Holder for Finance, and where appropriate the relevant Director and Portfolio Holder to:
 - transfer monies from earmarked reserves should that become necessary during the financial year.
 - to update the budget tables and annexes, prior to Council should any further changes be necessary.
 - to update prudential indicators in both the Prudential Indicators report and Treasury Strategy report, prior to Council for any budget changes that impact on these.
11. That a General Fund budget for 2010/11 of £32.96m (excluding parishes), be recommended to the Council (detailed in Annex 4) for its own purposes.
12. That the Council be recommended to confirm the reserves strategy of protecting balances wherever possible to allow the option of supporting future years' budgets, aiming for a minimum level of unallocated general fund reserves of £2.195m at the end of 2010/11 having regard to the outcome of the financial risk assessment and remaining at this level over the medium term.
13. That the Council be recommended to increase the Council Tax by 2.47% for 2010/11 for its own purposes, thus excluding county, police, and parish precepts.

9. HOUSING REVENUE ACCOUNT BUDGET 2010-2013

Councillor Clarke addressed Cabinet. He pointed out that some people who rented properties were on fixed incomes and would have to find more money now to park their cars, and provided an example. He then referred to the issue of service charges currently being included in rent payment and again made an accusation of deceit that these charges were being hidden in the rent and the services were not being delivered. He highlighted the poor state of cleanliness and decoration in the communal areas in and around properties in Castle

Ward. He accepted that the Director of Housing was now taking the matter seriously but still called for a refund to tenants for work that had not been carried out.

Councillor Mildren declined to address Cabinet on this item.

Councillor Perkins presented the report to Cabinet and outlined its purpose. He pointed out that the original rent increase proposals had been updated to take into account further information from Government. He explained that the service charges were to be un-pooled over the course of the next few years. He confirmed that tenants had been fully consulted on the budget. He then summarised the contents of the report and gave a brief update on the ongoing work on the direction of the HRA.

Councillor Beardsworth confirmed that work was being carried out to clean and decorate the areas referred to by Councillor Clarke, but there was a battle to address the many years of neglect. She commented that no money had been spent on capital repairs during Councillor Clarke's period of chairmanship of the environment committee and that in this time, proceeds from the sale of council stock had not been put into the Housing Revenue Account. Sales money was now being used for the benefit of tenants and Councillor Beardsworth denied any deceit in the use of service charges.

Councillor PD Varnsberry pointed out that the example used by Councillor Clarke to illustrate his comments on residents' parking was incorrect as the building in question provided a free car park for tenants.

Councillor B Hoare commented that the Administration had looked at the state of all council properties and plans were being made to bring them to a decent standard. There had been years of systemic neglect and a commitment was being made to address this.

RESOLVED

1. That Cabinet recommend to Council to approve:
 - a. An average rent increase of 0.58% per dwelling, in line with the Government's rent restructuring regime, convergence in 2012/13, to take effect from 5 April 2010.
 - b. The Medium Term Planning Options and Efficiency Options at Annex 3 and 4 respectively and the revised contributions to /from working balances;
 - c. The HRA budget for 2010/11 set out in Annex 1 and note the indicative budgets for 2011/12 and 2012/13;
 - d. That Sheltered Accommodation Warden charges (including Eleanore House) are frozen in line with the expected funding settlement from Northampton Supporting People (as shown in Annex 2);
 - e. That heating service charges are increased by 0.58% (as shown in Annex 2);
 - f. That garage charges are increased by 0.58% (as shown in Annex 2);
2. That the changes to the proposed budget (detailed at Annex 5), in light of the Governments Draft and then Final HRA Subsidy Determinations be agreed.
3. That the Cabinet acknowledges the issues and risks detailed in the Section 151 Officer's statement on the robustness of estimates and the adequacy of the reserves (Annex 6).

4. That authority be delegated to the Director of Finance and Support in consultation with the Portfolio Holder for Finance, and where appropriate the relevant Director and Portfolio Holder to:
 - transfer monies from earmarked reserves should that become necessary during the financial year.
 - to update the budget tables and annexes, prior to Council should any further changes be necessary.

10. PRUDENTIAL INDICATORS 2010-2013

Councillor Clarke addressed Cabinet. He referred to Annex B of the report and the risk of debt financing costs. He asked for an operational view as to when money would or would not be spent. He hoped that any delegated authority would be in line with the relevant Portfolio Holder in relation to the capital programme.

Councillor Mildren declined to address Cabinet on this item.

Councillor Perkins presented the report to Cabinet and stressed the importance of addressing risk and to be in line with what an excellent council should do. Authority needed to be delegated to the Section 151 Officer in order that immediate responses could be made to any future changes in circumstances. There were 13 prudential indicators that were monitored throughout the year.

Councillor B Hoare expressed confidence in the officers and team and was satisfied that appropriate and sensible boundaries had been set.

RESOLVED

1. That Cabinet recommend to Council that they approve the prudential indicators required under the CIPFA Prudential Code for Capital Finance in Local Authorities (Fully revised second edition 2009) as set out at paragraph 3.2.3 of the Cabinet report.
2. That Cabinet recommend to Council that they approve the delegation of authority to the Section 151 Officer to make adjustments between the “borrowing” and “other long term liabilities” categories within the overall total of the indicators for the operational boundary and the authorised limit for external debt set out at paragraphs 3.2.3 (g) and (h) in the Cabinet report.

11. TREASURY STRATEGY 2010 - 2013

Councillor Clarke addressed Cabinet and asked for details of the policy on the taping of conversations as set out in Annex C of the report. He then referred back to his concerns over the whereabouts and use of Section 106 monies that had been received from English Partnerships for use in the building of changing rooms and playing fields on land in Upton. Councillor B Hoare clarified that this was in fact an operational issue and not relevant to the Treasury Strategy.

Councillor Mildren addressed Cabinet. He commented that the Audit Committee had not met to discuss the strategy although he understood that there had been an agreement from committee members via e-mail. Referring to proposed changes to the arrangements for housing finance, he suggested that if there was a significant impact, a decision should be brought to full Council. He then asked for confirmation that any trainee accountant doing responsible work would be at an appropriate level of competency.

Councillor Perkins presented the report to Cabinet and outlined its purpose. An internal audit on the treasury management had given a high assurance on work being done and auditors were satisfied that appropriate controls were in place. He outlined the content of report and explained that any changes had been extremely limited. The report was a policy on the debt and investment portfolio and it was reported to Council as part of the whole process. In response to Councillor Clarke's query, he pointed out that it was common practice in money markets for calls to be recorded as evidence of any deals made. In regard to the issue of HRA financing, he explained that if the housing subsidy ended, there would have to be additional borrowing but this would not appear in the budget figures until full details had been issued.

Councillor B Hoare was confident that the finance team was up to date in practice and fully compliant with legislation and the latest CIPFA information. He acknowledged their good use of resources.

RESOLVED

1. That Cabinet recommend to Council that they approve:

- a. The adoption of the revised CIPFA Treasury Management in the Public Services; Code of Practice and Cross Sectoral Guidance Notes (Fully revised second edition 2009)
- b. The replacement of existing paragraph 5.9 of the Council's Financial Regulations with the wording at Annex A
- c. The Treasury Management Policy Statement at Annex B
- d. The Treasury Management Practices (TMPs) and TMP Schedules for 2010-11 at Annex C
- e. The Treasury Strategy for 2010-11 at Annex D, incorporating:
 - (i) The Capital Financing and Borrowing Strategy for 2010-11 including:
 - The Council's policy on the making of Minimum Revenue Provision (MRP) for the repayment of debt, as required by the Local Authorities (Capital Finance & Accounting) (Amendments) (England) Regulations 2008.
 - The Affordable Borrowing Limit for 2010-11 as required by the Local Government Act 2003.
 - (ii) The Investment Strategy for 2010-11 as required by the CLG (formerly ODPM) Guidance on Local Government Investments issued in 2004.

2. That Cabinet recommend to Council that they note:

- a. The proposed Debt Financing Budget 2010-11 to 2011-12 (paragraph 3.2.15 and Annex F).
- b. Adherence to the Council's policy on reserves and balances (paragraph 3.2.16).
- c. Compliance with the requirement under the Local Government Finance Act 1992 to produce a balanced budget (paragraph 3.2.17 & 3.2.18).

The meeting concluded at 19:41