

COUNCILLOR JUNE FORSHAW MAYOR

MINUTES OF: THE COUNCIL OF THE BOROUGH OF ROSSENDALE

Date of Meeting: 22nd February 2005

**PRESENT: The Deputy Mayor Councillor J D Cheetham (in the Chair)
Councillors Atkinson, A Barnes, Challinor, Crosta, Disley,
Driver, Eaton, Entwistle, Farquharson, Graham, Hancock,
Lamb, McShea, Neal, Nicholass, Ormerod, J Pawson,
S Pawson, Robertson, Ruddick, Sandiford, Starkey, H
Steen, P Steen, Swain, Thorne, Tickner and Unsworth**

**IN ATTENDANCE: Owen Williams – Chief Executive
Gillian Bishop – Deputy Chief Executive
Mark Weston – Head of Legal and Democratic Services
Phil Seddon – Head of Finance
Tom Middlehurst – Deputy Head of Finance
Chris McConville – Principal Administrative Assistant**

APOLOGIES: The Mayor, Councillors Huntbach, Marriott and Wadsworth

422. MINUTES

Resolved:

That the minutes of the meeting of the Council held on 16th February 2005 be signed by the Deputy Mayor as a correct record.

423. DECLARATIONS OF INTEREST

The Head of Legal and Democratic Services advised Members that in the case of this particular Council meeting, since items under discussion included the setting of the Council Tax and the determination of Council House Rents, additional criteria applied in respect of Members' interests.

Councillor Neal declared a personal interest in Item 8 on the Agenda (General Fund Estimates and Council Tax Levy 2005/6), by virtue of his being a member of Whitworth Town Council

424. COMMUNICATIONS FROM THE MAYOR, THE LEADER OR HEAD OF PAID SERVICE

There were no communications from The Mayor, The Leader or Head of Paid Service.

425. MEMBERS' QUESTION TIME

Councillor Disley asked the Leader whether he had had any further discussions or come to any conclusions as to the appointment of Deputy Mayor for 2005/6.

The Leader advised that he hoped to have considered this matter by the end of March and he intended to speak to the Leader of the Opposition on the matter at that time.

Councillor Lamb asked whether the Leader was able to confirm that his personal position would be the same as that expressed publicly in July of last year on the question of the Mayoralty.

The Leader replied that his personal position remained the same but the matter was one to be considered by the Group.

Councillor Hancock asked the following question.

At the Council meeting on 16th February you referred to a resolution from a meeting of the Executive in February 2004. As the pilot Executive did not commence until 1st April 2004 your statement would appear to be inaccurate. I have also checked for other Committee Meetings during February which may have considered asset sales (Corporate Policy) and can find none. Could you let me have a copy of the minute that you referred to in your answer of the 16th February 2005.

The Leader replied that the reference to a meeting of the Executive in February 2004 should have been a reference to the Council meeting on 26th February 2004.

He agreed to arrange for a copy of the relevant report and minute, which refers to the sites at Park Road, Edward Street, Barnes Avenue and Devon Crescent, to be forwarded to Councillor Hancock the following day.

Councillor Hancock asked the following question.

Your reply also referred to the option appraisal process in relation to marketing sites. Can you justify the decision to market the sites at Park Road Waterfoot and Edward Street Crawshawbooth when the option appraisal clearly looked at these sites and valued them as development sites. It has now been recognised that these sites would not be suitable for development under the requirements of the Lancashire Structure Plan. On what basis has the decision to market these sites been taken and why was the Structure Plan or the Rossendale Development Plan, which identifies garage sites as being protected from development, not considered as a part of the option appraisal process.

The Leader replied that the options appraisal in respect of both of these sites recommended that they be disposed of.

A market testing exercise was currently being undertaken to determine whether the original estimated receipts might be achieved. Given current planning policies, it was possible that the value of the sites would have altered.

If the offers were significantly less than was originally expected a report would be brought back to the Executive Committee.

Councillor A Barnes asked in respect of the proposed Land Disposals previously referred to by Councillor Hancock why tenders were not being invited for the site at Barnes Avenue and Devon Crescent.

The Leader advised that as part of the market testing exercise, two sites had been selected but there was no particular significance or sinister reason in selecting these sites for the exercise.

426. PUBLIC QUESTION TIME

No Public Questions were asked at the meeting.

427. HOUSING REVENUE ACCOUNT ESTIMATES 2005/2006

Resolved:

That Council approves the Housing Revenue Account Base Budget for 2005/6 and the enhancements identified in the report subject to the required savings being realised through the financial year.

428. HOUSING RENTAL INCOME AND SERVICE CHARGES

Resolved:

1. That Council agrees the average rent increase for 2005/6 be 3.82% after rent restructuring.
2. That Council agrees the increased heating charges in respect of Ashley Court, Helmcroft, Underbank House and Brookville by 4% with effect from 4th April 2005.
3. That Council agrees that the Supporting People charge remains at 2004/5 levels.

429. GENERAL FUND ESTIMATES AND COUNCIL TAX LEVY 2005/2006

Councillor Ormerod, Portfolio holder for Finance and Risk Management presented the 2005/2006 budget for consideration by Members. He pointed out that it was the Council's intention to set a budget that was deliverable and realistic and one which provided robust and achievable savings and would allow for resources to be directed to the Council's corporate objectives to enable progress towards its aim of 8 x 8 by 2008 and to increase the improvement in the Council's performance indicators and provide the customers of the Council with a better service.

Councillor Ormerod pointed out that the budget envisaged an improvement programme of £218,000 in order to facilitate achievement of the Council's eight main priorities for corporate improvements but he pointed out that such improvements could not be put in place until identified savings had been made. He highlighted a number of improvements which were planned, all of which were in line with the Council's corporate improvement priorities.

Members discussed the budget and particular reference was made to the fact that whilst Rossendale was the billing authority for Council Tax, only 17 pence of every pound of Council Tax collected was available to the Council to spend. The remaining 83 pence in the pound was collected on behalf of the County Council, the Police Service and the Fire Brigade.

A number of questions were raised on the budget to which Councillor Ormerod responded.

A number of Members referred to the impending retirement of Mr. T F Middlehurst, Deputy Head of Finance and pointed out that this would be his last budget meeting before retirement. Members expressed their thanks for the conscientious service, support and courtesy afforded them throughout his employment with the Council and the former Rawtenstall Borough Council.

Resolved:

1. That the continuation budget of £9,831,101 together with savings identified from the draft estimates for 2005-06 in the sum of £360,185 and as detailed in Appendix 2 (Low Risk Savings) and Appendix 3 (Medium Risk Savings) be approved
2. That enhancements in the sum of £218,000 as detailed in Appendix 4, be included in the Revenue Budget for 2005-06
3. That an amount of £5,017 be added to the Council's contingencies as detailed in paragraph D of Appendix 1
4. That an amount of £115,000 be added to the Council's revenue balances as detailed in paragraph E of Appendix 1
5. That consequent upon resolutions 1, 2, 3 and 4 above, and the Head of Finance opinion on the robustness of the 2005/06 Estimates and the level of balances (See Appendix 5), the Council's Budget for 2005-2006, as amended, be approved in the sum of £9,808,933 (See Appendix 6)
6. That the receipt, or anticipated receipt, of the following precepts for 2005-2006 be noted:

Lancashire Police Authority (General Expenses)	£ 2,252,639
Lancashire County Council (General Expenses)	£ 19,872,393
Lancashire Fire Authority (General Expenses)	£ 1,089,496
Rossendale Borough Council (General Expenses)	£ 4,758,944
Whitworth Parish Council (Special Expenses)	£ 44,466

7. That it is approved and noted that at its meeting on 19th January, 2005 the Executive calculated the following amounts for the year 2005-2006 in accordance with Section 33 (1) of the Local Government Finance Act 1992, as amended by Section 84 Local Government Act 2003
- (a) For the whole area of the Borough 20,912 “D” Band equivalent units being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its Council Tax base for the year end.
 - (b) For that part of the Council’s area being Whitworth Parish, the amount of 2,298 “D” Band equivalent units, being the amounts calculated by the Council in accordance with Regulation 6 of the Regulations, as the amounts of its Council Tax for the year for dwellings in that part of its area to which the Special Items relate.
8. That the following amounts be now calculated by the Council for the year 2005-2006 in accordance with Section 32 to 36 of the Local Government and Finance Act 1992:-
- (a) £40,019,284 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e) of the Act.
 - (b) £30,210,351 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) to (c) of the Act.
 - (c) £9,808,933 being the amount by which the aggregate at 8(a) above exceeds the aggregate at 8(b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year.
 - (d) £5,049,989 being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed Non-Domestic Rates, Revenue Support Grant, (increased by the amount of the sums which the Council estimates will be transferred in the year from its Collection Fund to its General Fund in accordance with Section 97(3) of the Local Government Finance Act 1988 (Council Tax Surplus) or (reduced by the amount of the sums which the Council estimates will be transferred in the year from its General Fund to its Collection Fund in accordance with Section 97(4) of the Local Government Finance Act 1988) (Council Tax Deficit)
 - (e) £227.57 being the amount at 8(c) above less the amount at 8(d) above, all divided by the amount at 7(a) above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year.
 - (f) £44,466 being the aggregate amounts of all special items referred to in Section 34(1) of the Act.

- (g) £19.35 being the amount at 8(f) above all divided by the amount of 7(b) above, calculated by Council and applicable to the Parish of Whitworth area only for the Special items.

VALUATION BANDS

<u>Special Items Only, Parish of Whitworth</u>	A	B	C	D	E	F	G	H
	12.90	15.05	17.20	19.35	23.65	27.95	32.25	38.70

- (h) £246.92 for part of the Council's area, Parish of Whitworth, being the amounts given by adding to the amount at 8(e) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 7(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.
- (i) being the amounts shown below that are given by multiplying the amounts at 8(e) and 8(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

VALUATION BANDS

	A	B	C	D	E	F	G	H
<u>Parish of Whitworth</u>	164.61	192.05	219.48	246.92	301.79	356.66	411.53	493.84
<u>All other parts of the Borough</u>	151.71	177.00	202.28	227.57	278.14	328.71	379.28	455.14

9. That it be noted that for the year 2005-2006 the Lancashire County Council have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the Categories of dwellings shown below:-

VALUATION BANDS

<u>Lancashire County Council</u>	A	B	C	D	E	F	G	H
	633.53	739.11	844.70	950.29	1161.47	1372.64	1583.82	1900.58

10. That it be noted that for the year 2005-2006 the Lancashire Police Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

VALUATION BANDS

<u>Lancashire Police Authority</u>	A	B	C	D	E	F	G	H
	71.81	83.78	95.75	107.72	131.66	155.60	179.53	215.44

11. That it be noted that for the year 2005-2006 the Lancashire Fire Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

VALUATION BANDS

<u>Lancashire Fire Authority</u>	A	B	C	D	E	F	G	H
	34.73	40.52	46.31	52.10	63.68	75.26	86.83	104.20

12. That, being calculated the aggregate in each case of the amounts at 8(i) above and 9, 10 and 11 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2005-2006 for each of the categories of dwellings show below:-

VALUATION BANDS

	A	B	C	D	E	F	G	H
<u>Parish of Whitworth</u>	904.68	1055.46	1206.24	1357.03	1658.60	1960.16	2261.71	2714.06
<u>All other parts of the Borough</u>	891.78	1040.41	1189.04	1337.68	1634.95	1932.21	2229.46	2675.36

Rossendale BC - Budget 2005/06

A)	Continuation Budget		9,831,101
B)	Savings (Described in detail in Appendix 2 and Appendix 3 and in resolution (1))	-360,185	
C)	Enhancements (Described in detailed in Appendix 4 and in resolution (2))	218,000	
D)	Contingencies (Described in resolution (3))	5,017	
E)	Reserves Build (Described in resolution (4))	115,000	
			-22,168
F)	Revised Budget		9,808,933

How Financed:-

Government Grant- Rate Support		3,146,231
National Non Domestic Rates		1,903,758
		5,049,989
Council Tax	(£227.57 x 20912 Band `D')	4,758,944
		9,808,933

Low Risk Savings Proposals for 2005/06 Budget

Street Scene & Liveability			05/06 Effect	Full Year Effect
1	Refuse, Cleansing & Recycling:		-	
	Retirement of staff		14,420	14,420
	Overtime efficiencies	-	8,850	8,850
	Service efficiencies	-	1,625	22,000
	Public Conveniences- Saturday overtime(incl NI)	-	2,260	2,260
	Depot Salary overestimated	-	9,930	9,930
2	Open Spaces: Contracts Temps-No overtime		-	4,300
3	Environmental Health:			
	Markets 4% on charges	-	6,000	6,000
	Pest Cont Overtime(with NI)	-	1,090	1,090
	Sub-contractors re abandoned vehicles	-	8,400	8,400
4	Highways LCC - Administration allowance (0.5 FTE for enquiries)		-	23,400
Sub-total			-	80,275
Sub-total			-	100,650
Regeneration & Spatial Development				
1	Bus Shelters	No new RBC financed shelters Alternative Ad Shells / Highways	-	11,000
Sub-total			-	11,000
Sub-total			-	11,000
Legal & Democratic Services				
1	Corp Land & Estates:			
	Building Maintenance savings		-	5,000
	Rent increases 5%		-	3,400
	Fees & Charges		-	6,700
2	Local Land Charges:			
	LCC search fees electronically		-	5,000
3	Industrial Units:			
	Repair & Maintenance Buildings		-	5,000
Sub-total			-	25,100
Sub-total			-	25,100
TOTAL			-	116,375
TOTAL			-	136,750

Medium Risk Savings Proposals for 2005/06 Budget

		Base Adjustments	
Street Scene & Liveability		05/06 Effect	Full Year Effect
1	Refuse, Cleansing & Recycling:- Recycling within LCC cost sharing	- 57,910	- 85,490
2	Retirement of staff	- 26,000	- 26,000
3	Pest Cont 10% growth through price increase	- 1,500	- 1,500
4	Highways:- Country Access - project expenditure saving	- 13,000	- 13,000
Sub-total		- 98,410	- 125,990

Regeneration & Spatial Development			
1	Development Control Fee income - based on recent levels of activity and expected scheme coming up	- 30,000	- 30,000
Sub-total		- 30,000	- 30,000

Customer Services & E Government			
1	Benefits Verification Framework compliance additional grant	- 89,000	- 89,000
Sub-total		- 89,000	- 89,000

Legal & Democratic Services			
1	Mayoralty: car repairs - given terms of lease	- 900	- 900
2	Committee Servicing P&S Effects of IT roll-out for Cllrs	- 7,000	- 7,000
Sub-total		- 7,900	- 7,900

Medium Risk Savings Proposals for 2005/06 Budget

Housing Services			
1	Homeless Accommodation costs Historically budget has not been used. Probable provision of £4k available from 04/05	- 11,000	- 11,000
Sub-total		- 11,000	- 11,000
Human Resources			
1	Training Reduce training budget. Current investment is £375 per FTE. Reduction equates to 6%	- 7,500	- 7,500
Sub-total		- 7,500	- 7,500
TOTAL		- 243,810	- 271,390

Budget 2005/06**Proposed Enhancements (subject to delivery of savings targets)**

	Detail	Value
1	<p>Digital Mapping – Street Scene & Liveability, meeting Corporate Objectives for the Environment.</p> <p>Enhancement is needed to resource a project to digitally map and reference the whole of the borough of Rossendale. The information will be used in relation to customer service via the One Stop Shop and in establishing the level of resources required to manage Council assets and maintenance of open spaces.</p>	£50,000
2	<p>Enforcement Officer - Street Scene & Liveability, meeting Corporate Objectives for the Environment.</p> <p>The enhancement is required to ensure the delivery of the departments proposals to move to cost sharing arrangements re waste management with Lancashire County Council (LCC). In essence the additional resource will enable the increased take up of recycling across Rossendale and therefore meet the required arrangements with LCC to deliver cost sharing.</p>	£21,000
3	<p>Customer Newsletter - Customer Services & E-Government, meeting Corporate Objectives for Customers</p> <p>The proposal is for the design, production and distribution of a regular newsletter to all properties within Rossendale at least 3 times per year</p>	£15,000
4	<p>Leisure Trust Review – Communities and Partnerships meeting Corporate Objectives for Improvement</p> <p>The enhancement is to provide an independent review of Rossendale Leisure Trusts performance, benchmarked against the Leisure Industry service sector. The review will give the Council a valuable tool as it looks to agree future funding streams with the Trust.</p>	£20,000
5	<p>Finance Review – Finance meeting Corporate Objectives for Improvement</p> <p>The enhancement seeks to introduce additional resource and skills into the Finance department following the departure of a senior and experienced member of staff.</p>	£32,000

6	<p>Constitutional Review – Legal and Democratic Services meeting Corporate Objectives for the Community Network</p> <p>In looking to the next stage of the current pilot Executive arrangements and the formal adoption of the Executive scheme the current Council constitution will have to be fundamentally reviewed and redrafted. This review process will require additional specialist legal resources.</p>	<p>£40,000</p>
7	<p>Human Resource (additional capacity) - meeting Corporate Objectives for Improvement</p> <p>Human Resources will see their department involved in a number of projects for which they currently do not have the required level of resource. Amongst other projects in which they will have a key role are: Housing Stock Transfer, Revenue and Benefits partnership working, creating the One Stop Shop and Job evaluation, etc</p>	<p>£40,000</p>
	<p>Total</p>	<p>£218,000</p>

NB – It is firmly understood by all service departments that enhancements to budgets cannot be granted until savings are delivered or that there are robust plans in place to deliver those savings.

S 151 Officers opinion

1 Robustness of the 2005/06 estimates

The Head of Finances' opinion is that, in the light of the processes of the Councils budget review sessions with Officers and Members, the budget process (including the initial continuation basis of the estimates and the understanding that enhancements are not available until savings are evidenced) ensures that all practical steps to identify and make provision for the commitments to which the Council will be exposed in 2005/06 have been made.

2 Balances and reserves for 2005/06

The General Fund balance is expected to total some £386k and £500k at the end of 2004/05 and 2005/06 respectively. The Council is currently engaged in a reserves building strategy having experienced a nil reserve balance at the end of 2002/03. Given these circumstances it is the Head of Finances' opinion that this strategy and level of reserves is reasonable.

Phil Seddon

Head of Finance

Appendix 6

<u>Rossendale Borough Council - Estimates 2005/2006</u>			
General Fund Summary	<i>Original Budget 2004/05</i>	<i>Revised Budget 2004/05</i>	<i>Original Budget 2005/06</i>
Street Scene & Liveability	3,887,900	4,096,717	4,306,915
Economic Regeneration & Spatial Development	941,980	1,284,442	1,383,276
Community & Partnerships	1,924,990	1,550,150	1,486,770
Customer Services & E-Government	1,165,620	1,281,210	1,282,395
Policy & Change Management	138,680	112,620	123,360
Legal & Democratic Services	747,370	880,195	919,285
Financial Services	127,800	167,470	206,385
Housing Services - General Fund Functions	255,980	237,340	241,410
Human Resources (incl Safety)	248,860	227,820	276,030
Corporate Resources	(500,870)	(671,040)	(536,910)
Contingency	<u>267,491</u>	<u>31,500</u>	<u>5,017</u>
General Fund Totals	9,205,801	9,198,424	9,693,933
Surplus		7,377	
Contribution to/from Reserves	<u>175,000</u>	<u>175,000</u>	<u>115,000</u>
NET BOROUGH REQUIREMENT	9,380,801	9,380,801	9,808,933
Collection Fund Deficit	<u>-</u>	<u>-</u>	<u>-</u>
	9,380,801	9,380,801	9,808,933
Funded By:-			
RSG	3,105,299	3,105,299	3,146,231
NNDR	<u>1,792,800</u>	<u>1,792,800</u>	<u>1,903,758</u>
Rossendale Borough Council Precept	<u>4,482,702</u>	<u>4,482,702</u>	<u>4,758,944</u>
Whitworth Town Council Precept	<u>39,401</u>	<u>39,401</u>	<u>44,466</u>
Total Precept on Collection Fund	<u>4,522,103</u>	<u>4,522,103</u>	<u>4,803,410</u>
	20,670	20,670	20,912
	216.87	216.87	227.57
			4.93%

(The Meeting started at 7.00pm and finished at 7.55pm)

Mayor