

MINUTES OF: THE CABINET

Date of Meeting: Thursday 17th February 2011

**Present: Councillor Swain (in the Chair)
Councillors Challinor, Essex, Gledhill Smith (in part) and
P. Steen (in part)**

**In Attendance: Mrs H Lockwood, Chief Executive
Mr S Sugarman, Director of Business
Ms F Meechan, Director of Customers and Communities
Mr P Seddon, Head of Finance
Mrs C Price, Area Manager, Communities Team
Mrs J Cook, Committee Officer**

**Also Present: Councillors A Barnes Crawforth, Cheetham Farrington
Jackson Kenyon Lamb Nuttall Oakes C Pilling, J Pilling
Robertson, Sandiford, Serridge, Stansfield and Thorne**

12 members of the public and 1 member of the Press

1. WELCOME TO THE BOCHOLT DELEGATION

The Leader of the Council welcomed the Delegation from Bocholt, Germany to the meeting.

2. APOLOGIES FOR ABSENCE

No apologies were received; all Cabinet Members were present. Councillors Smith and P Steen arrived late due to County Council business.

3. MINUTES OF PREVIOUS MEETINGS

Resolved:

1. That the minutes of the meeting held on 17th November 2010 be approved as a correct record.
2. That the minutes of the meeting held on 26th January 2011 be approved as a correct record.

4. URGENT ITEMS OF BUSINESS

The Leader of the Council reported that there were no urgent items of business.

5. DECLARATIONS OF INTEREST

Councillor Essex declared a personal interest in Item 7 for the reason that his wife held an allotment at Free Lane, Helmshore.

6. PUBLIC QUESTION TIME

A representative of Bacup Flea Market addressed the meeting and requested that consideration be given to Option 2 in the committee report for Item 7.

A member of the public requested clarification of post reductions in the Communities Team. It was noted that this information would be shared when available.

7. REVENUE BUDGET, COUNCIL TAX AND MEDIUM TERM FINANCIAL STRATEGY

- 7.1 The Portfolio Holder for Finance and Resources outlined the report which asked the Cabinet to recommend to full Council the revenue budget and level of Council Tax for 2011/12, together with the implications for the Council's Medium Term Financial Strategy. It was noted that the Council was required by law to present a balanced budget.
- 7.2 The Council had received confirmation of the final 2-year settlement grant and in addition to this and the Revenue Support Grant, the Council had also received a one-off 'Transitional Grant'. The Transitional Grant has been allocated to Councils whose combined spending power would have been reduced year-on-year in excess of 8.8%. The Transitional Grant is a one-off grant which does not continue beyond 2011/12.
- 7.3 The report noted that considerable savings had been planned for 2011/12, which was equivalent to 13.7% of the previous year's net budget. It was noted that as RSG resources continued to decrease, further savings would need to be made in excess of £800k by 2014/15. The following assumptions had been made in respect of the Medium Term Financial Strategy:
- Pay freeze for 2011/12 and 2012/13 for all staff, with 1.5% for each of the following years, plus associated employment costs.
 - An annual pension cost increase as a result of the 2010 actuarial valuation
 - Pension savings from staff changes within operational departments will be redirected to continue to fund the projected pensions deficit.
 - A prudent view of general inflation at 4% on significant service contracts and 0% for income.
 - Council Tax for 2011/12 is increased by 0% and 3% in each of the following years thereafter. Central Government compensation, by an additional special grant, of £137k for the next 4 years in return for a 2011/12 Council Tax freeze is included in Council resources.
 - Annual deferral of income receipts that are deemed volatile to market conditions, this gives the Council a 12 month warning on high risk income areas such as those associated with recycling.
 - The Governments settlement for 2013/14 and 2014/15 will be in line with total resource reduction as identified in the October 2010 Comprehensive Spending Review (CSR). This therefore see an overall decline in RSG of 39%
 - The funding of leisure facilities is in line with the 2009/10 Leisure Review and resulting Member recommendations.

- The creation of a Transitional Reserve in order to stabilise the next 3 years of operations

7.4 The report also included recommendations for Rossendale Markets detailed at Appendix 3 of the committee report, which had been deferred from the Special Cabinet Meeting on 26th January 2011. The report recommended the closure of Bacup Flea Market from March 2011 and that the Council supports the Haslingden Market Traders to develop a social enterprise for Haslingden Market. Discussion took place on Option 2 in the committee report and it was noted that this would require work to be carried out by officers in time for this option to be considered by full Council on 23rd February 2011.

7.5 Members were invited to comment on the report and the following comments were made:-

- Consideration to be given to Option 2 for Bacup Flea Market and clarification of the consultation carried out.
- Concerns regarding the cuts to the budget were raised and discussed, in particular in terms of grant funding in the communities sector.
- Clarification was given of the grant funding available via the Neighbourhood Forums.
- The proposed new priorities were discussed and it was clarified that these had been recommended for approval at the Special Meeting on 26th January 2011.

7.6 Members gave thanks to the hard work of the Chief Executive, the Section 151 Officer and his team in presenting this budget to the Cabinet.

Resolved

1. That the Cabinet recommends to Council a net budget requirement for Rossendale Council for 2011/12 of £10,547k.
2. That Cabinet recommends to Council a provision of £9k in relation to the collection fund deficit.
3. That the Cabinet recommends to Council a 0% increase in Council Tax and that the Band D equivalent for 2011/12 remains at £253.40.
4. That the Cabinet recommends to Council the creation of a transitional fund as noted in paragraph 4.16 in order to achieve sustainable services over the medium term.
5. That the Head of Finance and Property Services be instructed to prepare the technical resolutions necessary to give effect to these proposals.
6. That Cabinet recommends to Council further consideration of Option 2 for Bacup Flea Market following consideration of the full financial breakdown of this option, and that Cabinet recommends to Council that they support the creation of a social enterprise for Haslingden Market.
7. That Cabinet approves the fees and charges schedule as per Appendix 4

8. That the Cabinet, in agreeing to recommend the budget proposal to Council notes the contents of Appendix 5 and the implications for the Councils Medium Term Financial Strategy.
9. That an update to the Medium Term Financial Strategy is considered by Cabinet during 2011/12.

Reason for Decision

To enable to Council to present a balanced budget for 2011/12.

Alternative Options Considered

Various options discussed in Consultations.

8. TREASURY MANAGEMENT STRATEGY AND TREASURY MANAGEMENT PRACTICES (UPDATES FOR 2011/12)

- 8.1 The Portfolio Holder for Finance and Resources outlined the report which requested Cabinet recommend to Full Council approval of the Treasury Management Strategy Statement and the subsequently updated Treasury Management Practices.
- 8.2 The report was an annual update of the Treasury Management Strategy following on from the Council's adoption of the Chartered Institute of Public Finance and Accountancy's Code of Practice on Treasury Management, which was adopted by the Council on 24th February 2010.
- 8.3 The Treasury Management Strategy was required to be adopted to ensure continued compliance with the Code of Practice on Treasury Management and to reduce the Council's exposure to financial risk. The Portfolio Holder clarified that Rossendale Borough Council only ever invested in UK High Street Banks.
- 8.4 The report requested delegated authority for the Section 151 Officer
- 8.5 Members were asked to comment on the report and the following comments were made:-
 - Thanks were given to the Finance Team for their work on this report.

Resolved:

1. That the Cabinet recommends to Council the approval of the Treasury Management Strategy Statement and Treasury Management Practices Updates.
2. That Cabinet recommends to Council that the maximum investment to be placed with any one institution should be 50% of available funds or £5m (whichever is the greater).

Reason for Decision

To ensure continued compliance with the Code of Practice on Treasury Management and to reduce the Council's exposure to financial risk.

Alternative Options Considered

None

9. CAPITAL PROGRAMME 2011/12 TO 2013/14

- 9.1 The Portfolio Holder for Finance and Resources outlined the report which asked the Cabinet to recommend approval of the Capital Programme for 2011/12 to 2013/14. The report advised Members of the proposed capital expenditure and resources for the medium term and the financing issues related to future capital expenditure.
- 9.2 The report outlined approximately £8m of capital expenditure of the next 3 years in areas such as playgrounds, cemeteries, war memorials and building maintenance, etc. It was noted that the VAT shelters for Green Vale Homes and right to buy would be ending in the short to medium term. In addition the sum for the Disabled Facilities Grant had not been announced, and it had been assumed that the Council would receive the same amount as last year.
- 9.3 Members were invited to comment on the report and the following comments were made:-
- Clarification of the disabled facilities grant amounts.
 - Member input on use of disabled facilities grant funding.

Resolved:

1. That Cabinet recommends to Full Council that, subject to confirmation of the central government allocation for Disabled Facilities Grants shown in Appendix 1, the capital programme for 2011/12 be approved at £1,239k, and the Head of Financial Services be authorised to amend the programme in the light of final grant allocations.

Capital projects requiring approval for 2011/12		£000
Playgrounds (5 years from 06/07)		50
Cemeteries (5 yrs from 06/07)		30
Pathways (5 yrs from 07/08)		30
Wheeled Bin		40
Sports playing Fields (5 yrs from 07/08)		45
Car Park upgrading (5yrs from 06/07)		30
Building Maintenance 08/09 579k		200
War Memorials		5
Emergency Works		75
Leisure Facilities		0
Disabled Facilities Grants		617
Decent Homes Assistance		87
Homecare Agency		30
		1,239

2. That Cabinet recommends to Full Council to agree that the 2010/11 capital programme, not incurred by the 31st March 2011, be carried forward to

2011/12, along with any related grants received. The cost of these ongoing projects is currently estimated to be £5.18m.

3. That progress on Capital Receipts and Expenditure continues to be included in the monthly financial monitoring reports submitted to Cabinet.

10. PRIVATE WATER SUPPLIES REGULATIONS 2009 – POLICY & FEES

- 10.1 The Portfolio Holder for Regeneration outlined the report which outlined the duties of a Local Authority under the Water Industry Act 1991 in relation to private drinking water supplies and proposed a defined policy and fees for implementing the legislation. The Act places a responsibility on Local Authorities for ensuring that effective working arrangements are in place with all water companies who operate in their area.
- 10.2 The Private Water Supplies Regulations 2009 were brought into force in January 2010 and replaced the Private Water Supplies Regulations 1991. Both regulations were intended to ensure that private water supplies were comparable to the quality of public water supply. Prior to the 1991 Regulations sampling of water supplies had largely taken place on an ad-hoc basis with those households who requested a visit having their water sampled. Those who made no request were left alone. The new Regulations introduce a requirement to take formal action to ensure all private supplies meet the standards describe by the Regulations.
- 10.3 Members were invited to comment on the report and the following comments were made:-
 - The importance of maintaining private water supplies in Rossendale with many outlying areas.

Resolved:

1. That the proposed changes for the implementation of the new Private Water Supplies Regulations 2009 are agreed and the new duties and responsibilities associated with these regulations are noted.
2. That the Cabinet agrees to the adoption of the fees proposed.
3. That All future minor amendments to this policy to be delegated to the Head of Health, Housing and Regeneration in consultation with the Portfolio Holder.

Reason for Decision

To ensure that the quality of private water supplies is maintained.

Alternative Options Considered

None

11. INTEGRATED PERFORMANCE REPORT QUARTER 2 (JULY TO SEPTEMBER 2010)

- 11.1 The Portfolio Holder for Finance and Resources outlined the report which informed Members of the financial monitoring for Quarter 2, those indicators for not achieving their targeted levels of performance at the end of Quarter 2 and an update on business plan action and risks.
- 11.2 It was noted the currently 85% of the actions identified within the Corporate Plan were on track to be delivered. Those performance indicators not meeting their target were confirmed as LI156 and NI156 and the reasons for this were outlined in the appendix to the report.
- 11.3 Members were invited to comment on the report and the following comments were made:
- The improvements to the Performance were noted.

Resolved:

1. That the levels of performance detailed in the report are noted.
2. That the Cabinet will continue to monitor performance of those indicators that are under-achieving targeted levels of performance and request further information from the relevant Head of Service as necessary.

Reason for Decision

To ensure the continued performance management and achievement of targets.

Alternative Options Considered

None

12. FINANCIAL MONITORING REPORT 2010/11: MONTH 9 – END DECEMBER 2010

- 12.1 The Portfolio Holder for Finance and Resources outlined the report which updated Members on financial matters, including the general fund budget monitoring for 2010/11, the Capital Programme and Treasury Matters.
- 12.2 It was noted that to the end of December 2010 there had been an under spend of approximately £250k with no change in reserves. Debt collection had enabled the transfer of £10k out of bad debt provision. It was noted that the VAT shelter for Green Vale Homes would end in 5 years time and the VAT shelter for right to buy would end in 2 years.
- 12.3 Members were invited to comment on the report and the following comments were made:-
- Officer time, cost and commitment to the public health agenda.

- Clarification of calendars, redundancies, tax liabilities for elections staff and equal pay claims would be shared with Members when the information was available.

Resolved:

That the contents of the report are noted.

Reason for Decision

To ensure the continued management of the Council's finances.

Alternative Options Considered

None

13. REPORT OF THE DISABLED FACILITIES TASK AND FINISH GROUP

- 13.1 The Portfolio Holder for Regeneration outlined the report which asked Members to consider the recommendations of the Overview and Scrutiny Disabled Facilities Task and Finish Group. The Task and Finish Group had examined the process for Disabled Facilities Grants and undertaken visits and consultations with the St Vincent's Home Improvement Agency and other partners. The report had also been sent to Lancashire County Council for comments, and these comments were appended to the committee report.
- 13.2 The committee report outlined 8 recommendations for consideration.
- 13.3 Members were invited to comment on the report and the following comments were made:-
- Thanks were given to the Task and Finish Group and Officers. It was noted that the LCC response had stated that they needed to work closely with District Councils.
 - It was noted that grant funding could be obtained from various sources and this information would be passed to the relevant organisations.

Resolved:

That the Cabinet consider the report and recommendations and respond to the Overview and Scrutiny Management Committee, indicating what action is proposed within two months from the date of the Cabinet meeting.

Reason for Decision

To consider the report and to ensure that the Overview and Scrutiny Management Committee receive a response to their recommendations.

Alternative Options Considered

The recommendations as outlined in the committee report.

The meeting commenced at 6.30pm and closed at 7.55pm

CHAIR