

# **Cabinet (Extraordinary Meeting)**

**4 March 2013**

**Present:** Mrs L Arkley (Elected Mayor) (in the Chair),  
Councillors EFJ Hodson, D Lilly,  
P Mason and Mrs JA Wallace

## **CAB211/03/13 Apologies**

Apologies were received from Councillors LJ Miller and GC Westwater.

## **CAB212/03/13 Declarations of Interest**

No declarations of interest were declared at this meeting.

## **CAB213/03/13 2013-2015 Council Strategic Plan and Budget Setting Process : Consideration of any Objections to Cabinet's Proposals**

A report was presented which outlined the next stage in the process for determining the 2013/14 General Fund Revenue Budget, Council Tax Requirement and Council Tax level, the Treasury Management Statement and Annual Investment Strategy for 2013/14 and the 2013-2023 Capital Plan which was required when Council had any objections to the Cabinet's proposals.

At its reconvened meeting on 27 February 2013, Council had further considered the proposals of the Cabinet and had instructed the Mayor to reconsider her proposals in the light of the objections agreed at that meeting. Objections to the proposals were set out in Appendix 1 (Labour Group) and Appendix 2 to the report (Liberal Democrat Group).

The Mayor was now required to consult with her Cabinet to determine whether to revise the Cabinet's proposals to take account of the objections and instructions agreed by the Council identifying reasons for these changes. Alternatively, to determine any disagreement to any objections and instructions agreed by the Council and identify the reasons for such disagreement. Following consultation with Cabinet, the Mayor would have to submit any revisions/disagreement to the meeting of Council on 5 March 2013, when the decision taken by Council on 27 February 2013 would need to be reconsidered in the light of the Mayor's response.

### Labour Group (Appendix 1 to the report)

The Mayor acknowledged the three Labour Members who were in attendance in an observational capacity, and responded to the Objections as set out below. In responding, the Mayor referred to the opportunities Members had had to examine the Cabinet's proposals – the outline business cases had become available in November 2012; the proposals had been published in January 2013; the chance to ask questions at the 7 February Council meeting; the business cases had been circulated to all Members of the Council; and the attendance by Cabinet members at a meeting of the Overview and Scrutiny Committee. She considered that Members had had sufficient opportunity to examine and ask questions about the Cabinet's proposals.

	<u>Objection</u>	<u>Response</u>
1.	Massive Outsourcing and the consequential loss of control of vital council services, and leaving the Council exposed to private company charges.	<p>The two strategic partnerships are now in place and are delivering the agreed performance levels. This is a tribute to all involved.</p> <p>These two partnerships will save the council over £6 million over the next three years and protect over 300 jobs.</p> <p>In addition both partners are committed to using these partnerships to grow their business, which will lead to even more opportunities for people in North Tyneside.</p>
2.	There should be a root and branch review to ensure the remaining Council services and support services accurately reflect the new role required for a modern council.	<p>This review has already happened. The four year Change Efficiency and Improvement programme which began in 2011/12 followed a full review of all Council services to determine where savings could and should be made.</p> <p>As a result, the Cabinet's budget proposals are already based on a planned, long term approach rather than a short term, knee jerk reaction to budget reductions.</p> <p>This approach has been very successful to date. We have</p> <ul style="list-style-type: none"> <li>• successfully delivered savings to target for two years running - equivalent to 10% of the Council's net budget two years running for 2011/12 and 2012/13</li> <li>• continued to protect and deliver excellent front line services for the people of North Tyneside</li> <li>• targeted more savings around support services, to protect front line services and facilities.</li> </ul>
3.	The use of consultants has cost £1.45m in 2012/13 so far. Such a large element of consultancy reflects badly on the knowledge and the experience of the Council's own workforce. This should be reviewed and consultants only used where there is a demonstrable and short term need for external expertise.	<p>The cost for consultants has already been reduced significantly since 2009.</p> <p>In 2009/10 consultants cost the council £5 million, this year up until January 2013 the cost is £1.45 million.</p>

	<u>Objection</u>	<u>Response</u>
4.	<p>The use of agency staff has cost £2.43m in 2012/13 so far. A fundamental review for such a large requirement of agency staff could be better handled by a programme of retraining and redeploying existing staff. Service areas that are finding difficulty to recruit should be reviewed to determine why there is a large turnover in those service areas.</p>	<p>The cost for agency staff has already been reduced significantly since 2009.</p> <p>For agency staff in 2009 the cost was £5.19 million while this year (2012/13) it will only be £440,000.</p> <p>However while the costs of consultants and agency staff have been reduced significantly, there will always be cases where it is better to hire a specialist for a short period of time rather than have them employed full time.</p> <p>There are other cases where agency staff are needed to cover key roles for short periods.</p>
5.	<p>A modern council should not be reliant on increasing fees and charges to generate income. These increases are having a detrimental impact on individuals in the highest need areas and also those residents that are just above the benefits level, are amongst the most detrimentally impacted by these actions.</p>	<p>Any modern Council needs to strike a balance between the income that it receives from national government and local tax payers and what it raises from people who use specific facilities, such as swimming pools.</p> <p>However the Council is committed to keeping services accessible to all residents who want to use them. We are confident that everyone will be able to afford to use our services and facilities. For those who are on a lower income, we offer substantial discounts through our Ease Card scheme.</p> <p>Our prices provide great value for money and are generally in line with other local authorities, in fact our gym membership prices are in fact one of the lowest in the region.</p> <p>Regarding potential impact, we can look at what happened last year when there were increases for indoor sport and leisure facilities. This happened without having any negative effect on attendances or income. There have been 8% more visitors to indoor facilities than this time last year.</p>

	<u>Objection</u>	<u>Response</u>
6.	The Welfare Reforms will have a detrimental effect on the most vulnerable residents of the Borough. The use of the additional grant to support existing services should be reviewed to allow additional services to be provided.	<p>There is already a comprehensive approach to support people through Welfare Reforms. We are</p> <ul style="list-style-type: none"> <li>• maximising opportunities to get people into work, including through skills, training and economic growth – the Learning and Skills Board is working on a new borough wide strategy to expand apprenticeships and skills development</li> <li>• taking a proactive approach by writing directly to all people affected and having easy to understand fact sheets so that people can see how they are affected – we have also put in place additional resources so that officers can visit people to offer support</li> <li>• through the Welfare Reform Task and Finish group we will have a joined up and consistent approach across businesses, the voluntary and community sector and public sector partners – this will ensure that people get the support they need quickly and easily</li> <li>• Council has agreed a Local Council Tax Support scheme which will provide additional support to working age claimants up to 93% of their Council Tax liability – for residents who previously received 100% support they will now have to make a £1.33 contribution per week. If they are single occupiers, this drops to £1.00 per week</li> <li>• in March, Cabinet will consider how we will provide the replacement for the Social Care Fund (Crisis Loans and Community Care Grants) the North Tyneside Crisis Support programme – the Welfare Reform Task and Finish group will also work on this (fund allocation for this from DWP is £717,000 – a reduction from what they paid out in total last year)</li> <li>• the Discretionary Housing Payment Fund will be increased to the maximum level to support people in financial hardship and in need – the Welfare Reform Task and Finish group will make recommendations on the use of this fund</li> <li>• front line staff have been trained to be able to deal with queries and to direct people to sources of support</li> </ul>

	<u>Objection</u>	<u>Response</u>
7.	<p>The transfer of Public Health responsibilities to the Council should have been used to increase the Council's contribution to the overall health and well-being of the residents of the Borough. The use of the additional grant to support existing services should be reviewed to allow additional services to be provided</p>	<p>This year the Council will take on significant new responsibilities around Public Health. In preparation of this change we have been working with partners through a Transition Group to implement a Public Health operating model that will</p> <ul style="list-style-type: none"> <li>• Ensure that public health is integrated into every council function so all services help to improve public health</li> <li>• Integrate the Council with statutory partners and contracted providers.</li> </ul> <p>The Government has announced over £10 million in a public health grant for North Tyneside in 2013/14 and another £10 million in 2014/15. This is sufficient to cover the public health service contracts and staffing, and will allow the development of new healthy living services.</p> <p>This grant has been ring-fenced so it can only be used on activities that contribute to improving public health in North Tyneside.</p> <p>It is true that for many years the council has taken its role in improving public health seriously. I remember during my first term as Mayor working closely with health partners to try and do many of the things that the Health and Wellbeing Board are actually doing now.</p> <p>In practice this means that the council funded many activities that could have been paid for by the PCT.</p> <p>As we integrate Public Health with existing council services, such as Adult Social Care or Children, Young People and Learning services we can look to fund these services differently. The priority is that these services will continue to improve the health of people in North Tyneside.</p>

	<u>Objection</u>	<u>Response</u>
8.	<p>Concern that the Capital Plan, again, does not reflect the greater need of the Borough. The Capital Plan is closely linked to the borrowing and investment strategy and this is an area that needs urgent review and control. The spiralling capital financing requirement (which is debt), is continuing to grow and there are no obvious plans to reduce the amount which will stand at £603m at 31 March 2014.</p>	<p>Borrowing is not new for North Tyneside Council. If we went back as far as 1974 we would see that even then the Council was borrowing money to spend on improving services and facilities.</p> <p>The proposed increases in the Capital Plan reflect the current need for borrowing for existing and new schemes. These are developments that are important to local people, the economy and future development of the Borough, including</p> <ul style="list-style-type: none"> <li>• Road and Pavements</li> <li>• Surface water (flooding) improvements</li> <li>• Swan Hunters redevelopment</li> <li>• River Tyne Energy Innovation Centre</li> <li>• Longbenton VA schools</li> </ul> <p>It is important to note that every borrowing decision is taken very seriously and we only take on the borrowing that we can afford.</p> <p>That is why we have only increased the General Fund schemes by £13 million in the last four years (2010-2013) in comparison to £67 million in the previous four years (2006-2009).</p>

Liberal Democrat Group (Appendix 2 to the report)

Councillors MJ Huscroft and D Ord were in attendance on behalf of the Liberal Democrat Group to answer questions on their Notice of Objection.

The Mayor responded to the Objections as set out below:

	Objection	Reason
1.	Delete proposed price increases from September 2013 for School Meals (£0.053m), Meals on Wheels (£0.012m) and Childcare (£0.032m)	<p>The Council needs to have a more business-like approach to service delivery, which involves increasing charges to reflect inflationary pressures.</p> <p>Regarding the specific objections, we will still be providing</p> <ul style="list-style-type: none"> <li>• Healthy, nutritious school meal to over 11,400 pupils for only £2.00 a day</li> <li>• On average 200 freshly cooked Meals on Wheels for a cost that is more in line with Neighbouring Authorities. This does not prohibit us undertaking a review in year which will be undertaken with the Cabinet Member for Children, Young People and Learning</li> <li>• High quality and in demand childcare, for an increase of on average 80p per day</li> </ul> <p>In addition the Authority will continue to provide a number of free Childcare Places for 'Children in Need' as well as Childcare places available to the market.</p>
2.	Create a fund for the use of children and young people. This fund is to ensure the delivery of services within Children, Young People and Learning, especially in early years (pre birth-10 years old)	<p>There are already excellent services for children and young people in North Tyneside, which are supported by a significant budget.</p> <p>There is over £52.9 million available to support Primary aged school children in 2013/14 alone.</p> <p>The Pupil Premium for Primary aged school children is expected to be £3.7 million, which is up from £2.6 million in 2012/13.</p> <p>Therefore it is not felt that an additional £150,000 would have a significant impact.</p>

	<u>Objection</u>	<u>Response</u>
3.	Delete review of internal accommodation based short breaks for people with a Learning Disability saving and reduce the number of beds in Bamburgh Crescent by 1 (£142,000 growth and £25,000 saving)	<p>We have already undertaken a review of the three in house learning disability respite services and this has shown that there are less people accessing accommodation based respite provision.</p> <p>We know that the current respite service model and numbers of beds is not sustainable as there are reducing numbers of people accessing the services. The current services are expensive and we know we spend comparatively more on learning disability services than other local authority areas and need to reduce this area of spend and associated service costs.</p> <p>Overall the services are not delivering value for money and this proposal will help bring the service costs more in line with a high quality value for money service.</p> <p>We have a high number of accommodation based respite beds compared to other local authorities in the region.</p>
4.	Create an Adult and Social Care Repair Fund	This objection is similar to one proposed last year. It was considered at that time.
5.	Revenue effect of capital plan proposals	<p>We recognise local people's concerns about roads and pavements, which is why over the next ten years we are investing over £61 million to improve them.</p> <p>Considering the concerns of local people, level of need and available resources, we believe that this level of investment is a significant increase but proportionate to our financial resources</p>
6.	Loss of 2013/14 Council Tax Freeze	<p>The Council Tax Freeze Grant is worth £727,000 to the Council. However a 1.3% increase in the council tax would cost local people £915,000.</p> <p>This means that while we would be taking £915,000 from local people we would only be improving the Council's spending power by £188,000.</p>
7.	Terminate contract of Interim Chief Executive from 5 April 2013	This objection is identical to one that was proposed last year. It was considered at that time.
8.	Reduce the Mayoral Allowances	This objection is identical to one that was proposed last year. It was considered at that time.



	<u>Objection</u>	<u>Response</u>
9.	Delete the provision of a pool car	This objection is identical to one that was proposed last year. It was considered at that time.
10.	Cessation of all advertising in the News Guardian	This objection is identical to one that was proposed last year. It was considered at that time.
11.	Reduce contingency provision for the increase in Members' Allowances from £0.200m to £0.050m	Will reduce the provision from £200,000 to £50,000 but recognise that it is not a saving because the contingency provision will stay the same. This will be to meet demand led pressures.
12.	Increase additional highways maintenance budget by £1.000m for 10 years (EV056)	We recognise local people's concerns about roads and pavements, which is why over the next ten years we are investing over £61 million to improve them.  Considering the concerns of local people, level of need and available resources, we believe that this level of investment is a significant increase but proportionate to our financial resources.

The Mayor thanked Councillors Huscroft and Ord for their attendance and also the Labour Group Members who had attended as observers.

**RESOLVED** that (1) the guidance set out in the report be noted;  
(2) the Labour Group objections be rejected, for the reasons set out above;  
(3) objection 11, submitted by the Liberal Democrat Group, be accepted as detailed above.  
(3) the remainder of the Liberal Democrat Group objections be rejected, for the reasons set out above.

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