

**Local Government Act 1972**

**Borough of North Tyneside**

**21 February 2013**

At the Extraordinary meeting of the Council of the Borough of North Tyneside duly convened and held on Tuesday 21 February 2013 at 6.00pm in the Chamber at Quadrant at which a quorum of members were present, that is to say:

**Present**

Councillor F Lott (In the Chair)  
Mrs L Arkley (Elected Mayor)

|                           |                              |
|---------------------------|------------------------------|
| Councillor J M Allan      | Councillor C Johnson         |
| Councillor A Arkle        | Councillor D W Lilly         |
| Councillor A Austin       | Councillor G Madden          |
| Councillor K Barrie       | Councillor M Madden          |
| Councillor G Bell         | Councillor P Mason           |
| Councillor B Burdis       | Councillor D McGarr          |
| Councillor W Caithness    | Councillor Mrs P McIntyre    |
| Councillor K A Conroy     | Councillor J McLaughlin      |
| Councillor D Corkey       | Councillor A McMullen        |
| Councillor A Cowie        | Councillor L J Miller        |
| Councillor S Cox          | Councillor Mrs S E Mortimer  |
| Councillor E N Darke      | Councillor T Mulvenna        |
| Councillor L Darke        | Councillor P Oliver          |
| Councillor S Day          | Councillor D Ord             |
| Councillor M Finlay       | Councillor J O'Shea          |
| Councillor C A Gambling   | Councillor C B Pickard       |
| Councillor R Glindon      | Councillor J Pickard         |
| Councillor S Graham       | Councillor M G Rankin        |
| Councillor I Grayson      | Councillor N Redfearn        |
| Councillor M A Green      | Councillor D Sarin           |
| Councillor J L L Harrison | Councillor L A Spillard      |
| Councillor S Hill         | Councillor J J Stirling      |
| Councillor E Hodson       | Councillor A Waggott-Fairley |
| Councillor Janet Hunter   | Councillor J I Walker        |
| Councillor John Hunter    | Councillor Mrs J A Wallace   |
| Councillor M Huscroft     | Councillor G Westwater       |
| Councillor M J Huscroft   |                              |

### **C145/02/13 Apologies**

Apologies for absence were received from Councillors P Brooks, C Davis, N J Huscroft, K Osborne, J Munby and A Normand.

### **C146/02/13 Declarations of Interest**

Further to Minute No. C137/02/13 (Declarations of Interest), of the meeting held on 7 February 2013, the following additional declarations of interest were made:

Item 3: 2013-2015 Financial Planning and Budget Process: 2013/14 Budget and Council Tax Requirement Submission to the Council.

Councillor D E Corkey – personal interest – he was a Local Authority Governor of Collingwood Primary School.

Councillor B Burdis – personal interest - Member of Labour Councillors Association.

Councillor S Cox – personal interest - Member of Labour Councillors Association.

Councillor R Glindon – personal interest – a relative works for North Tyneside Council and his wife hires premises from the Council.

Councillor J LL Harrison – personal interest – Member of Labour Councillors Association.

Councillor M Madden – personal interest – she is a VODA Board Member.

Councillor Mrs S Mortimer – personal interest – Member of the Joint Committee for the North of England Open Air Museum (the Beamish Joint Committee).

Councillor T Mulvenna – personal interest – Member of the Local Government Association Fire Commission.

### **C147/02/13 Late Objection**

The Chair announced he was aware that one of the Objections was received after the Constitutional deadline of 4.00pm; however it had been received in a reasonable period of time and had not prevented its timely distribution to all Members.

The Chair stated that he did not consider that this undermined the purposes of the Constitution and asked Members to accept this objection being considered at tonight's meeting.

The Council agreed by 39 votes to 14 votes.

## **C148/02/13 2013-2015 Financial Planning and Budget Process: Budget and Council Tax Requirement Resolution for 2013/14**

The Chair explained the procedure that would be followed at the meeting. The Council would consider the proposals of the Cabinet and may approve them or inform the Mayor of any objections it had to the whole or any part of the proposals and instruct the Mayor to reconsider the Cabinet's proposals in the light of those objections.

The Cabinet's proposals would be taken as the substantive motion and then any objections from the Labour Group and the Liberal Democrat Group.

Members moving the motion and objections would have up to 10 minutes to put their motion/objections and seconders 5 minutes. All other speakers would have up to 5 minutes. If a Group wished to move individual objections, they may do so but they would only have one opportunity to speak for up to 10 minutes.

This was a departure from the Council's normal rules of debate which the Chair proposed to adopt for this meeting.

It was moved and seconded that the Council Procedure Rule 12(5) (Content and Length of Speeches) be suspended.

The Council agreed.

A report was submitted to Council which detailed the following:

- (a) The Elected Mayor and Cabinet's Budget and Council Tax Requirement Resolution in order to finalise the 2013/14 General Fund Revenue Budget and set the 2013/14 Council Tax Requirement and the Council Tax level for 2013/14;
- (b) The Elected Mayor and Cabinet's proposals for the 2013-2023 Capital Plan, including prudential indicators for 2013/14 in accordance with the Chartered Institute of Public Finance & Accountancy's (CIPFA's) Prudential Framework and the proposed Minimum Revenue Provision (MRP) Policy in line with capital finance regulations; and,
- (c) The Elected Mayor and Cabinet's proposals for the Treasury Management Statement and Annual Investment Strategy for 2013/14.

At Cabinet on 28 January 2013, authorisation had been granted to the Elected Mayor to consider any additional comments received from residents, after the drafting of that Cabinet report but before 12 February 2013, as the Budget Engagement process continued until 12 February 2013. These were presented as an addendum to the report to full Council on 7 February 2013 and this meeting of full Council (Appendix A). The Elected Mayor and Cabinet had considered the comments received, along with the recommendations received from the Overview and Scrutiny Committee following its meeting on 4 February 2013 in formulating these final proposals.

Since the Cabinet meeting on 28 January 2013 and the full Council meeting on 7 February 2013, the outstanding financial information in relation to precepts, levies, joint service budgets and the final Local Government Finance Settlement for 2013/14 had now been received. On 20 February 2013 a Notification Letter had been sent to all Members and Co-

opted Members of the Council setting down the final amendments made by the Elected Mayor, under the authorisation granted to her by Cabinet on 28 January 2013. Those amendments had been incorporated into the Budget and Council Tax Requirement Resolution and were repeated in Table 4 of the report.

The Mayor proposed additional resources of £358,000 for New Homes Bonus Expenditure (which would in the first instance be considered to support the Tynemouth Volunteer Life Brigade in improving their building facilities); and £264,000 for the increase in Contingencies for potential shortfall in Business Rates Growth, which was a total increase in resources of £622,000.

The North Tyneside element of the council tax level for 2013/14 (excluding precepts) was therefore proposed to be unchanged from 2012/13 i.e. a 0% increase, as previously proposed in the report to Cabinet on 28 January 2013.

The 3.50% increase in the Police and Crime Commissioner Precept for 2013/14 impacted on the overall Council Tax bill for North Tyneside, leading to an overall increase in council tax bills for 2013/14 of approximately 0.20% compared with 2012/13.

In accordance with the Non-Domestic Ratepayers (Consultation) Regulations 1992, which required local authorities to carry out budget engagement with the business community by 25 February each year, the initial meeting with the business community was held on 10 January 2013, with the statutory budget engagement meeting being carried out on 1 February 2013.

The Localism Act 2011 introduced changes which impacted on the council tax calculation for 2013/14 as part of the formal budget and council tax resolution.

Firstly, the Localism Act 2011 changed some aspects of Part 1 of the 1992 Local Government Finance Act 1992 (the 1992 Act) governing the calculation of council tax.

Secondly, the Localism Act 2011 abolished council tax capping in England. It instead introduced new provisions into the 1992 Act, making provision for council tax referendums to be held in England if an authority increased its council tax by an amount exceeding the principles determined by the Secretary of State and agreed by the House of Commons. The council tax referendum principles for 2013/14 for Unitary Local Authorities were that any increase in its relevant basic amount of council tax for 2013/14 was deemed excessive for referendum purposes if it exceeded 2.0% compared with 2012/13. This was a reduction on last year whereby a 3.5% limit had applied. This relevant basic amount of council tax was different to the council tax requirement because it was adjusted for the levies which local authorities paid. To illustrate this, the council tax requirement for North Tyneside Council for 2013/14 was £70.395 million, whereas the relevant basic amount of council tax for referendum purposes for 2013/14 was £57.252 million.

The Localism Act 2011 had made significant changes to the Local Government Finance Act 1992, and now required billing authorities to calculate a council tax requirement for the year, not its budget requirement as previously. The calculation of the council tax requirement for North Tyneside Council for 2013/14, based on the 2013/14 budget requirement was set out in Table 6 in the report.

The report set out the response to Overview and Scrutiny Recommendations that had been provided by the Mayor, and a statement by the Chief Finance Officer on the

robustness of estimates and the adequacy of the Council's financial reserves.

It was moved by Councillor Mrs J Wallace and seconded by Councillor D Lilly that:

Council:

- (a) Agree the recommendations, authorisations and delegations set down in paragraph 1.5.42 of the report in relation to the 2013/14 General Fund Revenue Account Budget, the 2013/14 Council Tax Requirement and Council Tax level for 2013/14, being the Elected Mayor and Cabinet's Budget and Council Tax Requirement Resolution;
- (b) Agree the Elected Mayor and Cabinet's proposals for the 2013-2023 Capital Plan, (set down in paragraphs 1.5.13 to 1.5.22 in the report, Appendix B and in the original report to full Council on 7 February 2013) which includes prudential indicators for 2013/14 in accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Prudential Framework and the proposed Minimum Revenue Provision (MRP) Policy in line with capital finance regulations;
- (c) Agree the Elected Mayor and Cabinet's proposals for the Treasury Management Statement and Annual Investment Strategy for 2013/14 as detailed in the original report to full Council on 7 February 2013; and
- (d) Agree the following Resolution:
1. The recommended budgets of the Council by Directorate, as set out below be approved, subject to the variations listed in paragraphs 2 and 3 below; and the estimated allocation of £136.798 million in Dedicated Schools Grant for 2013/14 be noted:

| <b>Directorate</b>                  | £                  |
|-------------------------------------|--------------------|
| Children, Young People and Learning | 28,525,687         |
| Chief Executive's Office            | 18,869,528         |
| Community Services                  | 84,685,689         |
| Finance and Resources               | 13,224,761         |
| Public Health                       | 0                  |
| Corporate                           | 13,103,284         |
| <b>Total</b>                        | <b>158,408,949</b> |

2. The following levies be included in the net budget requirement:

|   | £                 |
|---|-------------------|
| Tyne & Wear Integrated Transport Authority                  | 12,793,836        |
| Tyne Port Health Authority                                  | 56,879            |
| Environment Agency  | 163,273           |
| Northumberland Inshore Fisheries and Conservation Authority | 128,597           |
| <b>Total</b>  | <b>13,142,585</b> |

3. The contingency provision be set as follows:

|                       | £                |
|-----------------------|------------------|
| Contingency Provision | 5,581,000        |
| <b>Total</b>          | <b>5,581,000</b> |

4. It be noted that at its meeting held on 31 January 2013 Cabinet agreed the Council Tax Base for 2013/14 for the whole Council area as 53,006 (Item T) in the Formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act") and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.
5. The Council Tax requirement for the Council's own purposes for 2013/14 is £70,395,134 (as set down in paragraph 1.5.41, Table 6).
6. The following amounts be now calculated by the Council for the year 2013/14 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended (the Act):

- (a) £348,571,553 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
- (b) £278,176,419 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £70,395,134 Being the amount by which the aggregate at 6(a) above exceeds the aggregate at 6(b) above, calculated by the Council in accordance with Section 31(A)(4) of the Act, as its Council Tax requirement for the year (Item R in the formula in Section 31B of the Act).
- (d) £1,328.06 Being the amount at 6(c) above (Item R), all divided by Item T (4 above), calculated by the Authority, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year.

(e) North Tyneside Council Valuation Bands

| A      | B        | C        | D        | E        | F        | G        | H        |
|--------|----------|----------|----------|----------|----------|----------|----------|
| £      | £        | £        | £        | £        | £        | £        | £        |
| 885.37 | 1,032.94 | 1,180.50 | 1,328.06 | 1,623.18 | 1,918.31 | 2,213.43 | 2,656.12 |

being the amounts given by multiplying the amount at 6(e) above by the number which, in the proportion set out in Section 5(1) of the Act 1992, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable 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.

(f) Police and Crime Commissioner for Northumbria (formally known as Northumbria Police Authority) Valuation Bands

It be noted that for the year 2013/14 the Police and Crime Commissioner for Northumbria have issued the following amounts in precepts to the

Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings in the Council's area as indicated below:

| A     | B     | C     | D     | E      | F      | G      | H      |
|-------|-------|-------|-------|--------|--------|--------|--------|
| £     | £     | £     | £     | £      | £      | £      | £      |
| 57.74 | 67.36 | 76.99 | 86.61 | 105.86 | 125.10 | 144.35 | 173.22 |

(g) Tyne & Wear Fire and Rescue Authority Valuation Bands

It be noted that for the year 2013/14 the Tyne and Wear Fire and Rescue Authority have issued the following amounts in precepts to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings in the Council's area as indicated below:

| A     | B     | C     | D     | E     | F      | G      | H      |
|-------|-------|-------|-------|-------|--------|--------|--------|
| £     | £     | £     | £     | £     | £      | £      | £      |
| 48.77 | 56.90 | 65.03 | 73.16 | 89.42 | 105.68 | 121.93 | 146.32 |

(h) Total Valuation Bands

That, having calculated the aggregate in each case of the amounts at 6(e), 6(f) and 6(g) above, the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2013/14 for each part of its area and for each of the categories of dwellings shown below:

| A      | B        | C        | D        | E        | F        | G        | H        |
|--------|----------|----------|----------|----------|----------|----------|----------|
| £      | £        | £        | £        | £        | £        | £        | £        |
| 991.88 | 1,157.20 | 1,322.52 | 1,487.83 | 1,818.46 | 2,149.09 | 2,479.71 | 2,975.66 |

7. The Council's basic amount of council tax for 2013/14 is not excessive in accordance with the principles approved under Section 52ZB of the Local Government Finance Act 1992, as amended.
8. The Council's Financial Regulations will apply to the financial management of this budget.
9. It is proposed to increase the level of contingencies by £2.796 million to £5.581 million to recognise a number of areas, including any increase in Levies and/or Inflation, Members' Allowances, Flooding, changes in specific government grants as yet unknown and demand-led pressures particularly in Adults' and Children's Social Care areas.

It is proposed that virement levels and approvals for virement shall be in accordance with the rules set down in the Council's Financial Regulations in force at the time.

10. The Reserves and Balances Policy as set out in the report to full Council on 7 February 2013, is adopted as set down and is subject to review at least annually.
11. The Chief Executive, in consultation with the Elected Mayor, Cabinet Member for Finance, the Strategic Director of Finance and Resources and the Senior Leadership Team is authorised to manage the overall Change, Efficiency and Improvement Programme and it be noted that decisions made under this authorisation will be reported to Cabinet as part of the regular budget monitoring information provided.
12. The Elected Mayor in consultation with the Major Projects Group, be granted delegated authority to keep under review the proposed Reserve List of Schemes, within the 2013-2023 Capital Plan.
13. The Chief Finance Officer be authorised to serve notices, enter into agreements, give receipts, make adjustments, institute proceedings and take any action available to the Council to collect or enforce the collection of non-domestic rate and Council Tax from those persons liable.
14. The Chief Finance Officer be authorised to disburse monies from funds and accounts of the Council as required for the lawful discharge of the Council's functions.
15. Agree that the Police and Crime Commissioner for Northumbria (formerly the Northumbria Police Authority) and the Tyne and Wear Fire and Rescue Authority receive payment from the Collection Fund in 12 equal instalments on the last working day of each month.
16. Payments from the Collection Fund to be made to the Council's General Fund in 12 equal instalments on the last working day of each month.

Members asked questions on the Elected Mayor and Cabinet's proposals.

It was noted that written responses would be provided to all Members of the Council to those questions which could not be responded to verbally at the meeting.

A closure motion was moved by Councillor J Allan and seconded by Councillor J Stirling that:

"The Council meeting be adjourned and it be reconvened to take place one evening next week to enable further questions to be asked of the Cabinet's proposals and to consider the objections to those proposals."

The closure motion, on being put to the meeting, was approved by 42 votes to 12 votes.

The Chair announced that the meeting stood adjourned and requested that written responses to questions be provided to all Members prior to the reconvened meeting.