#### Local Government Act 1972

#### **Borough of North Tyneside**

#### 18 February 2016

At the Extraordinary meeting of the Council of the Borough of North Tyneside duly convened and held on Thursday 18 February 2016 at 6.00pm in the Chamber at Quadrant at which a quorum of members were present, that is to say:

#### Present

Councillor G Bell (In the Chair) N Redfearn (Elected Mayor)

Councillor J M Allan Councillor A Arkle Councillor Mrs A Austin Councillor K Barrie Councillor L Bell Councillor K L Bolger Councillor P Brooks **Councillor B Burdis** Councillor C A Burdis Councillor J Cassidy Councillor K Clark Councillor S L Cox Councillor EN Darke Councillor L Darke Councillor C Davis Councillor S Day Councillor D Drummond Councillor P Earley Councillor R Glindon Councillor S Graham Councillor I Gravson Councillor M A Green Councillor M Hall Councillor J L L Harrison Councillor E F J Hodson Councillor Janet Hunter Councillor John Hunter Councillor M Huscroft Councillor N J Huscroft

Councillor C Johnson Councillor D Lilly Councillor F Lott Councillor W Lott Councillor G Madden Councillor M Madden Councillor P Mason Councillor D McGarr Councillor Mrs P McIntyre Councillor D McMeekan Councillor A McMullen Councillor LJ Miller Councillor Mrs S E Mortimer Councillor T Mulvenna Councillor A Newman Councillor P Oliver Councillor K Osborne Councillor J O'Shea Councillor N A Percy Councillor C B Pickard Councillor J Pickard **Councillor M Rankin** Councillor M Revnolds Councillor L A Spillard Councillor J Stirling Councillor M Thirlaway Councillor A Waggott-Fairley Councillor J I Walker Councillor Mrs J A Wallace

## C91/02/16 Apologies

Apologies for absence were received from Councillor J Munby.

#### C92/02/16 Declarations of Interest and Dispensations

The Chair reminded all Members of the Council of the letter from the Head of Law and Governance sent to all Members which set out the position with regard to interests in meetings of the Cabinet/Council that dealt with the Budget proposals.

In relation to a Registerable Personal Interest held where a Member had been appointed by the Authority to an outside body or bodies, a dispensation may be granted to allow them to participate and vote at any meeting. Where Members had been granted such dispensations, they were not required to declare these registerable personal interests or the grant of dispensations at this meeting.

A list of the appointments to the Authority's outside bodies and dispensations granted to Members in respect of these appointments was available for inspection if required.

Members' declarations and dispensations continued from the last meeting. Members who had any further interests for this meeting that had not previously been declared on 4 February were invited to declare them.

The following additional declarations of interests were made to the item below (Minute C93/02/16):

<u>Item 3 – 2016-2019 Financial Planning and Budget Process: Elected Mayor and Cabinet</u> <u>Budget and Council Tax Requirement Resolution for 2016/17</u>

Councillor G Bell – non-registerable personal interest – daughter is employed by North Tyneside Council.

Councillor L Bell – non-registerable personal interest – daughter is employed by North Tyneside Council.

Councillor K Clark – registerable personal interest – Director and CEO Justice Prince Community Interest Company; non-registerable personal interest - family member is employed by a partner of North Tyneside Council.

Councillor C Davis – non-registerable personal interest – daughter is employed by North Tyneside Council.

Councillor D McGarr – registerable personal interest – spouse is employee at a school in the Borough.

Councillor L Miller – non-registerable personal interest – family member is employed by North Tyneside Council.

Councillor L Spillard – non-registerable personal interest – family member is employed by North Tyneside Council.

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# C93/02/16 2016-2019 Financial Planning and Budget Process: Elected Mayor and Cabinet Budget and Council Tax Requirement Resolution for 2016/17

The Chair explained the procedure that would be followed at the meeting.

The Chair would request Councillor Glindon to move the Elected Mayor and Cabinet's proposals. Once those proposals were seconded, Members would be given the opportunity to ask questions on any new matters in relation to those proposals. Objections would then be taken from the Liberal Democrat Group and then the Conservative Group in that order.

A report of the Head of Finance (Chief Financial Officer) had been circulated to all Members of the Council.

The report set out the Cabinet's proposals for the 2016/17 General Fund Revenue Budget, Council Tax Requirement and Council Tax level, the Treasury Management Statement and Annual Investment Strategy for 2016/17 and the 2016-2019 Investment Plan, including prudential indicators.

The following additional documents had also been circulated to all Members of the Council:

- Notification of the Elected Mayor's Final Amendments
- Liberal Democrat Group Notice of Objection
- Conservative Group Notice of Objection

It was moved by Councillor R Glindon and seconded by Councillor B Pickard that:

(1) Council agree the recommendations, authorisations and delegations set down in paragraph 1.5.38 of the report in relation to the 2016/17 General Fund Revenue Account Budget, the 2016/17 Council Tax Requirement and Council Tax level for 2016/17, being the Elected Mayor and Cabinet's Budget and Council Tax Requirement Resolution;

Council agree the following resolution:

1. The recommended budgets of the Authority, be approved as noted below subject to the variations listed in paragraphs 2 and 3 below and the estimated allocation of £140.465m in Dedicated Schools Grant, for 2016/17 be noted:

		£
General Fund Revenue Budget		136,927,852
	Total	136,927,852

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

The Tyne and Wear element of the Durham, Gateshead, Newcastle Upon Tyne, North Tyneside, Northumberland, South Tyneside and Sunderland Combined Authority Transport Levy 11,801,677

Tyne Port Health Authority Environment Agency Northumberland Inshore Fisheries and Conservation	46,072 181,117
Authority	<u>131,169</u> 12,160,035

3. The contingency provision be set as follows:

		£
Contingency Provision		4,857,000
	Total	4,857,000

- It be noted that at its meeting held on 27 January 2016 Cabinet agreed the Council Tax Base for 2016/17 for the whole Authority area as 56,948 (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.
- It be agreed that the Council Tax requirement for the Authority's own purposes for 2016/17 is £78,653,161 (as set down in paragraph 1.5.37, Table 6).
- 6. The following amounts now calculated by the Authority for the year 2016/17 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended (the Act) be agreed:
  - (a) £356,042,770 Being the aggregate of the amounts which the Authority estimates for the items set out in Section 31A(2)of the Act.
  - (b) £277,389,609 Being the aggregate of the amounts which the Authority estimates for the items set out in Section 31A(3) of the Act.
  - (c) £78,653,161 Being the amount by which the aggregate at 6(a) above exceeds the aggregate at 6(b) above, calculated by the Authority 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) £1,381.14 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.

Council	
Tax Band	£
А	920.76
В	1,074.22
С	1,227.68
D	1,381.14
E	1,688.06
F	1,994.98
G	2,301.90
Н	2,762.28

## (e) North Tyneside Council Valuation Bands

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 Authority, 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 Valuation Bands

It be noted that for the year 2016/17 the Police and Crime Commissioner for Northumbria have issued the following amounts in precepts to the Authority, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings in the Authority's area as indicated below:

Council	
Tax Band	£
А	62.22
В	72.59
С	82.96
D	93.33
E	114.07
F	134.81
G	155.55
Н	186.66

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

It be noted that for the year 2016/17 the Tyne and Wear Fire and Rescue Authority have issued the following amounts in precepts to the Authority, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings in the Authority's area as indicated below:

Council	
Tax Band	£
А	50.74
В	59.20
С	67.65
D	76.11
E	93.02
F	109.94
G	126.85
Н	152.22

## (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 Authority, 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 2016/17 for each part of its area and for each of the categories of dwellings shown below:

Council	
Tax Band	£
А	1,033.72
В	1,206.01
С	1,378.29
D	1,550.58
E	1,895.15
F	2,239.73
G	2,584.30
Н	3,101.16

- 7. The Authority's relevant basic amount of council tax for 2016/17 is not excessive in accordance with the principles approved under Section 52ZB of the Local Government Finance Act 1992, as amended.
- 8. The Authority's Financial Regulations will apply to the financial management of this Budget.
- 9. The level of contingencies will be £4.857million as pressures incurred during 2015/16 have been recognised as part of the 2016/17 Financial Planning and Budget process.

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

10. The Reserves and Balances Policy as set out in the report to full Council on 4 February 2016, is adopted as set down and is subject to review at least annually.

- 11. The Chief Executive, in consultation with the Elected Mayor, Deputy Mayor, Cabinet Member for Finance and Resources and the Senior Leadership Team, manage the overall Creating a Brighter Future Programme and it be noted that decisions made under this delegated authority will be reported to Cabinet as part of the regular budget monitoring information provided.
- 12. 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 Authority to collect or enforce the collection of non-domestic rate and Council Tax from those persons liable.
- 13. The Chief Finance Officer be authorised to disburse monies from funds and accounts of the Authority as required for the lawful discharge of the Authority's functions.
- 14. It be agreed that the Police and Crime Commissioner for Northumbria 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.
- 15. Payments from the Collection Fund be made to the Authority's General Fund in 12 equal instalments on the last working day of each month.

#### 2016-2019 Investment Plan

The Cabinet's proposals for the 2016-2019 Investment Plan, set out in sections 1.5.7 to 1.5.13 of the report, be approved; and

(2) Council agree the refreshed Our North Tyneside Plan priorities which will form the Policy Framework for the Financial Planning and Budget Process for 2016-2019.

## Liberal Democrat Group Objection

An objection was then moved by Councillor M Huscroft and seconded by Councillor N J Huscroft, as set out in Appendix 1 to these minutes.

Members asked questions on the Liberal Democrat Group objection. The objection was then debated.

## Votes for the Liberal Democrat Group Objection

Councillors M Huscroft and N J Huscroft.

#### Votes against the Liberal Democrat Group Objection

N Redfearn, Elected Mayor, Councillors J M Allan, A Arkle, G Bell, L Bell, K Bolger, P Brooks, B Burdis, C Burdis, J Cassidy, K Clark, S Cox, E Darke, L Darke, C Davis, S Day, D Drummond, P Earley, R Glindon, S Graham, I Grayson, M Green, M Hall, J Harrison, Janet Hunter, John Hunter, C Johnson, F Lott, W Lott, G Madden, M Madden, D McGarr, D McMeekan, A McMullen, T Mulvenna, A Newman, P Oliver, K Osborne, J O'Shea, N Percy, B Pickard, J Pickard, M Rankin, M Reynolds, L Spillard, J Stirling, M Thirlaway, A Waggott-Fairley and J Walker.

#### Abstentions in respect of the Liberal Democrat Group Objection

Councillors A Austin, K Barrie, E Hodson, D Lilly, P Mason, P McIntyre, L Miller, S Mortimer and J Wallace.

The objection, on being put to the meeting, was defeated by 49 votes to 2 votes, with 9 abstentions.

#### **Conservative Group Objection**

An objection was then moved by Councillor J Wallace and seconded by Councillor D Lilly, as set out in Appendix 2 to these minutes.

Members asked questions on the Conservative Group objection. The objection was then debated.

#### Votes for the Conservative Group Objection

Councillors A Austin, K Barrie, E Hodson, D Lilly, P Mason, P McIntyre, L Miller, S Mortimer and J Wallace.

#### Votes against the Conservative Group Objection

N Redfearn, Elected Mayor, Councillors J M Allan, A Arkle, G Bell, L Bell, K Bolger, P Brooks, B Burdis, C Burdis, J Cassidy, K Clark, S Cox, E N Darke, L Darke, C Davis, S Day, D Drummond, P Earley, R Glindon, S Graham, I Grayson, M Green, M Hall, J Harrison, Janet Hunter, John Hunter, M Huscroft, N J Huscroft, C Johnson, F Lott, W Lott, G Madden, M Madden, D McGarr, D McMeekan, A McMullen, T Mulvenna, A Newman, P Oliver, K Osborne, J O'Shea, N Percy, B Pickard, J Pickard, M Rankin, M Reynolds, L Spillard, J Stirling, M Thirlaway, A Waggott-Fairley and J Walker.

The objection, on being put to the meeting, was defeated by 51 votes to 9 votes.

The Chair announced that as the Council had not agreed the Liberal Democrat Group or Conservative Group objections, Members were invited to speak to the Elected Mayor and Cabinet's proposals (the substantive motion).

#### Votes for the Elected Mayor and Cabinet's Proposals (the substantive Motion)

N Redfearn, Elected Mayor, Councillors J M Allan, A Arkle, G Bell, L Bell, K Bolger, P Brooks, B Burdis, C Burdis, J Cassidy, K Clark, S Cox, E N Darke, L Darke, C Davis, S Day, D Drummond, P Earley, R Glindon, S Graham, I Grayson, M Green, M Hall, J Harrison, Janet Hunter, John Hunter, C Johnson, F Lott, W Lott, G Madden, M Madden, D McGarr, D McMeekan, A McMullen, T Mulvenna, A Newman, P Oliver, K Osborne, J O'Shea, N Percy, B Pickard, J Pickard, M Rankin, M Reynolds, L Spillard, J Stirling, M Thirlaway, A Waggott-Fairley and J Walker.

Votes against the Elected Mayor and Cabinet's Proposals (the substantive Motion) Councillors A Austin, K Barrie, E Hodson, M Huscroft, N J Huscroft, D Lilly, P Mason, P McIntyre, L Miller, S Mortimer and J Wallace.

The substantive motion, on being put to the meeting, was approved by 49 to 11 votes.

The Chair announced that the Elected Mayor and Cabinet's Budget and Council Tax Requirement Resolution for 2016/17 had been approved by the Council and therefore the meeting provisionally scheduled for 1 March 2016 was no longer required.

## C94/02/16 Common Seal

**Resolved** that the Common Seal be affixed to all deeds and documents required for carrying into effect the various decisions of the Council made since its last meeting.

Appendix 1

## North Tyneside Council Report to Council Date: 18 February 2016

Title: 2016-2019 Financial Planning and Budget Process: Liberal Democrat Notice of Objection

**Report of:** 

The Liberal Democrat Group

Wards affected: ALL

Liberal Democrat Group Notice of Objection for the 2016/17 General Fund Revenue Budget, the proposed Council Tax Level for 2016/17, the Investment Plan for 2016-2019 and the Treasury Management Statement and Annual Investment Strategy for 2016/19

## Liberal Democrat Objection to Mayor's Budget 2016/17

## **1.0 Introduction**

We object to the elected Mayor and Cabinets proposals for the Budget for 2016/2017.

While recognising the difficulty that cuts in local government finance by Central Government continue to mean difficult decisions have to be made. Cuts have been made, year on year, by at least the last four Governments. We firmly believe that it is time for Central Government to realise the amount of hard work carried out by staff and the important services provided by local government.

We believe that while there is a small economic recovery regionally and nationally, many families are still experiencing economic difficulties. We would therefore call on the elected Mayor to review her proposals, and prioritise to ensure protection of services, particularly, to children and young people and vulnerable adults. The Council should ensure that it is providing services that people need and want.

We would especially draw attention to the following areas where we have particular concerns;

- Citizen interaction and delivery of service for external and internal customers. This will mean losing 108 jobs and losing face to face contact with the general public in most instances. It also means the public having to embrace modern technology and while many people now do so, there are still residents who are reluctant to do so especially among elderly and vulnerable residents.
- 2. Community provision of family services. North Tyneside have had a good service of Nursery provision in the Borough in the past, now leaving much of it to be privately provided is extremely alarming to many residents who need to access childcare in order to work. Despite the assurances given at a recent Council meeting, there are still doubts as to whether the private section can meet the need.

- 3. Creation of well being services. £941,000 reduction, these areas have led to support to families in the past and could lead to serious issues of personal risk.
- 4. Single front door and supporting gateway. £926,000 reduction, this area has already been depleted by reductions in previous years. No evidence that proposed changes will be effective. There are more people needing this service, yet there will be less staff to deal with them.
- Cashless project. The Council has been trying to achieve this for many years. While every encouragement should be made to persuade residents to use alternative methods of payment. There are still many residents who don't have bank accounts.
- 6. Increase in charges including Sports and Leisure and Bereavement charges, last year the Council made large increases in these areas, this year the proposed charges are still above the rate of inflation. At a time when the Council should be encouraging residents to participate in healthy pursuits.

Like the Labour Group in 2013, we also believe that a modern Council shouldn't be reliant on increasing fees and charges to generate income especially after the large increases last year.

Once more we would suggest that all parties should be prepared to work together and there should be an all party group to monitor the budget especially any areas of high risk. It is essential to have efficient budgetary control and to maintain financial stability and concentrate on providing the quality services residents expect and deserve.

Nigel Huscroft Marian Huscroft

Appendix 2

## North Tyneside Council Report to Council Date: 18 February 2016

Title: 2016-2019 Financial Planning and Budget Process: Conservative Group Notice of Objection

**Report of:** 

The Conservative Group

Wards affected: ALL

#### Conservative Group Notice of Objection for the 2016/17 General Fund Revenue Budget, the proposed Council Tax Level for 2016/17, the Investment Plan for 2016-2019 and the Treasury Management Statement and Annual Investment Strategy for 2016/19

# Conservative Objection to Mayor's Budget 2016/17

## 1.0 Introduction

The Council's budget is set in the context of the Government's continued efforts to rebalance the country's economy which is part of the Government's long term economic plan.

There has already been much progress, supported by the electorate: the recent General Election saw the return of a majority Conservative Government. Prosperity is increasing. Unemployment continues to fall, and in November 2015 reached the lowest level since November 2005. There are a record number of people in work, at over 31 million; the employment rate at 74% is the highest since comparable records began. The number of apprenticeships has risen, with almost 500,000 starting in 2014/15. Inflation remains low, as do interest rates.

The continued reduction in levels of personal taxation is welcome, leaving people more of their money in their pockets to spend as they choose. Many people have been taken out of income tax altogether.

There has been significant funding from central government in local projects in the Borough, such as road improvements, and in schools such as Marden High and John Spence. The pupil premium has again provided large sums of extra funding for North Tyneside schools, some £9m in the current year.

We note the proposal to increase Council Tax by 2% to provide additional funding for Adult Social Care, as the Chancellor envisaged councils might wish to do. We are disappointed, however, that the Cabinet Members have been unable to tell Members upon which services, facilities or projects this money will be spent; this is of particular concern since, in 2014/15, there was a surplus of £4.726 million in the Adult Social Care budget. This is not good management – how can there be such an underspend, yet less than a year later, a rise in Council Tax is sought for the same area? In principle, we do not oppose a rise in Council Tax purely for Adult Social Care but we see no detail as to the use to which it will be put.

The Elected Mayor and Cabinet also propose to increase Council Tax by a further 1.998% for "general services": again, they are unable to tell us upon what these extra funds will be spent.

It is surprising that, in such consultation events as were held, the possibility of tax rises was not put before residents for their views to be expressed. Neither the rise of 2% for Adult Social Care nor the additional rise for general expenditure was set out for the public to consider.

With regard to the efficiencies proposed, we make the following comments:

- 1. The reduction of £200,000 in the Environment budget; while the Budget proposals refer to "a reduction in some grounds maintenance", we note Cllr Stirling's assurance that throughout the Borough, town centre cleansing standards will be unchanged and that grass cutting and edging will not be reduced. No doubt residents will be keeping an eye on this. Details of what will change have not been given. There have now been several years of reduced income from central taxation and it is pleasing that the Cabinet Member is able to find additional savings whilst maintaining standards; this supports the Government's policy of providing good services at a lower cost. That policy is not to drive services down, but to make good and efficient savings, using officers' professional abilities and expertise. It would be helpful to know which charges will be increased or new charges introduced during the year which have not been specified in the Budget proposals.
- 2. We support the efforts to increase "Shared Living" provision and are pleased that the Cabinet Member will adopt our suggestion that the scheme should be more widely promoted, with better information, to increase the number of available places.
- 3. We note the intention to build upon the successful approach taken by the Government's "Troubled Families" initiative, and develop teams of professionals able to work with the whole family and reduce the number of individuals with which a family might have to deal.
- 4. There are concerns that the Council will not provide a Schools Improvement Service.
- 5. We are concerned also at the reduction in expenditure on Raising the Health and Education of Looked After Children: how will this support the aim of reducing the gap in achievements between Looked After Children and their peers?
- 6. We note that the Mayor and Cabinet are reviewing the proposed changes to nursery provision following concern from parents and carers.
- 7. We are concerned at the proposed removal of the Appeals and Complaints Committee; it provides an independent check on decisions, both for residents and Council employees.

We do not think the additional increase of 1.998% for unspecified "general services" can be justified. We pose the question "Has this administration considered all options for reducing costs?" Have the following been looked at thoroughly?

- A. Catering before Council meetings (whether committee meetings or full Council).
- B. Members' expenses, including subsistence and mileage.
- C. The civic car.
- D. Ongoing subscriptions.
- E. The cost of full time staff for the provison of Trade Union facility time exclusively
- F. The subsidy to the Playhouse.

- G. The review of surplus buildings surely this should be expedited and, if buildings; cannot be sub-let or sold, shouldn't they be mothballed? Given the surplus capacity in Council buildings, shouldn't consideration be given to the transfer of activities delivered in the Langdale Centre to other under-used premises, and the Centre sold? Couldn't the site be used for housing thus producing a capital receipt to reduce borrowing, and providing a brownfield site for residential use? Wouldn't this save the use of green field sites?
- H. We note that increased use of IT is proposed; in light of this has this administration thought about publications that could be scrapped, such as the business updates circulated to elected Members? Shouldn't such details be on the website and a link emailed to Members?
- I. Has consideration been given to more extensive use of IT to enable better and more efficient provision of services for residents? For example, a map facility should be included on the website so that residents reporting a problem can pin point it exactly and upload a photo.
- J. Has consideration been given to the need to encourage healthy eating and lower consumption of calories? We would question whether sufficient attention has been given to this aspect of a healthy lifestyle. The Budget proposals tend to focus on exercise. Now that the Council has responsibility for Public Health, has consideration been given to a long term and broader approach? Has consideration been given to work with schools and caterers to encourage use of school facilities to provide more cookery classes both during the day and in clubs after school and in holidays? This would both enable children and young people to learn to cook healthy meals, and to save money and budget better; furthermore, there should be less demand on the health service or social care in the future.
- K. Has consideration been given to encouraging use of school facilities for science clubs after school or in the holidays to support skills development? There is a shortage of skills in this field and we want our children to have the best chances of employment.
- L. Has this administration considered the use of junk mail opt-out being promoted on the Council's website with a view to reducing the amount of rubbish to recycle?
- M. Has this administration given consideration to sharing more services with other public bodies or sharing individual posts?
- N. Has this administration given any consideration to the potential use of The National Municipal Bond Agency which is expected to be open for business soon with the expectation of giving the opportunity for borrowing at cheaper rates?

In conclusion, we are concerned at the lack of detail from the Mayor and Cabinet for the proposed rises in Council Tax; for the avoidance of doubt, in our view this administration could avoid an increase in Council Tax save for that for use in Adult Social Care. We feel that more effort could be made to save money by cutting costs. A rise of 4% is an enormous blow to residents.