

Minutes of: THE BUDGET MEETING OF THE COUNCIL

Date of Meeting: 22 February 2012

Present: The Worshipful the Mayor (Councillor Y Creswell), in the Chair;
Councillors I Ahmed, A Audin, K Audin, M Bailey, N Bayley, I Bevan, R A Bibby, D Boden, R C A Brown, P Bury, G Campbell, R Caserta, D M Cassidy, S Cohen, J Columbine, M Connolly, A J Cummings, M D'Albert, V D D'Albert, J Frith, A Garner, I Gartside, J Grimshaw, D L Gunther, M Hankey, J Harris, T Holt, S Hurst, K Hussain, K Isherwood, M James, J Lewis, A K Matthews, D O'Hanlon, N Parnell, T D Pickstone, A Quinn, K Rothwell, R Shori, J Smith, T Tariq, J Taylor, B Theckston, B Vincent, R E Walker, S Walmsley, M Wiseman and Y S Wright

Apologies for absence: Councillor J Walton

Public attendance: 40 members of the public attended the meeting.

C.652 DECLARATIONS OF INTEREST

- (a) Councillor Rothwell declared a personal interest in the consideration of the Housing Revenue Account as the tenant of a Council property.
- (b) Councillor Rothwell declared a personal interest in the financing of schools, as he is a Governor of St Paul's CE Primary School.
- (c) Councillor Rothwell declared a personal interest in the Budget for 2012/13, in respect of the financing of the voluntary sector, as he is a Director of Bury Society for Blind and Partially Sighted People and a Trustee of the Bury Society for Deaf and Hearing Impaired People.
- (d) Councillor Bevan declared a personal interest in the financing of schools as his wife is employed by the Council and is currently working at Summerseat Primary School.
- (e) Councillor Connolly declared a personal interest in any matter relating to staffing issues as his partner is an employee of the Council.

C.653 MINUTES

RESOLVED:

That the Minutes of the meeting of the Council held on 1 February 2012 be approved as a correct record and signed by the Mayor.

C.654 MAYORAL COMMUNICATIONS

The Mayor referred to the recent deaths of Mr Ray Veevers and Mr Ray Honeyford, a former Councillor. Members observed a brief silence as a mark of respect.

C.655 PUBLIC QUESTION TIME

| No. | Issue | Questioner | Answered by |
|------------|--|------------------------------|---------------------|
| 1. | Price Waterhouse Cooper external review into civic suite provision | Mr A Wentworth | Councillor Connolly |
| 2. | Allocation of budget for Christmas decorations | Mr I Pringle | Councillor Connolly |
| 3. | Financing of Bury Met | Mr K Hodges | Councillor Connolly |
| 4. | Restoration of Gigg Mills Bridge, Bury | Mr K Hannon | Councillor Connolly |
| 5. | Budget Public Consultation Exercise | Mr R Fitton | Councillor Connolly |
| 6. | Request for more detailed information on proposed financial savings | Mr J Daley Mrs B Sullivan | Councillor Connolly |
| 7. | Recycling and closure of Prestwich Tip | Mr A Miller | Councillor Connolly |
| 8. | Action to prevent closure of Fairfield Maternity and Special Baby Unit | Mr P Entwistle | Councillor Connolly |
| 9. | Dog fouling in the vicinity of Booth Way and Acresbrook Walk, Tottington | Ms M Metcalfe | Councillor Connolly |
| 10. | Review of Library and Leisure provision | Mr P Redstone | Councillor Connolly |

C.656 RECOMMENDATIONS OF THE EXECUTIVE ON 15 FEBRUARY 2012

(a) Housing Revenue Account 2012/2013

At the invitation of the Mayor, Councillor Smith, Executive Member for Finance made a statement on the Housing Revenue Account 2012/2013.

It was moved by Councillor Connolly and seconded by Councillor Smith that the recommendations contained in minute EX 5 of the Executive meeting held on 15th February 2012 be approved subject to the following amendments:

"DELETE

That the report be noted and the Council be requested to consider all matters relating to the Housing Revenue Account 2012/13, the increase in Council House and garage rents and changes to other charges at its meeting on 22 February 2012.

ADD

1. The Housing Revenue Account estimates set out in Appendix 1 of the report be approved, subject to later amendment to reflect the agreed Management Fee payable to Six Town Housing and subject to changes in income levels and reserve contributions resulting from the rent increases set out below;
2. The average housing Rent be increased by 6.20% from the first rent week in April with actual rent increases/decreases on individual properties being determined by the rent formula;
3. Garage rents be increased by 6.20% from the first rent week in April;
4. The contribution into the Housing Business Plan Headroom Reserve be reduced by £387,300 to fund the reduced levels of rent income resulting from the rent increases approved in 2 and 3 above;
5. Sheltered management, support, amenity and heating charges be amended from the first rent week in April in line with the proposed charges in the report;
6. The proposed schemes of protection should be continued for the next twelve months for the Sheltered Support Charges and Sheltered Amenity Charges;
7. Furnished Tenancy charges should remain unchanged from the first rent week in April;
8. The Capital Programme be amended to provide for £240,000 in respect of refurbishment at Falcon and Griffin extra care scheme to be funded from the Transformation Reserve."

On being put, and with no Member abstaining or voting against, it was

RESOLVED:

That the recommendations set out in respect of the Housing Revenue Account for 2012/2013 be approved.

(b) Budget 2012/2013 to 2014/2015

At the invitation of the Mayor, Councillor Smith, Executive Member for Finance made a statement on the Budget for 2012/2013 to 2014/2015.

(A) It was moved by Councillor Connolly and seconded by Councillor Smith that the recommendations contained in minute EX 6 of the Executive meeting held on 15th February 2012 be approved subject to the following amendments:

"DELETE

That the report is noted and the Council be requested to consider and determine all matters relating to the Budget, the Capital Programme and the level of Council Tax for 2012/13 at its meeting on 22 February 2012.

ADD

Section A – Capital Programme

1. Approve the Capital Programme for 2012/13 and future years, shown in Appendix 1, subject to the addition of refurbishment works at the Falcon and Griffin extra care scheme at a cost of £240,000 funded from the Transformation Reserve;
2. Approve the proposed financing of the Capital Programme;

Section B – Revenue Budget

3. Note the details of the final Formula Grant Settlement for 2012/13;
4. Approve the level of repayment of principal on General Fund debt at the minimum of 4% in line with the current Minimum Revenue Provision policy;
5. Note that under delegated powers the Executive Director of Resources calculated the amount of **59,922.70** as the Council Tax base for the year 2012/13 in accordance with the Local Government Act 2003 and with regulations made under section 33(5) of the Local Government Finance Act 1992;
6. Note the forecast outturn position for 2011/12;
7. Note that under the Golden Rules enshrined in the Council's budget strategy, the amount below which the balances cannot fall is retained at £3.7m;
8. Approve that the actual minimum level of balances for 2012/13 be retained at £4.3m, in view of the scale of the savings target;
9. Approve the programme of savings set out in the Plan for Change (Appendix 4);

10. Note the recommendations of the Schools' Forum around education funding issues;
11. Endorse the statements by the Assistant Director of Resources (Finance and Efficiency) on the robustness of budget assumptions and on the minimum level of balances;
12. Freeze the Bury element of the Council Tax at the level set for 2011/12, supported by a one-off central Government grant equivalent to a rise of 2.5%;
13. Note the proposals of the major preceptors to freeze their precepts at the 2011/12 level;
14. Approve the net Revenue Budget for 2012/13 of **£128.945m** as set out in paragraphs 4.6.4 / 4.6.5 subject to the following amendments:

| | £m | £m |
|--|--------|--------|
| Add: On-going Priority developments | | |
| Investment in the Youth Service in response to the Youth Review report | 0.100 | |
| Cost of ending charges at Fairfax Road car park | 0.035 | |
| Cost of ending car parking charges for Blue Badge holders | 0.021 | 0.156 |
| Less: Funding of Priority developments | | |
| Contribution from the Transformation Reserve | -0.100 | |
| Reduction in cost of borrowing budget | -0.056 | -0.156 |

15. Approve the following recommendations in relation to the Revenue Budget and Council Tax for 2012/13:
 - i) It be noted that on 25th January 2012 the Council calculated the Council Tax Base 2012/13 for the whole Council area as **59,922.70** [item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")];
 - ii) The Council calculates the Council Tax requirement for the Council's own purposes for 2012/13 (excluding precepts) as **£75,487,621**;
 - iii) That the following amounts be calculated for the year 2012/13 in accordance with Sections 31 to 36 of the Act;
 - a) **£437,738,431** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.

- b) **£362,250,810** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- c) **£75,487,621** being the amount by which the aggregate at iii(a) above exceeds the aggregate at iii(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
- d) **£1,259.75** Being the amount at iii(c) above (Item R), all divided by Item T (item i above) calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year, and;

e) **Bury Council**

| A | B | C | D | E | F | G | H |
|----------|----------|----------|----------|----------|----------|----------|----------|
| £ | £ | £ | £ | £ | £ | £ | £ |
| 839.83 | 979.80 | 1,119.78 | 1,259.75 | 1,539.69 | 1,819.64 | 2,099.58 | 2,519.50 |

Being the amounts given by multiplying the amount set at iii(e) 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 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.

- iv) To note that the Police Authority and Fire Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below.

Greater Manchester Police Authority

| A | B | C | D | E | F | G | H |
|----------|----------|----------|----------|----------|----------|----------|----------|
| £ | £ | £ | £ | £ | £ | £ | £ |
| 96.22 | 112.26 | 128.29 | 144.33 | 176.40 | 208.48 | 240.55 | 288.66 |

Greater Manchester Fire & Rescue Authority

| A | B | C | D | E | F | G | H |
|------------|------------|------------|------------|------------|------------|------------|-------------|
| £ 35.10 | £ 40.95 | £ 46.80 | £ 52.65 | £ 64.35 | £ 76.05 | £ 87.75 | £ 105.30 |

v) That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2012/13 for each part of its area and for each of the categories of dwellings.

Aggregate of Council Tax Requirements

| A | B | C | D | E | F | G | H |
|-------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| £ 971.15 | £ 1,133.01 | £ 1,294.87 | £ 1,456.73 | £ 1,780.44 | £ 2,104.17 | £ 2,427.88 | £ 2,913.46 |

vi) To determine whether the Council's basic amount of Council Tax for 2012/13 is excessive in accordance with the principles approved under Section 52ZB of the Local Government Finance Act 1992. (*for Freeze Grant purposes*)

| | 2011/12 | 2012/13 | % Change |
|------------------------------------|-------------|-------------|--------------|
| Council Tax Base | 59,912.76 | 59,922.70 | |
| Basic Council Tax Requirement | £75,475,100 | £75,487,621 | |
| Basic Amount of Council Tax | £1,259.75 | £1,259.75 | 0.00% |

vii) To determine whether the Council's relevant amount of Council Tax for 2012/13 is excessive in accordance with the principles approved under Section 52ZX of the Local Government Finance Act 1992, inserted by Schedule 5 to the Localism Act 2011. (*for Referendum Purposes*)

| | 2011/12 | 2012/13 | % Change |
|-------------------------------|-------------|-------------|----------|
| Council Tax Base | 59,912.76 | 59,922.70 | |
| Basic Council Tax Requirement | £75,475,100 | £75,487,621 | |

| | | | |
|---------------------------------------|-------------|-------------|---------------|
| Less levying bodies: | | | |
| - GMWDA | -10,999,000 | -11,218,000 | |
| - TfGM | -13,218,000 | -13,363,000 | |
| Relevant Council Tax Requirement | £51,258,100 | £50,906,621 | |
| Relevant Amount of Council Tax | £855.55 | £849.54 | -0.70% |

Notes for information:

The calculation in 15. vi) above is undertaken to assess the extent to which the Council has increased its "basic" level of Council Tax. Councils reporting a 0% increase qualify for the Council Tax freeze grant. Bury's increase is 0%.

The calculation in 15. vii) above is a technical calculation to assess the increase in the "relevant" level of Council Tax; i.e. the level of Council Tax that would be set if the budget were to exclude levies. Where an increase in the relevant level of the Tax is greater than 3.5%, this is deemed by the Secretary of State to be excessive, prompting a Council Tax referendum. Bury's "relevant" level of Council Tax will decrease by 0.7% and so no referendum is required."

(The Mayor called a ten minute recess for consideration to be given to this)

(B) An amendment was moved by Councillor Gartside and seconded by Councillor Brown that:

"The revenue budget submitted to Council should be approved, the Council Tax for 2012/13 should be frozen and the budget shortfall identified in the Budget report met through the savings options set out in Appendix 4 of the report, with the following amendments:

| AMENDMENT | AMOUNT £ |
|--|---------------------|
| • Increase free on-street parking from 15 minutes to 30 minutes | 60,000 |
| • Make an additional on-going contribution to the Small Grants budget to fund local area working | 60,000 |
| • Employ an additional Dog Fouling Enforcement Officer | 30,000 |
| • Provide a one-off increase to the Highway maintenance budget to fund pothole repairs and restore worn out road markings. | 500,000 |
| TOTAL | 650,000 |

To be funded by:

| AMENDMENT | AMOUNT £ |
|---|---|
| <ul style="list-style-type: none"> • On-going savings on the cost of borrowing budget • One-off contribution from General Fund reserves | <p style="text-align: right;">150,000</p> <p style="text-align: right;">500,000</p> |
| TOTAL | 650,000 |

Council also resolves to ask the Executive Member for Environment and Economy to investigate alternative ways of improving the Council's response to the issue of dog fouling by the use of other enforcement officers."

(The Mayor called a ten minute recess for consideration to be given to this and a further amendment (set out in (C) below))

On being put, with 23 Members voting for, 25 against and with the Mayor abstaining, the amendment was declared lost.

(C) A further amendment was moved by Councillor Pickstone and seconded by Councillor O'Hanlon that:

"The budget contained in the Council report should be approved subject to the following changes:

| | | £ |
|----|---|----------------|
| 1. | Wardens - to provide a Community Warden in each of the six township areas to take a lead on minor environmental improvements in that area (public spaces, graffiti, minor pavement issues, minor parks and gardens issues etc). | 160,000 |
| 2. | Pride in our Communities - to provide a one-off investment fund, over the course of the three years 2012-15, to give a boost to local businesses in these difficult economic times (see note). | 520,000 |
| 3. | End car parking charges at Fairfax Road | 35,000 |
| | TOTAL COST | 715,000 |

To be funded from:

| | | £ |
|----|--|----------------|
| 1. | On-going savings in the cost of borrowing budget | 135,000 |
| 2. | Additional EDS savings from redeployments etc. | 60,000 |
| 3. | General Fund balances | 520,000 |
| | TOTAL FUNDING | 715,000 |

Note: Recognising the existing investment that has taken place in Bury Town Centre, this fund will focus attention on the other five towns in the Borough, and will help pay for innovative schemes to help local businesses succeed. This could include: environmental and public realm improvements, improvements in signage, improvements in parking facilities for local shops, supporting projects such as occasional markets to boost local trade and helping start up businesses by reduced rent schemes. The fund is to be spent after involvement of Township Forums and local business groups."

On being put, with 23 Members voting for, 25 against and the Mayor abstaining, the amendment was declared lost.

The substantive motion on being put, with 25 Members voting for, none against and 24 abstaining was declared carried and it was:

RESOLVED:

That the recommendations contained in the motion set out at (A) above be approved and adopted.

(c) Treasury Management Strategy and Prudential Indicators 2012/13

On being put with no Members voting against it was:

RESOLVED:

That the recommendations contained in the Minute EX.7 of the Executive dated 15 February 2012 be approved and adopted.

C.657 DELEGATED DECISIONS OF THE EXECUTIVE AND COUNCIL COMMITTEES

There were no questions asked on the delegated decisions of the Executive, the Internal Scrutiny Committee, Joint Consultative Committee (Corporate) and Joint Consultative Committee (Teachers).

THE WORSHIPFUL THE MAYOR

(NOTE: The meeting started at 7.00 pm and ended at 10.35 pm)