

**EXTRAORDINARY COUNCIL MEETING**  
**Thursday 6<sup>th</sup> January, 2011**

**PRESENT** – *The Deputy Mayor Councillor Foster K.O.M. in the Chair; Councillors Akhtar, Barry, Bateson, Browne, Cottam, Davies, Desai, Doherty, Entwistle, Foster D., Gee, Gordon, Graham, Hardman, Harling, Hirst, Hollern, Huggill, Humphrys, Hussain F., Hussain I., Jan-Virmani, Johnson, Jones, Kay, Khan M., Khan Z., Khonat, Law-Riding, Lee, Mahmood, Maxfield, McFall, McGarvey, Melia, Mulla, O’Keeffe, Oldfield, Pearson D., Pearson J., Rehman, Rigby C., Rigby J., Rizwan, Shorrock, Sidat, Slater Jacqueline, Slater John, Slater Julie, Smith D., Smith James, Smith Joseph, Solkar, Surve, Talbot, Tapp, Thayne, Walsh and Wright.*

**RESOLUTIONS**

**84     Notice Convening Meeting**

The Chief Executive read the notice convening the meeting.

**85     Apologies for Absence**

Apologies for absence were submitted on behalf of The Mayor, Councillor Sheila Williams, Councillors Meleady, Patel A and Patel M.

**86     Declarations of Interest**

The following Members declared interests:

**Personal Interests**

Councillor Salim Mulla (Agenda Item 5 - Daughter works for the Council)

Councillor Maureen Bateson (Agenda Item 5 – Family Member of staff)

Councillor Pat McFall (Agenda Item 5 - Daughter works for the Council)

Councillor Ron O’ Keeffe (Agenda Item 5 - Niece employed by the Council)

**Personal and Prejudicial**

Councillor Michael Law-Riding (Agenda Item 6 – Fees and charges – Bailiff fees).

Councillor Denise Gee (Agenda Item 6 – 50% share in Darwen Market Business)

**87 Mayoral Communications**

The Deputy Mayor made reference to a letter of thanks from the Commanding Officer of the 1<sup>st</sup> Battalion The Duke's of Lancaster's Regiment in relation to the recent successful Homecoming Parade and indicated that a copy of the letter would be circulated via email to all Councillors, staff and to the media.

Reference was made to Directors Stephen Sloss and Linda Comstive who had recently left the Council and the Deputy Mayor thanked them for their service and wished them well for the future.

Over the busy Christmas and New Year period the Deputy Mayor had attended a number of enjoyable events.

The Deputy Mayor also thanked staff for their hard work during the demanding recent period of exceptionally cold weather.

**88 Preparation for Budget 2011/12 and Medium Term Financial Strategy 2011-15**

A report was submitted by the Executive Member for Resources which outlined the need to make early decisions on savings required in advance of Finance Council to enable financial savings to be maximised in 2011/12.

Members were reminded that on the 20<sup>th</sup> October the Government announced the Comprehensive Spending Review (CSR) which indicated significant reductions in local authority funding over the next 4 years, although the details would not be known until the Local Government Finance Settlement was published. The CSR indicated that the reductions in funding would be 'front-loaded' in the earlier years of the settlement and all the national and local analysis had shown that the cuts were likely to impact more on deprived authorities.

After some delays, the Local Government Finance Settlement was published on 13<sup>th</sup> December. Although the headline was that reductions in spending for this Council were limited to 8.9%, analysis had shown that the overall reductions in government funding were much higher than this, at around 25%, and were front-loaded into 2011/12 with further reductions in 2012/13. Reductions of this scale presented an enormous challenge and would take time to deliver. Therefore, it was important that some early decisions were taken to start to address the reductions contained in the settlement as far as possible in 2011/12.

The report outlined the changes in government funding staffing 2011/12 and included advance budget savings proposals for

consideration. This would necessitate some staff being put formally at risk of redundancy whilst consultation was undertaken and options developed. In total the funding reductions identified amounted to £33 million.

Appendix 1 of the report submitted outlined the 2010/11 in year grant funding reductions, and Appendix 2 detailed the Advance Budget Savings Proposals.

The Executive Member for Resources submitted the following motion which included the recommendations contained in the report submitted, together with additional proposals to help meet the budget deficit:

*That Council:-*

*Notes the budget savings options approved during 2010 to reflect the unexpected in-year cuts to grant funding.*

*Notes that significant numbers of staff have been put at risk of redundancy as further cuts will be made to government grant funding from April 2011.*

*Approves the early budget savings options for the Revenue Budget outlined in this report.*

*Approves that staff are put at risk of redundancy in all service areas where budget reductions as a result of government funding cuts are anticipated, in consultation with the relevant Trade Unions.*

*Approves in principle a freeze on Council Tax for 2011/12 subject to this being offset by additional government funding for 4 years equivalent to a 2.5% increase in 2011/12.*

*Agrees that Finance Council on 7 March 2011 will approve:*

- a) the Revenue Budget for 2011/12*
- b) the Medium Term Financial Strategy 2011-15*
- c) the Capital Programme 2011-15*
- d) the consequent level of Council Tax for 2011/12*

*And in addition that:-*

- Member's basic and special responsibility allowances will be reduced by 10%*
- Libraries book fund reduced by £200k (1 year only – to be reviewed)*
- Essential Car user allowances be removed and car mileage allowance be £0.40p*
- Reduction in Democratic Services budget £200k in total*
- No increase in goods and services for inflation*

- *Repairs and Maintenance reduced by £1.0M in total (1 year only-to be reviewed)*
- *Transport services to be reduced by £400k*
- *Additional workforce savings £1.5M (to be reviewed after 2 years)*
- *The reduction in Democratic Services will mean that we are no longer able to sustain support to the same levels for LSP, Scrutiny or for Neighbourhood Boards and so the Neighbourhood Boards will be replaced by the community engagement structure as in the Executive Board decision of 9<sup>th</sup> December 2010.*

In response to a question, Councillor Kay indicated that the areas for spending reductions, savings and decisions contained in the motion were to be confirmed tonight, but the actual savings targets in Appendix 2 would need to be confirmed at Finance Council as they would be subject to review. Decisions taken at today's meeting would not preclude any other areas for savings being considered depending on suggestions from Members.

Councillor David Foster moved an adjournment to enable Councillors to consider the additional recommendations contained in the motion, which was seconded by Councillor Paul Browne.

There followed a vote on adjourning the meeting which was lost.

Councillor Andy Kay referred to an error on page 4 of the report, (Comprehensive Spending Review) and stated that the words 'ring fenced' needed to be changed to 'non – ringfenced' at item 5.1 (e).

In reference to the recommendation in the motion that Members basic and special responsibility allowances be reduced by 10%, Councillor Paul Browne moved an amendment to the motion as follows (first bullet point of motion):

*Delete "will be reduced by 10%, add "cease with immediate effect"*

This was seconded by Councillor Simon Huggill. Councillor Browne requested that a recorded vote be taken.

**Those in favour of the amendment:**

Councillors Browne, Davies, Foster D, Foster K, Huggill, Rehman, Rizwan and Thayne.

**Those against amendment:**

Councillors Akhtar, Bateson, Cottam, Desai, Doherty, Entwistle, Gordon, Harling, Hirst, Hollern, Humphrys Hussain F, Hussain I, Jan – Virmani, Johnson, Kay, Khan M, Khonat, Law-Riding, Lee, Mahmood,

Maxfield, McFall, McGarvey, O’Keeffe, Oldfield, Pearson D, Rigby C, Rigby J, Shorrocks, Sidat, Smith D, Smith J, Smith Joseph, Solkar Surve, Talbot, Walsh and Wright.

### **Abstentions**

Councillors Barry, Gee, Graham, Hardman, Jones, Khan Z, Melia, Mulla, Pearson J, Slater Jacqueline, Slater John, Slater Julie and Tapp.

The vote on the amendment to the motion was lost.

Councillor David Foster, seconded by Councillor Paul Browne, moved the following amendment to the motion (Members basic and special responsibility allowance):

*Delete first bullet point and add “A cross party group be formed to discuss the future of Members Allowances and expenses”.*

Councillor Andy Kay proposed that the wording in the motion on this issue as originally submitted be retained, but with the addition of Councillors Fosters amendment, therefore reading:

*“Member’s basic and special responsibility allowances will be reduced by 10% and a cross party group will be formed to discuss the future of Members Allowances and Expenses”.*

Following a debate, the Chief Executive confirmed that this was now the amended motion for Members to vote on.

Councillor Michael Lee, seconded by Michael Law-Riding moved changes to recommendations 2.3, 2.4 and 2.6 of the report submitted with the agenda papers (the recommendations were also contained in the motion submitted by Councillor Andy Kay).

There followed a vote on the proposed changes to the recommendations submitted by Councillor Lee, which was lost.

Councillor Phil Jones, seconded by Councillor Tony Melia proposed that the wording of recommendation 2.6 be amended by deleting the “approve” and replace with “seek to approve” in terms of the approval of the Budget at Finance Council on the 7<sup>th</sup> March 2011, however this was not voted on as the Chief Executive indicated that the Council was legally obliged to set a budget at the meeting.

There followed a vote on the amended motion which contained the following changes to the motion originally submitted:

*"Member's basic and special responsibility allowances will be reduced by 10%, and a cross party group will be formed to discuss the future of Members Allowances and Expenses".*

**RESOLVED** – That the amended motion be carried.

*Councillors Michael Law-Riding and Denise Gee left the meeting at this point, having declared a personal and prejudicial interest in the following item.*

## **89    Fees and Charges**

A report was submitted which presented revised fees and charges for the Council, which would be implemented between 7<sup>th</sup> January and 1<sup>st</sup> April 2011 as appropriate.

Members were reminded that 4<sup>th</sup> January 2011 saw an increase in the rate of VAT from 17.5% to 20% and this needed to be accounted for in fees and charges applied by the Council.

In previous years the Annual Rate of Inflation had for a wide range of services provided a guideline to the percentage rise in fees. However, given the current financial climate and budget reductions this was not considered to be the most appropriate approach to take looking forward to 2011-12.

A robust review of all prices had taken place and, where appropriate, the fees and charges structure rationalised so that it better reflected the services offered in a simplified and more easily understandable format.

A revised set of fees and charges for the Adult Social Care portfolio was submitted at the meeting, in the place of those submitted with the agenda papers.

**RESOLVED** - that the Council :-

- a) Approves the revised fees and charges attached at Appendix A and notes the VAT increase from 17.5% to 20% implemented from 4<sup>th</sup> January 2011 where applicable.
- b) Approves that the lead directors for portfolios, in agreement with the relevant Executive Members and the Director of Finance be given delegated authority to change fees, charges and prices on a temporary basis in 2011-12 in response to business needs.

- c) Note that Trading Standards weights and measures charges are increasing in line with LACORS guidance on fees for testing Weights and Measures equipment.
- d) Approves the change in the charging structure for Children's Centres childcare from a 2-band to a 3-band model as outlined in the report.
- e) Approves the changes to the charging policy for Adult Social Care as outlined in the report.
- f) Note that further reports will be submitted to Executive Board pertaining to any fees and charges not included in Appendix A at the present time.

Signed at a meeting of the Council  
on the                    day of  
(being the next ensuing meeting of the Council) by

MAYOR