

**MINUTES OF COUNCIL MEETING HELD ON 18 FEBRUARY 2019****I N D E X**

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**NORTH EAST DERBYSHIRE DISTRICT COUNCIL**

**MINUTES OF THE MEETING OF THE COUNCIL**

**HELD ON 18 FEBRUARY 2019**

**Present:**

Councillor J Ridgway ..... Chair  
Councillor C A Smith..... Vice Chair

Councillor P Antcliff

“ W Armitage  
“ N Barker  
“ J Barry  
“ G Baxter MBE  
“ L Blanshard  
“ S Boyle  
“ G Butler  
“ A Cooper  
“ S Cornwell  
“ C Cupit  
“ A Dale  
“ S Ellis  
“ A Foster  
“ M Foster  
“ M Gordon  
“ R Hall  
“ D Hancock  
“ P A Holmes  
“ G Hopkinson

Councillor C D Huckerby

“ C Hunt  
“ P R Kerry  
“ H Laws  
“ J Lilley  
“ T Mansbridge  
“ R Marriott  
“ A Powell  
“ T Reader  
“ B Rice  
“ B Ridgway  
“ K Rouse  
“ D Skinner  
“ R Smith  
“ L Stone  
“ M E Thacker MBE JP  
“ C Tite  
“ R Welton  
“ J Windle  
“ B Wright

Also in attendance:-

D Swaine - Chief Executive  
K Hanson - Strategic Director (Place)  
L Hickin - Strategic Director (People)  
S Sternberg - Head Corporate Governance & Monitoring Officer  
D Clarke - Head of Finance & Resources  
N Calver - Governance Manager  
A Maher - Governance & Civic Officer

**560 Apologies for Absence**

Apologies for absence had been received from Councillors J Austen, B Barnes, P Elliott, M Emmens, A Garrett, E A Hill, B Lewis, G Morley, S Peters, L Robinson and K Tait.

**561 Declarations of Interest**

Members were requested to declare the existence and nature of any disclosable pecuniary interest and/or other interest, not already on their register of interests, in any item on the agenda and withdraw from the meeting at the appropriate time.

Councillors N Barker, G Butler and R Welton declared a disclosable pecuniary interest in Item 8(a) as remunerated members of Rykneld Homes Ltd and indicated that they would withdraw from the meeting at the appropriate time.

Councillor M Gordon declared a significant other interest in Item 8(b) as a Director of Northwood.

Councillors H Laws and D Skinner declared a disclosable pecuniary interest in Item 8(a) as tenants of a Council property. The Monitoring Officer gave advice that an automatic dispensation on this matter was applied allowing those Members to remain in the room, speak and vote on the item.

All Members who were residents of the District of North East Derbyshire were given an automatic dispensation to remain in the room, speak and vote on Item 8(a).

No further declarations were made at this meeting of Council.

**562 Minutes of the Council Meeting held on 21 January 2019**

RESOLVED – That the Minutes of the meeting of the Council held on 21 January 2019 be approved as a correct record and signed by the Chair.

**563 Chair's Announcements**

The Chair of Council, Councillor J Ridgway, reminded Members that her Civic Service would take place on Saturday, 16 March 2019 at the Eckington Civic Centre. The main purpose for the service was how the Council could better promote understanding and a response by the whole community to mental health problems.

**564 Public Participation**

In accordance with Council Procedure Rule No 8 members of the public were allowed to ask questions about the Council's activities for a period of up to 15 minutes. The replies to any such questions will be given by the appropriate Cabinet Member. Questions must be received in writing or by email to the Monitoring Officer by 12 noon seven clear working days before the meeting.

Question submitted by Camille Ramshaw to Councillor Michael Gordon, Portfolio Holder for Environment:-

*In November 2018 I received a letter from NEDDC regarding the planning application for the development off Ankerbold Road, New Tupton. This I believe was sent because I had put an objection in previously. I replied to the Principal Planning Officer sending a letter and photos of the condition of Pond Lane asking that they look at it and see if this road was fit to open up to the new development, could it withstand additional vehicles? I have had confirmation from the Principal Planning Officer that this letter was received on 20 November 2018.*

*My question is why was the condition of the road never discussed at the Planning Committee? The size of the road was but not the condition. I have directly asked this question to the Principal Planning Officer where the response was: "the objections received were taken into account in the Committee report and points raised were summarised in Section 6 of the report". I have read the Minutes and cannot see the condition of Pond Lane being mentioned. I was unable to make the meeting on 18 December but did watch a video and did not hear it be mentioned. All I have asked is evidence that it was looked at and discussed, if no one can do this then what's the point in asking people what they think?*

Councillor M Gordon, Portfolio Holder for Environment, thanked Mrs Ramshaw for her question and stated that he always welcomed feedback from the public about their experience on how business is carried by the Council, allowing improvement to services, and in this case, clarification on matters that were not understood or communicated fully first time around.

The Planning issue about the use of Pond Lane as a secondary access to the development site was one of size, geometry and capacity of the road. Councillor Gordon advised that if there were existing issues with potholes and the service of the road, then these were matters that must be raised with Derbyshire County Council, who was responsible for their maintenance.

He further advised that Derbyshire County Council, as the highway authority, was a statutory consultee on highway matters for this planning application, to which they provided their professional advice. That advice was that they were satisfied with the highway implications of the proposal.

Residents' concerns about the condition of Pond Lane were set out in the Planning Committee report on more than one occasion. The advice of Derbyshire County Council as the highway authority was also set out in the Planning Committee Report. Therefore, Councillor M Gordon was satisfied that the issue was considered as part of the evaluation of the application and advised that it was usual for only the most significant matters would be discussed at the meeting.

#### SUPPLEMENTARY QUESTION

Mrs Ramshaw exercised her right to ask a supplementary question of the Portfolio Holder for Environment, querying how the Council were able to

make decisions around the volume of vehicles accessing Pond Lane if they had no jurisdiction over roads.

In response Councillor M Gordon reiterated that Derbyshire County Council, as the highway authority, was one of a number of statutory consultees who gave their advice in regard to this matter, to which they raised no concerns. Councillor M Gordon signposted Mrs Ramshaw to raise her concerns directly with Derbyshire County Council.

**565 Questions from Members under Procedure Rule No 9.2**

In accordance with Council Procedure Rule No 9.2 Members were permitted to ask the Chair of the Council or relevant Committee or the appropriate Cabinet Member questions about Council activities.

No questions had been submitted under Procedure Rule No 9.2 for this meeting.

**566 Motions from Members under Procedure Rule No 10**

In accordance with Council Procedure Rule No 10 to consider motions on notice from members. Motions must be received in writing or by email to the Monitoring Officer by 12 noon seven clear working days before the meeting.

No motions had been submitted under Procedure Rule No 10 for this meeting.

**567 Medium Term Financial Plan 2019/20 to 2022/23**

Members considered a report of Councillor P R Kerry, Portfolio Holder for Finance, which sought approval of the proposed budget for 2019/20 for the General Fund, Housing Revenue Account and Capital Programme as part of the Council's Medium Term Financial Plan covering the years 2019/20 to 2022/23. The report also provided elected Members with an overview of the Council's financial position in order to inform the decision making process.

The report confirmed the position previously reported to Members with regards to the estimate outturn for 2018/19, this being that the Council had achieved efficiencies of £434,000 during the year and an agreement was in place that any surplus generated in the financial year be transferred to the Invest to Save Reserve to be available for financing future transformation plans and service developments.

The proposed budget for 2019/20 showed a shortfall of £0.871m and the Council's first priority would be to balance next year's budget. It was important to ensure that the savings were secured by reductions in expenditure and increases in income, whilst maintaining the momentum on the Growth and Transformation Agenda to put the Council in a better position to secure the projected financial savings needed.

To mitigate any shortfalls and balance budgets, local authorities were able to increase their budgets by a maximum of 3% (or £5.00). The proposed increase for North East Derbyshire District Council for 2019/20 was 1.75%, generating additional revenue of £100,979.

Recommendations 6.2 to 6.7 were proposed and seconded. An amendment was proposed by Councillor S Ellis and duly seconded by Councillor M E Thacker MBE “that a complete base budget review and a thorough examination of the Council’s Policies and Procedures be carried out”.

It was believed that savings could be made in such areas as Twinning and Communications and Marketing. Further, it was proposed and seconded that “Council Tax be frozen at the set rate for the 2018/19 financial year”.

Opposition Councillors believed that the budget was flawed with a number of projects being funded unnecessarily. It was believed that innovative thinking could find new ways to manage the budgets without a negative impact on frontline services. Concerns had been expressed by the Opposition at the 2018 meeting of Budget Council and Conservative Members were disappointed that concerns expressed had not been taken into account in developing the budgets presented to this meeting and around the levels of reserves left unallocated. It was believed that there was no need to raise the levels of Council Tax and requested cross party working to review the budget to avoid having to levy a higher tax for residents in the District.

Councillor D Hancock of the Liberal Democrats concurred with the need for a cross party review of the budgets.

The Portfolio Holder for Finance, Councillor P R Kerry, gave an overview of where the Council was performing to a high standard and the Leader of the Council, Councillor G Baxter MBE, reminded Members that the Council had recently achieved the Customer Service Excellent Charter Mark where an independent assessor had stated that one of the strengths of North East Derbyshire District Council was its “customer insight and service provision”.

Further, the Portfolio Holder for Finance, Councillor P R Kerry, reminded Members of the local authority’s responsibility for collecting Council Tax on behalf of other government bodies such as the Fire Authority, the Police Service and the County Council, and the percentage retained by the District Council for service delivery was a small percentage of that collected.

A recorded vote was requested on the amendment by Councillors M E Thacker MBE, A Dale and S Ellis.

For the amendment – 15

(Councillors P Antcliff, W Armitage, L Blanshard, C Cupit, A Dale, S Ellis, A Foster, M Foster, R Hall, D Hancock, G Hopkinson, C D Huckerby, A Powell, M E Thacker MBE and R Welton).

Against the amendment – 27

(Councillors N Barker, J Barry, G Baxter MBE, S Boyle, G Butler, A Cooper, S Cornwell, M Gordon, P A Holmes, C Hunt, P R Kerry, H Laws, J Lilley, T Mansbridge, R Marriott, T Reader, B Rice, B Ridgway, J Ridgway, K Rouse, D Skinner, C A Smith, R Smith, L Stone, C Tite, J Windle and B Wright).

Abstentions – 0

The amendment was lost.

Members returned to recommendations 6.2 to 6.7 as set out within the report, and then in line with the provisions set out in the Constitution a recorded vote was taken (where matters affecting the setting of the Council budget or Council Tax are considered).

For the motion – 27

(Councillors N Barker, J Barry, G Baxter MBE, S Boyle, G Butler, A Cooper, S Cornwell, M Gordon, P A Holmes, C Hunt, P R Kerry, H Laws, J Lilley, T Mansbridge, R Marriott, T Reader, B Rice, B Ridgway, J Ridgway, K Rouse, D Skinner, C A Smith, R Smith, L Stone, C Tite, J Windle and B Wright).

Against the motion – 15

(Councillors P Antcliff, W Armitage, L Blanshard, C Cupit, A Dale, S Ellis, A Foster, M Foster, R Hall, D Hancock, G Hopkinson, C D Huckerby, A Powell, M E Thacker MBE and R Welton).

Abstentions – 0

**RESOLVED** – That:-

- (1) It be accepted that in the view of the Chief Financial Officer that the estimates included in the Medium Term Financial Plan 2019/20 to 2022/23 are robust and that the level of financial resources, whilst at minimal levels, are adequate.
- (2) Officers be requested to report back to Cabinet and the Audit and Corporate Governance Scrutiny Committee on a quarterly basis regarding the overall position in respect of the Council's budgets. These reports should include updates on achieving the savings and efficiencies necessary to secure a balanced budget for 2020/21 and future years.
- (3) A Council Tax increase of £3.26 is levied in respect of a national Band D property (1.75%).
- (4) The Medium Term Financial Plan in respect of the General Fund as set out in Appendix 1 to the report be approved as the Current Budget 2018/19, as the Budget 2019/20, and the financial projection in respect of 2020/21 to 2022/23.
- (5) Any under spend in respect of 2018/19 be transferred to the Invest to Save Reserve.

- (6) On the basis that income from Planning Fees may exceed £0.400m in 2019/20, the Chief Executive in consultation with the Leader, be granted delegated powers to authorise such additional resources as are necessary to effectively manage the resultant increase in workload.

*At this point in the meeting Councillors R Welton, G Butler, N Barker and E A Hill left as they indicated they would do so at the beginning of the meeting.*

Councillor P R Kerry, Portfolio Holder for Finance, explained that the HRA Budget was a rollover budget with the exception of the reduction in dwelling rates of 1% in line with Government guidelines.

The Capital Programme included the Housing Investment Programme and the standing items that appeared in the General Fund Programme. Members were asked to note that any new schemes in relation to the General Fund or HRA would be subject to separate reports to Cabinet with robust business plans.

Recommendations (8) to (14) were proposed by Councillor P R Kerry, seconded by Councillor G Baxter MBE.

Councillor M E Thacker MBE questioned the value for money brought by engaging Rykneld Homes as an Arms Length Management Organisation and suggested that it may be timely for a review of the value for the money allocated to it, paying particular attention to the benefits realised by residents of the District. On that basis the Conservatives did not support the recommendations put.

Councillor D Hancock concurred with the views expressed and questioned the Management Fee paid over recent years.

On being put to the vote a recorded vote was taken in line with the provisions set out within the Council's Constitution (where matters affecting the setting of the Council's budget or Council Tax are considered).

For the motion – 26

(Councillors J Barry, G Baxter MBE, S Boyle, A Cooper, S Cornwell, M Gordon, D Hancock, P A Holmes, C Hunt, P R Kerry, H Laws, J Lilley, T Mansbridge, R Marriott, T Reader, B Rice, B Ridgway, J Ridgway, K Rouse, D Skinner, C A Smith, R Smith, L Stone, C Tite, J Windle and B Wright).

Against the motion – 13

(Councillors P Antcliff, W Armitage, L Blanshard, C Cupit, A Dale, S Ellis, A Foster, M Foster, R Hall, G Hopkinson, C D Huckerby, A Powell and M Thacker MBE).

Abstentions – 0

**RESOLVED** – That:-

- (1) The Council sets its rent levels in line with Government regulations, reducing rent levels by a further 1% from 1 April 2019.

- (2) The increases in respect of all other charges be implemented in line with the table shown at 1.38 in the report with effect from 1 April 2019.
- (3) The Medium Term Financial Plan in respect of the Housing Revenue Account, as set out in Appendix 3 to the report, be approved as the Current Budget in respect of 2018/19, as the Original Budget in respect of 2019/20, and the financial projection in respect of 2020/21 and 2022/23.
- (4) The Management Fee for undertaking housing services at £9.902m and the Management Fee for undertaking Capital Works at £1.1m to Rykneld Homes in respect of 2019/20 be approved.
- (5) Members endorse the section in the current Financial Protocol which enables the Council to pay temporary cash advances to Rykneld Homes in excess of the Management Fee in order to help meet the cash flow requirements of the company should unforeseen circumstances arise in any particular month.
- (6) The potential requirement to provide Rykneld Homes with a 'letter of comfort' to the company's auditors be noted, and delegated authority be granted to the Council's Chief Financial Officer, in consultation with the Portfolio Holder for Finance, to agree the contents of that letter.
- (7) The Capital Programme, as set out in Appendix 4 to the report, be approved as the Current Budget in respect of 2018/19 and as the Approved Programme for 2019/20 to 2022/23.

**568 Treasury Strategy Reports 2019/20 to 2022/23**

Council considered a report of Councillor P R Kerry, Portfolio Holder for Finance, which provided Members with the necessary information on the Council's suite of Treasury Strategies for 2019/20 to 2022/23.

The Council's Treasury Strategies included the Treasury Management Strategy, the Capital Strategy and the Investment Strategy, all of which were appended to the report.

The Chartered Institute of Public Finance and Accountancy (CIPFA Code) required for the Council to approve a Treasury Management Strategy before the commencement of each financial year. In addition, it required for a Capital Strategy to be produced alongside the Treasury Management Strategy.

Recent guidance produced by the Ministry of Housing, Communities and Local Government further required for local authorities to produce a Corporate Investment Strategy. Therefore, in order to fulfil these requirements three separate Treasury Management Strategies were presented to Council for approval.

Members noted that the Audit and Corporate Governance Scrutiny Committee had given the report consideration prior to submission to Council and any further queries were invited for response.

Councillor D Hancock expressed his concerns around the lending criteria and the Borrowing Strategy and considered that there was not enough detail provided within the reports submitted. On that basis he did not support the proposals suggested within the report.

Councillor M Thacker MBE also expressed his concerns around the Borrowing Strategy and the lending criteria and reminded Council that on a number of occasions he had expressed his concerns around the risk adverse approach taken by the authority. He urged the Administration to look to other authorities for benchmarking information on how to make the better use of the Council's resources.

Councillor S Ellis reminded Members of the advice given to the Audit and Corporate Governance Scrutiny Committee 18 months previously that the authority was far too cautious in its investments, putting the majority of its money into risk adverse schemes. To invest in ventures with a higher interest rate could double or triple income received to invest in Council services.

In exercising his right of reply Councillor P R Kerry noted the comments made by Opposition Members and assured the Council that borrowing and lending was reviewed on a regular basis and Council finances were lent and collected in the best way possible to serve the people of North East Derbyshire.

**RESOLVED** – That:-

- (1) The Treasury Management Strategy be approved as set out in Appendix 1 to the report, including the Borrowing Strategy, the Treasury Management Investment Strategy Prudential Indicators and the use of external Treasury Management advisors to determine the latest assessment of the counter parties that meet the Council's criteria prior to investment being undertaken.
- (2) The Capital Strategy be approved as set out in Appendix 2 to the report, including the Capital Financial requirement, the Minimum Revenues Provision Statement of 2019/20 in particular:-
  - Authorised Borrowing Limit                      £205,823,000
  - Operational Boundary                                £200,823,000
  - Capital Financing Requirement                    £195,823,000
- (3) The Corporate Investment Strategy, as set out in Appendix 3 to the report, be approved.

**569 Future Arrangements for Independent Persons**

Council considered a report of Councillor B Ridgway, Chair of the Standards Committee, requesting Members to agree a way forward for future arrangements for Independent Persons.

The Council had appointed two Independent Persons in July 2012 and their terms of appointment were later extended to the end of May 2019. One Independent Person had indicated that he did not wish to renew his term and one had confirmed a wish to extend their appointment.

The Standards Committee had considered reducing the number of Independent Persons employed by the Council to one, however, it was deemed that having two Independent Persons allowed the Council to use the Independent Persons at different stages of the complaints process. It also provided a breadth of experience and ensured continuity in case of sickness, annual leave or other non-availability. On that basis the Standards Committee recommended to Council an extension of the Term of Office for Mr Stuart Hooton as an Independent Person until the end of May 2023 and that a further Independent Person be recruited by way of advertisement with the term ending May 2023.

The Standards Committee had also asked that Council considered whether an increase of the salary paid to the Independent Persons was an appropriate amount.

**RESOLVED –**

- (1) The Term of Office of Mr Stuart Hooton as an Independent Person, be extended until the end of May 2023.
- (2) To approve advertising for a further Independent Person to be appointed until the end of May 2023.
- (3) That the suggested job description, person specification, job advert, attached as Appendices 1 and 2 to the report, be noted.
- (4) That Authority be delegated to the Head of Corporate Governance and Monitoring Officer to carry out the recruitment process, with briefings with each of the Political Group Leaders to keep them abreast of developments.
- (5) That an annual honorarium payment of £800 be made to each Independent Person.

**570 Interim Arrangements for the Statutory Role of Section 151 Officer**

The Joint Chief Executive presented a report to Council seeking approval for the Chief Accountant to be designated as Section 151 Officer to the Council, on a temporary basis pending appointment of a new Head of Finance and Resources, and outlined the recruitment process for the post.

Members noted that the Joint Head of Finance and Resources had resigned from her post, with the role being vacant from 1 April 2019. Section 151 of the Local Government Act 1972 required for all Councils to make arrangements for the proper administration of their financial affairs and secure that one of their officers be responsible for the administration of those affairs.

Therefore, there was a statutory requirement for the Council to appoint a Section 151 Officer during the period of recruitment. Whilst other options had been investigated, such as securing a temporary arrangement with another Council to meet the statutory requirement, this was not recommended given to the need to maintain momentum regarding delivery of the Medium Term Financial Plan and ensured that the Section 151 Role was met in full. Therefore Council believed it required an experienced individual to lead the challenging budget setting.

It was confirmed that the Chief Accountant held the required qualifications and experience to fulfil the role and was currently acting as Deputy 151 Officer.

Members noted that the recruitment for the post of Joint Head of Finance and Resources would be undertaken in line with the Council's selection policy and procedure. The process would be robust, challenging and transparent to ensure high quality and aspirational applicants were identified and interviewed.

**RESOLVED** – That the Chief Accountant be appointed as the Section 151 Officer from 1 April 2019 pending the recruitment to the Joint Head of Finance and Resources post.