

Medway Council
Meeting of Medway Council
Thursday, 20 February 2014
7.00pm to 9.17pm

Record of the meeting

Subject to approval as an accurate record at the next Full Council meeting

Present: The Worshipful The Mayor of Medway (Councillor Iles)
The Deputy Mayor (Councillor Etheridge)
Councillors Avey, Baker, Bowler, Brake, Bright, Carr,
Mrs Diane Chambers, Rodney Chambers, Chishti, Chitty,
Clarke, Colman, Cooper, Craven, Doe, Filmer, Gilry,
Christine Godwin, Paul Godwin, Griffin, Griffiths, Adrian Gulvin,
Pat Gulvin, Harriott, Hewett, Hicks, Hubbard, Irvine, Jarrett,
Juby, Kearney, Kemp, Maisey, Maple, Mason, O'Brien,
Osborne, Price, Purdy, Rodberg, Royle, Shaw, Smith, Stamp,
Tolhurst, Turpin, Watson, Wicks and Wildey

In Attendance: Dr Alison Barnett, Director of Public Health
Robin Cooper, Director of Regeneration, Community and
Culture
Neil Davies, Chief Executive
Mick Hayward, Chief Finance Officer
Richard Hicks, Deputy Director, Customer Contact, Leisure,
Culture, Democracy and Governance
Perry Holmes, Assistant Director Legal and Corporate
Services/Monitoring Officer
Julie Keith, Head of Democratic Services
Anthony Law, Democratic Services Officer
Tricia Palmer, Assistant Director, Organisational Services
Barbara Peacock, Director of Children and Adult Services

863 Record of meeting

The record of the meeting held on 23 January 2014 was agreed and signed by the Mayor as correct.

864 Apologies for absence

Apologies for absence were received from Councillors Igwe, Mackinlay, Mackness and Murray.

865 Declarations of disclosable pecuniary interests and other interests

Disclosable pecuniary interests

There were none.

Other interests

On advice from the Monitoring Officer, it was agreed that a personal and potentially financial interest be recorded in the minutes on behalf of any officers present affected by the proposals set out in agenda item 6 (Capital and Revenue Budgets 2014/2015).

866 Mayor's announcements

The Mayor proposed to suspend Council Rule 11 (Rules of Debate) in respect of time limits on speeches in relation to agenda item 6 (Capital and Revenue Budgets 2013/2014) only, to allow one Member from each group to speak on the budget item for an unlimited time. The normal time limits would then apply. This was agreed.

The Mayor reminded Members that a written copy of amendments to any proposals must be provided to the Head of Democratic Services and that copies should be brought up to the top table first.

867 Leader's announcements

There were none.

868 Capital and Revenue Budgets - 2014/2015

Discussion:

This report presented proposals for the capital and revenue budgets and the housing revenue account (HRA) for 2014/2015.

The Cabinet had considered initial budget proposals on 26 November 2013, which had been developed in accordance with the principles set out in the Medium Term Financial Plan (MTFP) 2013/2016. In accordance with the budget and policy framework rules within the Constitution the Overview and Scrutiny Committees had then considered the Cabinet's proposals prior to Cabinet's consideration of the draft budget on 11 February 2014. It was noted that the report had incorporated the implications of the Final Settlement, which had been announced on 5 February 2014.

The report set out the Council's requirements under equality legislation and a Diversity Impact Assessment, that aggregated the impact for each of the services affected by the proposed budget changes, was attached at Appendix 9 to the report. This overarching form identified five services where there may be a potential adverse impact on some protected characteristic groups and

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Diversity Impact Assessments for these services were attached at Appendices 9A to 9C of the report. It was noted that to mitigate against any unintentional and unidentified impact, monitoring would continue and if necessary be reported through quarterly monitoring.

A revised Appendix 7 to the report had been circulated to Members in Supplementary Agenda No.1, which set out a corrected figure at 3 (a) of the appendix. An addendum report had been tabled at the meeting in Supplementary Agenda No.2 which provided details of the views and recommendations of the Employment Matters Committee, which considered a pay claim from the trade unions on 18 February 2014.

Councillor Jarrett, Portfolio Holder for Finance and Deputy Leader, supported by Councillor Rodney Chambers, Leader of the Council, proposed the recommendations as set out in the main report, with the exception of recommendations 23.1, 23.2, 23.3 and 23.9 which were revised to reflect the following additions/variatioins:

- i) That the Council approve the recommendation of Employment Matters Committee on 6 February 2014 to adopt option 4 of the revised Pay and Grade structures, subject to the pause on the implementation of the pay progression element, as agreed by the Employment Matters Committee on 18 February 2014. That the Council agree that the pay claim as submitted by the Trade Unions be rejected on the basis that it represented £4 million recurring cost that the Council did not have.
- ii) the following measures to remove the £81,000 deficit, as set out in Table 10 of the report:

Reduction in Trade Union Facilities budget	£20,000
Efficiencies in the co-location of Integrated Children's Teams	£61,000

- iii) Additions to the Capital programme funded from prudential borrowing and additional revenue identified as:
 - New Homes Bonus Returned grant £120,000;
 - Additional business rates income £450,000; and
 - 2013/2014 Collection Fund Surplus of £800,000.

Members' priorities	£200,000	Additional revenue
Play areas	£200,000	Additional revenue *
Potholes	£450,000	Additional revenue *
Highway Improvements	£2,000,000	Prudential Borrowing*

*Expenditure on this will be in consultation with the relevant Portfolio Holder.

- iv) the following non-recurring additions to the Revenue Budget funded from the Redundancy Reserve, and additional revenue (New Homes Bonus, NNDR and Collection Fund Surplus):

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Pay and Grade	£500,000	Redundancy Reserve This is to incorporate an additional £400,000 to be paid in the form of one-off payments to staff on the signing of new terms and conditions. An additional £100,000 is to meet notice period requirements relating to the outgoing pay and grade scheme.
Visit of HMS Lancaster	£15,000	Additional revenue
Apprenticeships on the Medway Queen	£30,000	Additional revenue
Completion of allotments work at Chapel Road, Hempstead	£20,000	Additional revenue
To fund spend to save sponsorship work	£45,000	Additional revenue
Promotion of Dickens	£60,000	Additional revenue
Thames Estuary Airport campaign	£100,000	Additional revenue
Doubling of free Christmas parking for 5 years at £50,000 per annum	£50,000 £250,000 over 5 years	Additional revenue*
Extension of the freeze on increases to car parking charges to 2017	£0	
Extension of Housing Allocations qualification period to 5 years	£0	
Removal of following crematorium charges: <ul style="list-style-type: none"> • Interment and attendance fee: 1 month – 5 years • Cremation fee for a child over 1 month to under 5 years • Cremation fee for Stillborn – 1 month. 	£0	

*Expenditure on this will be in consultation with the relevant Portfolio Holder.

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(v) Funding for these additions are:

Revenue Budget (Regeneration, Community and Culture) – in respect to the prudential borrowing	£250,000
Public Health Grant	£60,000
Council Tax collection fund surplus	£800,000
Additional Business Rates	£450,000
New Homes Bonus Returned Grant	£120,000
Prudential Borrowing	£2,000,000
Redundancy Reserve	£500,000

In accordance with rule 11.4 of the Council Rules at the request of six Members, a recorded vote on the proposals was requested.

For – Councillors Avey, Baker, Brake, Bright, Carr, Mrs Diane Chambers, Rodney Chambers, Chitty, Clarke, Doe, the Deputy Mayor (Councillor Etheridge), Filmer, Griffin, Adrian Gulvin, Pat Gulvin, Hewett, Hicks, the Worshipful the Mayor (Councillor Iles), Irvine, Jarrett, Kemp, Maisey, Mason, O'Brien, Purdy, Rodberg, Royle, Smith, Tolhurst, Turpin, Watson, Wicks and Wildey (33)

Against – Councillors Bowler, Colman, Cooper, Craven, Gilry, Christine Godwin, Paul Godwin, Griffiths, Harriott, Hubbard, Juby, Kearney, Maple, Osborne, Price, Shaw, Stamp (17)

Abstain – (0)

Decisions:

- (a) The Council approved the recommendation of Employment Matters Committee on 6 February 2014 to adopt option 4 of the revised Pay and Grade structures, subject to the pause on the implementation of the pay progression element, as agreed by the Employment Matters Committee on 18 February 2014.
- (b) The Council agreed that the pay claim as submitted by the Trade Unions be rejected on the basis that it represented £4 million recurring cost that the Council did not have.
- (c) The Council approved the capital budget proposals as set out in Appendix 1 to the report with the following additions funded from prudential borrowing and additional revenue identified as:
- New Homes Bonus Returned grant £120,000;
 - Additional business rates income £450,000; and
 - 2013/2014 Collection Fund Surplus of £800,000

Members' priorities	£200,000	Additional revenue
Play areas	£200,000	Additional revenue*
Potholes	£450,000	Additional revenue*
Highway Improvements	£2,000,000	Prudential Borrowing*

*Expenditure on this will be in consultation with the relevant Portfolio Holder.

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(d) The Council approved the general fund gross, income and net revenue estimates as summarised in Table 10 in the report and detailed in Appendix 2 to the report in the sum of £331.431 million subject to:

i) the following measures to remove the £81,000 deficit, as set out in Table 10 of the report:

Reduction in Trade Union Facilities budget	£20,000
Efficiencies in the co-location of Integrated Children's Teams	£61,000

ii) the following non-recurring additions funded from the Redundancy Reserve, and additional revenue (New Homes Bonus, NNDR and Collection Fund Surplus):

Pay and Grade	£500,000	Redundancy Reserve This is to incorporate an additional £400,000 to be paid in the form of one-off payments to staff on the signing of new terms and conditions. An additional £100,000 is to meet notice period requirements relating to the outgoing pay and grade scheme.
Visit of HMS Lancaster	£15,000	Additional revenue
Apprenticeships on the Medway Queen	£30,000	Additional revenue
Completion of allotments work at Chapel Road, Hempstead	£20,000	Additional revenue
To fund spend to save sponsorship work	£45,000	Additional revenue
Promotion of Dickens	£60,000	Additional revenue
Thames Estuary Airport campaign	£100,000	Additional revenue
Doubling of free Christmas parking for 5 years at £50,000 per annum	£50,000 £250,000 over 5 years	Additional revenue*
Extension of the freeze on increases to car parking charges to 2017	£0	

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Extension of Housing Allocations qualification period to 5 years	£0	
Removal of following crematorium charges: <ul style="list-style-type: none"> • Interment and attendance fee: 1 month – 5 years • Cremation fee for a child over 1 month to under 5 years • Cremation fee for Stillborn – 1 month. 	£0	

*Expenditure on this will be in consultation with the relevant Portfolio Holder.

(iii) The recurring addition for the extension of free swimming to under 16 year olds, funded from efficiencies of £60,000 in Public Health.

(e) Funding for these additions was identified as:

Revenue Budget (Regeneration, Community and Culture) – in respect to the prudential borrowing	£250,000
Public Health Grant	£60,000
Council Tax collection fund surplus	£800,000
Additional Business Rates	£450,000
New Homes Bonus Returned Grant	£120,000
Prudential Borrowing	£2,000,000
Redundancy Reserve	£500,000

- (f) The Council noted the Kent Police and Crime Commissioner’s precept requirement.
- (g) The Council noted the Kent Fire and Rescue Service precept requirement.
- (h) The Council noted the parish council precept requirements of £356,602 as detailed at Appendix 6 of the report.
- (i) The Council agreed the schedule of precept instalment dates as set out in section 15 of the report.
- (j) The Council approved the basic rate of council tax at band D for 2014/15, before adding the police, fire and parish precepts, at £1,164.24.

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- (k) The Council approved the fees and charges, as recommended by Cabinet and set out in the booklet 'Medway Council - Fees and Charges April 2014' as set out in Appendix 8 subject to the following revisions, which are to be funded from existing budgets:

Bereavement Services

- Abolish the interment and attendance fee: 1 month – 5 years
- Abolish cremation fee for a child over 1 month to under 5 years
- Abolish the cremation fee for Stillborn – 1 month

- l) The Council approved the following with regard to the Housing Revenue Account:
- The budget proposed as summarised at Appendix 3 of the report;
 - The proposed increase in rents as set out at Appendix 4 of the report;
 - The proposed service charges as set out at Appendix 5 of the report.
- (m) The Council adopted the formal resolution for the council tax requirement and schedule of council tax charges for 2014/15 as set out in Appendix 7 to the report and incorporated the amendments made above, such that paragraph 3(a), Appendix 7 becomes £528,693,134 and paragraph 3(b), Appendix 7, becomes £437,051,381; all other parts of the resolution remain as set out in Appendix 7 to the report.
- (n) The Council noted the findings of the Diversity Impact Assessments as set out at Appendix 9 to the report, and the proposal to continue, where necessary, to report through quarterly monitoring any further unidentified or unintentional impact.

869 Refresh of Council Plan Indicators 2014/2015

Discussion:

This report set out details of the review undertaken and adjustments proposed to the current set of indicators used to assess the delivery of the Council Plan 2013-2015.

It was noted that that the Council Plan was the organisation's overarching business plan, setting out the Council's commitments to achieving certain outcomes during the life of the Plan. The purpose of this review had been to ensure that the delivery of the Council Plan during 2014-2015 was assessed using a focused, informative and streamlined set of indicators that took account of recent financial and service developments.

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This report had been considered by the Business Support Overview and Scrutiny Committee on 4 February 2014 and Cabinet on 11 February 2014 and their comments were set out in the report.

A Diversity Impact Assessment of the refreshed Council Plan indicators had been prepared with the report, in line with the Council's established procedure for new strategic documents. The screening form was attached as Appendix 4 to the report and it was noted that this had not identified any adverse impact on residents with protected characteristics based on the proposed changes to Council Plans key projects and indicator suite.

The Portfolio Holder for Finance and Deputy Leader, Councillor Jarrett, supported by the Leader of the Council, Councillor Rodney Chambers, proposed the recommendations set out in the report.

Decisions:

- (a) The Council agreed the revised Council Plan 2014-2015 Indicators (Appendix 1 to the report) and the Target Profile document (Appendix 2 to the report).
- (b) The Council agreed to delegate to the Chief Executive, in consultation with the Deputy Leader who is portfolio holder for performance and business planning, authority to deal with any necessary changes to align the Plan to the agreed budget.

870 Treasury Management Strategy 2014/2015

Discussion:

This report sought approval to the Council's Treasury Management Strategy for the 2014/2015 financial year. The Treasury Management Strategy incorporated within it the Treasury Management Policy Statement, Annual Investment Strategy and Minimum Revenue Provision policy.

It was noted that the annual presentation of a Treasury Management Strategy was a requirement under the CIPFA Code of Practice on Treasury Management. It covered the various aspects of the treasury management function and was based on the treasury officers' views on interest rates, supplemented with leading market forecasts provided by the Council's treasury adviser, Capita Asset Services.

The Business Support Overview and Scrutiny Committee considered this report on 4 February 2014 and its views were set out in paragraph 17 of the report. The Cabinet considered this report on 11 February 2014 and its recommendation to Council was set out in paragraph 22 of the report.

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A Diversity Impact Assessment screening had been undertaken and was set out in Appendix 9 to the report. It was not necessary to proceed to a full impact assessment. It was noted that the Treasury Management Strategy did not directly impact on members of the public as it dealt with the management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

The Portfolio Holder for Finance and Deputy Leader, Councillor Jarrett, supported by the Leader of the Council, Councillor Rodney Chambers, proposed the recommendations set out in the report.

Decisions:

- (a) The Council agreed the Treasury Management Strategy and associated policies and strategy statements as attached in Appendices 1-6 to the report.
- (b) The Council agreed the revisions to the Constitution, as set out in Appendix 8 to the report, which would transfer responsibility for scrutinising the treasury management function to the Audit Committee.

871 Pay Policy Statement 2014/15

Discussion:

This report provided details of the Pay Policy Statement, as required under section 38(1) of the Localism Act 2011. The statement covered the remuneration of the Chief Executive, Directors, Monitoring Officer, Section 151 Officer and Assistant Directors, the remuneration of lowest paid officers, the relationship between the two, and the Council's pay policies.

A Diversity Impact Assessment screening had been undertaken and was set out in Appendix 2 to the report. The screening process did not highlight any significant adverse impact to any of the protected characteristics under the Equality Act 2010 other than "age" which the council was already taking positive action to remedy.

The Employment Matters Committee considered this report on 6 February 2014 and its views were set out in the report.

Councillor Wicks, Chairman of the Employment Matters Committee, supported by Councillor Turpin, proposed the recommendations as set out in the report.

Decision:

- (a) The Council agreed the Pay Policy Statement 2014/2015 as set out in Appendix 1 to the report.

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- (b) The Council agreed to delegate authority to the Assistant Director, Organisational Services, in consultation with the Chairman of the Employment Matters Committee, to update the Pay Policy Statement 2014/2015 to reflect the final outcome of the Pay and Grade Review.

Mayor

Date:

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