

Council

A meeting of Council was held on Wednesday, 30th April, 2014.

Present: The Worshipful the Mayor (Cllr Barbara Inman); Cllr Paul Baker, Cllr Jim Beall, Cllr Derrick Brown, Cllr Mark Chatburn, Cllr Julia Cherrett, Cllr Carol Clark, Cllr Michael Clark, Cllr David Coleman, Cllr Robert Cook, Cllr Nigel Cooke, Cllr Gillian Corr, Cllr Phillip Dennis, Cllr Kevin Faulks, Cllr Robert Gibson, Cllr David Harrington, Cllr Mohammed Javed, Cllr Elliot Kennedy, Cllr Jean Kirby, Cllr Paul Kirton, Cllr Terry Laing, Cllr Colin Leckonby, Cllr Ken Lupton, Cllr Ray McCall, Cllr Mrs Ann McCoy, Cllr Mrs Kathryn Nelson, Cllr Steve Nelson, Cllr Mrs Jean O'Donnell, Cllr Ross Patterson, Cllr Maurice Perry, Cllr Mrs Maureen Rigg, Cllr David Rose, Cllr Andrew Stephenson, Cllr Norma Stephenson O.B.E, Cllr Mick Stoker, Cllr Tracey Stott, Cllr Steve Walmsley, Cllr Mrs Sylvia Walmsley, Cllr David Wilburn, Cllr Norma Wilburn, Cllr Mick Womphrey, Cllr Bill Woodhead and Cllr Barry Woodhouse.

Officers: N Schneider (CE); J Danks, B Brown, L King (R), J Humphreys (CESC); P Dobson (DNS); P Kelly (DPH); D E Bond, P K Bell (LD).

Also in attendance: Members of the public.

Apologies: Cllr Lynne Apedaile, Cllr Evaline Cunningham, Cllr Ian Dalgarno, Cllr Ken Dixon, Cllr John Gardner, Cllr Ben Houchen, Cllr Eileen Johnson, Cllr Tina Large, Cllr Alan Lewis, Cllr Mick Moore, Cllr Andrew Sherris, Cllr Michael Smith and Cllr Mary Womphrey.

C 20/14 **Declarations of Interest**

Each of the members present declared a personal interest in respect of agenda item 8 – Members Allowances as they were recipients of / entitled to receive such allowances.

C 21/14 **Minutes**

The minutes of the meetings held on 5th March 2014 and 2nd April 2014 were signed by the Worshipful the Mayor as a correct record.

C 22/14 **LGIU Awards - Councillor Nigel Cooke - Scrutineer of the Year**

The Worshipful the Mayor and the Leader of the Council presented Councillor Nigel Cooke with the Scrutineer of the Year LGIU Award.

Councillor Cooke had played a vital role in developing the Affordable Warmth Strategy at Stockton-on-Tees Borough Council.

He had also set up and chaired the Fuel Poverty Partnership, which aimed to reduce the effects of fuel poverty on the health and well-being of local people, as well as working to ensure more homes meet the Decent Homes Standard.

Councillor Cooke was commended by judges for his collaborative approach in working to end fuel poverty.

C 23/14 **Stockton Medal – Joe Maloney – Director of Billingham International Folklore Festival**

The Worshipful the Mayor and the Leader of the Council presented the Stockton Medal on behalf of the Council to Joe Maloney, the Director of Billingham International Folklore Festival (BIFF).

In 2014 BIFF would celebrate its 50th Anniversary and, as Director, Joe had responsibility for providing leadership for the festival.

His dedication and commitment to BIFF showed in its success, attracting thousands of visitors from outside the Borough, and bringing the best of folklore, dance and song from across the world, both of which impacted positively on the local economy.

Joe's hard work had enhanced BIFF's profile not only regionally but on a national and international level too.

C
24/14 **Public Question Time**

The Director of Law and Democracy informed Members that no Public Questions had been received.

C
25/14 **Members' Policy Seminar Programme**

Consideration was given to a report that provided Council with an overview of content from the most recent Members Policy Seminars and included feedback from the pilot to test holding seminars pre Council meetings.

Members Policy Seminars were an important vehicle for both informing and consulting with Members on a variety of topics from Policy and Legislative changes, contributions to Government consultations, and providing an update on local service provision from partner organisations. They had been in place since January 2009 and were particularly useful for those issues which were of importance to the Council or partners but were in the early stages of development, or those which would be of interest to Members, out with the usual reporting arrangements.

A programme of seminars was set annually with events planned on a monthly basis. Topics were reviewed monthly by the Corporate Management Team to ensure issues were current and discussions and information provision was timely. Special, additional seminars were arranged as required.

Due to the postponement of the item scheduled for the March seminar and heavy diary commitments in the Democratic Diary in early April, both the March and April seminars had been cancelled. The next seminar was scheduled for early May, with many topics already programmed in the forward plan for the 2014/15 programme.

The Executive Scrutiny Committee on 22nd October 2013 made a recommendation that the Member Policy Seminars be programmed to move to a Wednesday evening before full Council in order to increase attendance. Consideration was given to this proposal by CMT on 29th October 2013 and a pilot took place during December and January to run seminars on a Wednesday evening prior the Council meeting.

The December seminar commenced at 5p.m, with a single item agenda – An update from the Police and Crime Commissioner, the January seminar commenced at 4.30 p.m., a single item agenda on Children's Safeguarding.

Attendance numbers were 25 and 20 respectively for each session.

Attendance analysis over the last 12 months indicated that attendance levels varied from session to session; the pilot did not indicate a significant increase in attendance. Over the last 12 months attendance levels ranged from 34 to 10, with all political parties being represented at seminars at least once, in the past 12 months.

The programme looked to alter the days where possible and attendance appeared to vary depending on the topics covered, rather than the day or time of the seminar.

The Corporate Management Team considered the analysis of the pilot including comments received from members and recommended that the suggested change to the scheduling of the seminars did not go ahead on the basis of:-

- Council was only every 6 weeks and seminars were usually held monthly
- The likelihood that more "Special" seminar sessions would be required
- Attendance did not show a significant increase through the pilot
- Consistency of venue availability in the Jim Cooke suite was more problematic on a Wednesday
- Some negative feedback from both members and officers on the arrangements

Following this recommendation the proposed dates for the 2014/15 had been arranged. Invitations would be sent out to Members via outlook to secure these dates in diaries.

RESOLVED that the report be noted.

C 26/14 **Members' Allowances**

Consideration was given to a report that provided details of the Independent Remuneration Panel's ("the Panel") recommendations following the decision at Council on 12 June 2013 approving a review of Members' Allowances, in order to target at least 15% (£130K) savings by 2015/16 onwards.

At full Council on 12 June 2013, as part of the Medium Term Financial Plan – Big Ticket Update and Savings proposals report, it was agreed that a review of Members' Allowances should be undertaken to target at least 15% (£130K) savings by 2015/16.

In accordance with this decision, the Authority's Independent Remuneration Panel ("the Panel") undertook a review of Members' Allowances during October and November 2013. The Panel had concluded the review and produced a report. A copy of the Panel's report was attached to the report to Council.

The Members' Advisory Panel ("MAP") had considered the Panel's Members' Allowances report at its meeting on 31 January 2014. Details of comments made at that meeting were attached to the Council report.

At its meeting on 13 March 2014, Cabinet considered the Panel's report and the

proposals for achieving the Council's target savings on Members Allowances. Details of Cabinet's decision were attached to the report.

Although not part of the Panel's remit, the Panel's report offered some advice on potential changes to the Authority's governance structure, in order to produce additional savings on Members' Allowances.

Paragraphs 6.2 and 6.3 of the report referred to the "general feeling ... that Cabinet could be reduced by at least two Members..." and "general agreement that the number of select committees should be reduced significantly...."

These suggestions reflected potential savings proposals referred to previously by the Leader of the Council. It was therefore proposed to present a separate report to Cabinet in that respect in due course, so that appropriate recommendations could be made regarding possible changes in 2015/16 onwards.

At the Council meeting on 26 February 2014, as part of the decisions relating to the Council's 2014/2015 budget and Council Tax, it was agreed that Members' Allowances should be frozen for 2014/15. A copy of the proposed Scheme for 2014/15 was attached to the report.

Council was asked to consider the Panel's report and proposals for meeting the previously agreed savings on Members' Allowances, and to thank the Panel for its work.

Councillor Cook moved the following motion, seconded by Councillor Beall:-

1. The Panel be thanked for its work.
2. Basic allowance be frozen at £9300 for 2015/16.
3. In 2015/16 the SRAs be cut in line with the Independent Remuneration Panels Report.
4. The SRAs for Vice Chairs be retained.
5. The Mayoral and Deputy Mayoral allowances be reduced in 2015/2016 as per the Independent Remuneration Panels Report.
6. A single Group Leaders allowance of £5000 be paid in 2015/2016 to the largest minority group.
7. A further report be brought back to Cabinet and Council to reduce the number of Cabinet portfolio holders by at least two and to reduce the Select Committee Chairs and Vice Chairs by at least two.

Councillor Lupton moved the following amendment to the motion, seconded by Councillor Laing:-

"A further report be submitted to Cabinet to consider the Remuneration Panel's Report following discussions at Members Advisory Panel."

A vote was taken on the amendment. The amendment was not carried.

Councillor Chatburn moved the following amendment to the motion, seconded by Councillor Mrs Rigg:-

"The SRA for Vice Chairs be abolished as recommended by the Independent Remuneration Panel."

A vote was taken on the amendment. The amendment was not carried.

A vote then took place on the substantive motion. The substantive motion was agreed.

RESOLVED that:-

1. The Panel be thanked for its work.
2. Basic allowance be frozen at £9300 for 2015/16.
3. In 2015/16 the SRAs be cut in line with the Independent Remuneration Panels Report.
4. The SRAs for Vice Chairs be retained.
5. The Mayoral and Deputy Mayoral allowances be reduced in 2015/2016 as per the Independent Remuneration Panels Report.
6. A single Group Leaders allowance of £5000 be paid in 2015/2016 to the largest minority group.
7. A further report be brought back to Cabinet and Council to reduce the number of Cabinet portfolio holders by at least two and to reduce the Select Committee Chairs and Vice Chairs by at least two.

C
27/14

Director of Public Health Annual Report 2012-2013

Consideration was given to the Director of Public Health's Annual Report 2012/13.

This was the first report of the Director of Public Health for Stockton Borough Council under the new arrangements introduced in the Health and Social Care Act 2012. The Report outlined the key health and wellbeing challenges and opportunities in Stockton Borough, including the data and evidence and details of work and planned next steps. The Report fitted with the priorities in the Joint Health and Wellbeing Strategy and outlined some key messages and challenges to partners and communities.

Key areas of work and ongoing challenges were outlined in relation to:-

- Addressing the wider determinants of health e.g. smoking, mental health
- Reducing inequalities e.g. between people with learning disabilities and the

rest of the population

- Addressing key health and wellbeing issues e.g. cancer and lung disease
- Healthcare quality and commissioning e.g. through work Hartlepool and Stockton-on-Tees Clinical Commissioning Group
- Protecting the health of the population e.g. management of outbreaks and increasing uptake of screening programmes

The Report also outlined three key challenges for colleagues and communities:-

- No alcohol in pregnancy
- Fizzy drinks full of added sugars should only be a rare treat, especially for children
- Read to your child every day – a great way to bond with your child and help them develop

The Report outlined the significant opportunity presented by the location of the Public Health team within the Local Authority.

RESOLVED that the Director of Public Health's Annual Report for 2012/13 be noted.

C
28/14

Annual Report of the Audit Committee

The Chartered Institute of Public Finance & Administration (CIPFA) stated that an effective Audit Committee would produce annual reports on its work and findings.

The report informed Members of the work of the Audit Committee during the past year and the sources of information upon which the enclosed Audit Committee opinion statement was based.

Members were reminded of the role of the Audit Committee which was:-

- (a) Reviewing and monitoring the Council's approach to risk management and corporate governance including the approval of the Statement of Internal Control.
- (b) Monitoring the integrity of the Council's financial statements and approving the Statement of Accounts.
- (c) Reviewing any proposed changes to accounting policies and promoting discussion around these.
- (d) Considering budget reports and the effect of government announcements on the Council's finances.
- (e) Reviewing Financial Update reports identifying the impact on the Medium Term Financial Plan.
- (f) Approving the role and responsibilities of the Internal Audit Service
- (g) Considering the reports of External Audit, as far as the Audit Commission's rules permit and monitoring the effectiveness of auditor's performance
- (h) Approving the internal and external audit plans

- (i) Reviewing Internal Audit work on a quarterly basis; internal and external annual reports together with any management response and receiving details of specific significant issues highlighted via audit work and referring to the Executive Scrutiny Committee; the Select Committees; Cabinet or Council, as appropriate, any issues arising which are key in nature
- (j) Since the demise of the Standards Committee the Audit Committee had maintained an overview of the Council's Constitution in respect of contract procedure rules, financial regulations and codes of conduct and behaviour, and considering the Council's compliance with its own and other published standards and controls
- (k) Consider details of key ethical and wider corporate governance issues

The Terms of Reference for the Audit Committee were approved by Council, at its meeting held on 25 January 2006, and formed part of the Council's Constitution.

At its meeting in January 2011, Council also approved a Statement of Purpose for the committee:-

The purpose of the Audit Committee was to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-financial performance to the extent that it affected the authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process.

The report covered the period from 1st October, 2012 to 30th September, 2013. As many other reports gave opinions or results at the end of the financial year, the timing of the report was to show that the review / appraisal of the control environment within this Council were on-going.

The Audit Committee was in the third year of operation, there had been detailed and in depth questioning from Members and the relatively new Members appointed to the Committee despite being on a steep learning curve had grasped the ethos of Audit work. They had ensured a continuance of the review / appraisal process across the period of reporting and made a valuable and much appreciated contribution to the functions of the Committee alongside the longer serving members.

The opinions of the Audit Committee expressed in the report were based on information supplied by the following specialist risk assessment services:-

- The Council's Monitoring officer,
- The Chief Accountant,
- The External and Internal Audit services,
- Health & Safety
- Risk Management and Insurance.
- A number of Corporate Governance reports.

The main thrust of all the specialist reports was to ensure risks were identified, managed appropriately and the resulting control environment was reliable. In receiving and challenging these reports the Audit Committee was well placed to form an independent over-view of the complete control environment including

the Authorities Anti-fraud Strategy as influenced by the Audit Commission report Protecting the Public Purse 2011 Fighting Fraud Against Local Government .

The membership of the Committee was slightly changed from the previous municipal year and therefore ensured work in progress was continued with newer Members posing searching questions alongside the in depth probing of existing Members. If the Audit Committee membership were to change dramatically and Members be required to report on a year of which they had no personal knowledge or experience (and therefore be reliant on the Officers upon whom they were supposed to exercise oversight), the previous Chair suggested that the Committee's report cover the work on the Authority's control environment for the year ending 30th September.

The Members of the Committee had shown a strong commitment to the work for which they had been given responsibility and the Committee had functioned well. The Members had studied agendas and asked searching questions of officers not only presenting reports but also requesting further investigation of issues and explanation by the Chair, Vice chair and supporting officers of the Committee.

It was fortunate insofar as the make-up of the Audit Committee membership was diverse not only geographically but also in experience and expertise. Members represented not only the North and South of the Borough but also the major conurbations and communities giving a broad spectrum of geographical and electoral knowledge.

This overview coupled with long serving Members with experience of Cabinet and Charing Scrutiny Committees and members elected recently indicated a searching and enquiring membership with a varied and extensive knowledge capable of ensuring sound and ethical governance.

As well as looking at the Internal Audit Report, Corporate Risk Register and the Health and Safety Report at each meeting the Committee had, and would continue to include in its deliberations and debates External Audit Updates, Constitutional Updates (as required), and The Monitoring Officer's Report. And last but certainly not least The Role of Internal Audit.

There was a seamless transition outsourcing the Audit Commission's in-house audit practice providing an external overview of the Councils operations. In essence there had been no change from the previous situation although this had resulted in a substantial saving in audit fees for the Council year on year.

Under the Accounts and Audit (Amendment) Regulations 2006 an internal review of the Internal Audit service should be carried out each year. Consideration was given to the seventh such review, which had again been conducted under the auspices of the Corporate Governance Group. Two members of the Group had reviewed evidence and had formulated conclusions, findings and recommendations regarding the service, the details of which were submitted.

The financial statements were produced under International Financial Reporting Standards. This in itself was a major change to the accounting regime. The Council prepared well for the introduction of IFRS and produced the draft

financial statements in time for the new statutory deadline of 30th September.

In conclusion:-

The Audit Committee was well established with comprehensive terms of reference. The Audit Committee had responsibility for risk management, internal control and financial reporting. The Chair of the Audit Committee prepared an annual report on the Committee's work for presentation to Cabinet. Effective corporate and ethical governance was critical to an authority's performance and to demonstrating continuous improvement it was therefore, a fundamental element of the modernization agenda. Probity and high standards were an inherent part of corporate / ethical governance. They were also priorities in Law and Democracy's Service Plan and in the Council Plan.

With regard to Changes during the year the demise of the Audit Commission and the transition to external providers was carried out without causing any problems.

Reductions in staffing and reorganisation of duties seemed to have been carried out in a seamless manner and the officers taking on extra duties and responsibilities had assured the Committee that the effects would not be to the detriment of the service.

The Council was facing increasing pressures around children's and Adult social care spending and this must be closely monitored as part of ongoing budgetary control.

In addition there were several other issues and developments that had impacted on Council budgets going forward, including devolving responsibility for Council Tax Benefit, transfer of public health budgets from primary care trusts, localisation of business rates and distribution of revenue funding to academies.

The Council had taken prompt and effective action to achieve the £3.8 million revenue savings required in 2011/12 arising from cuts in funding in year. Further ongoing reductions of £11.3 million in 2013/14 onwards had been built into the medium term financial plan and the ongoing efficiency, improvement and transformation programme set out how the Council would review services and deliver more savings in the future.

The robust and prudent investment regime had avoided issues similar to the collapse of the Icelandic Banks however difficult times had been faced due to a very low interest rate in the market. The continual monitoring of information on any changes in the investment sector was paramount both for internal control and the stability of the Authorities forward financial planning and officers had worked diligently to ensure maximum returns were achieved.

The Accounts and Audit Regulations 2011 changed the requirements regarding the completion and approval of the Annual Financial Statements. From 2010/11, annual Financial Statements had to be prepared by 30th June and to then pass them to external auditors for review. Authorities were required to present audited accounts for approval by those charged with governance by 30th September which was completed for the second year.

The financial statements were produced under International Financial Reporting Standards.

RESOLVED that the work carried out by the Audit Committee be noted.

C
29/14 **Members' Question Time**

The Director of Law and Democracy informed Members that no Member Questions had been received.

C
30/14 **Forward Plan and Leader's Statement**

The Leader of the Council gave his Forward Plan and Leaders Statement.

Cabinet had met twice since the last ordinary meeting of Council and had considered a wide range of issues.

On the 13th March the following significant items were considered in addition to regular items:-

- The effects of the Welfare Reform changes on Discretionary Housing Payments, the Local Council Tax Support Scheme and debt recovery.
- Recording and web broadcasting Council Meetings
- The procedure for school admissions for September 2015
- The Street Lighting invest to save scheme
- Members Allowances
- The annual report of the Director of Public Health

On the 24th April the following significant items were considered in addition to regular items:-

- Scrutiny Review of Employment and Education
- Scrutiny Review of Child Poverty
- Review of Welfare Reform and Financial Inclusion
- Childcare Sufficiency Assessment 2014 - 2015
- Children's Centres Quality Assurance Outcomes – Spring 2014
- Executive arrangements
- Adult Peer Challenge 3rd to 6th February
- Flood Investigation Report
- Rail Devolution and Local Update
- Shaping a Brighter Future

Looking ahead to the next Cabinet meeting to be held on 15th May significant items on the agenda to be considered in addition to the regular items were as follows:-

- Scrutiny Review of Access to GP, Urgent and Emergency Care
- Local Growth Fund
- Flood Support –Repair and Renew Grant Scheme

The Council had also seen a successful start to the Spring / Summer events season with a record number of entrants taking part in a very rainy Duathlon last Sunday. This followed two busy weekends in Stockton Town Centre at the

Chic Vintique Market and Stockton Calling. Looking ahead, the Garden Show would take place at Preston Park, the Tees Regatta on 17th May and the Mayor's Sunday Service on the 8th June.