

MEETING OF MIDDLESBROUGH COUNCIL

At a Meeting of Middlesbrough Council, lawfully convened, and held in the Council Chamber, Middlesbrough on 29 October 2003.

PRESENT: Councillor Porley (Chair)

The Mayor, R Mallon, Councillors Biswas, Bloundele, Booth, Brunton, Budd, Carr, Cole, Coppinger, Davison, Dryden, Elder, Hall, Heath, Hubbard, J Jones, J A Jones, Kerr, Lancaster, Lowes, McIntyre, McPartland, McTigue, Michna, Morby, Mrs H Pearson, Robson, Rogers, Rooney, Sanderson, B Taylor, J Taylor, B Thompson, P Thompson, K Walker, N J Walker, A E Ward, T Ward, Williams and Wilson.

OFFICIALS: B J Dinsdale, J Bennington, J Douglas, R G Long, T Redmayne, J Richmond, P Slocombe and M Wood.

**** APOLOGIES FOR ABSENCE** were submitted on behalf of Councillors Brady, Clark, Ferrier, Gill, Harris, Ismail, Mawston and Regan.

**** DECLARATIONS OF INTEREST**

Councillor B Thompson - Personal/Non Prejudicial Interest - Middlesbrough PCT.

**** MINUTES**

The minutes of the meeting held on 17 September 2003 were taken as read and signed as a correct record.

ANNOUNCEMENTS

(i) Presentation - Chief Superintendent D Lumb

The Mayor presented Chief Superintendent David Lumb with a gift in recognition of his valuable and dedicated work in association with Middlesbrough Council. Good working relationships had been developed and a firm foundation had been established upon which to continue and strengthen. Chief Superintendent David Lumb was wished every success in his new job.

Chief Superintendent David Lumb accepted the gift with grateful thanks and appreciation.

(ii) Elections - Voting - Minimum Age Requirements

Further to the Notice of Motion adopted by the Council at its meeting held on 17 September 2003 supporting moves to lower the voting age for all public elections to 16 the Chair referred to a response received from the Department for Constitutional Affairs. The response, a copy of which would be circulated to all Members of the Council outlined

the Government's current position on this matter and confirmed that the Council's views would be forwarded to the Electoral Commission.

DEPUTATIONS

There were no deputations for this meeting.

PUBLIC QUESTION TIME

Mr D Lane - **Housing** Stock Transfer - Question to the Mayor

'The possible transfer of council homes by Middlesbrough Council to a not for profit organisation is a tremendous decision that the tenants must make. Have they or will they be given the full facts to help them make that decision, what almost certainly will be irreversible. What are the correct costs or savings to the council tax payer in the short and long term. I am sure private owners will also be interested.'

Councillor Lowes, Executive Member for **Housing** responded and confirmed that all tenants would be provided with the full facts relating to Stock transfer to enable them to make an informed decision. The process being undertaken was in accordance with statutory regulations and guidance verified by the Office of the Deputy Prime Minister, **Housing** Corporation, the Independent Tenants advisors and the Council's own external consultants.

A number of newsletters and information leaflets had already been issued and a copy of the Council's Offer Document would be provided to all tenants. Details had also been provided on the availability of Independent advice. In addition, **Housing** Officers were to visit every Council home to explain further about the stock transfer.

In terms of the financial implications it was pointed out that as reported to the Executive a stock transfer would have an effect on the General Fund of between £600k to £800k in a full year. It was confirmed that private households would not be subsidising the cost of the transfer but would not be maintaining the benefit from tenants contributing to the cost of the Community Safety Service, Maintenance of Land and the Strategic **Housing** role which would remain with the Council.

It was stated that this should be compared against the need to meet the Decent Homes Standard and the greater costs required should the transfer not go ahead. It was pointed out that the Council could only invest a maximum of £70m over the next 10 years compared to £257m, which could be invested by **Erimus**. In overall terms, the Town would benefit from an additional annual investment of £18.7m, resulting in additional jobs, improved estates and the environment.

Supplementary Question - Mr D Lane

In the subsequent response, Mr Lane asked for clarification as to the selection and appointment of the **Erimus Housing** Shadow Board.

Councillor Lowes confirmed that the selection and structure of the **Erimus Housing** Shadow Board had been undertaken in accordance with the legal requirements. The Shadow Board comprised five Council Members, five independent people and five

tenants and the Board had rejected the introduction of an allowance scheme for members of the Board.

Mr G Melville - Service Middlesbrough Contract - Question to the Mayor

'Hyder Business Services were given the Service Middlesbrough Contract on the proposed investment of £19m in a new business centre (Rede House) when in fact only £6m was spent on refurbishing the existing building.

Being 25% into their initial 10 year contract:-

What has happened to the £13m shortfall in their initial investment in Middlesbrough?

How many of the 460-1000 new jobs have they created as promised, as part of their contract bid?

How much of the £25m to modernise Middlesbrough Council has been invested to date?

All of the above were included in the contract bid by HBS.'

Councillor Carr, Executive Member responded and confirmed that the contractual commitment had been to invest £8.9m in a regional business centre. Current procedures included annual audit checks, which were carried out at the end of each year and the figures published in the Best Value Performance Plan. It was reported that at the end of year 2, £9.6m had been invested in the Rede House building.

It was confirmed that there had not been a £13m shortfall in investment and reference was made to other contractual investment requirements and information provided on the investment at the end of year 2 in respect of the following:-

- People, expertise and business engineering - £2.6m
- Communications infrastructure - £1.8m
- Knowledge and document management systems-£1.9m
- Management support systems - £3.1m
- Regional business and sales team - £0.3m.

Details were given of the commitment to the creation of new jobs, 486 over the life of the agreement and 275 in the first three years. It was reported that at the end of year 2, a total of 135 jobs had been created and a further audit on progress was currently being undertaken.

Supplementary Question - Mr G Melville

In the subsequent response Mr G Melville asked if any savings were being made.

Councillor Carr responded and although he was unaware of the full details he referred to the information previously given and in particular the contractual commitments in terms of

investment which were currently being achieved and in some cases being exceeded by HBS.

URGENT ITEMS

No urgent items were reported.

EXECUTIVE MEMBER REPORTS

Prior to consideration of the Executive Member reports the Mayor took the opportunity of raising a number of issues including:-

- Raising Hope Initiative (review of first year)
- Reductions in recorded crime
- Social Services financial recovery plan
- Targets to be achieved in terms of pupil performance at Key Stages 2 and 3 in Middlesbrough schools
- Specific environment initiatives
- Importance of regeneration and links to the business community
- Future transport policies
- Strengthening the partnership arrangements with Stockton-on-Tees Borough Council
- Survey of buildings in terms of listed building status
- Efforts to seek improvements to Middlesbrough Railway Station
- A suggested performance related Members' allowance scheme.

Whilst recognising it was outside of the Council's jurisdiction the Mayor nevertheless sought the views of Members on the proposed change in the name of Teesside International Airport. Members acknowledged that there may be a business case for having a name recognisable abroad although support was expressed for retaining the current name.

Council then received and considered reports presented by Executive Members detailing activities carried out within their portfolios since the last meeting.

Councillor Carr referred to a number of teams of Councillors who had taken part in a recently successful Youth Parliament initiative, 'I'm a Councillor get me out of here!' following which Councillor McPartland had been voted 'Young People's Champion'.

Executive Members responded to Members' questions in relation to the following matters:-

- Council's safeguards and procedures in terms of progress on delivering the Department of Health's key priority to provide Direct Payments for service users and/or carers to purchase services from individuals or to employ staff themselves

- Council's guidance and procedures to tackle anti-social behaviour and bullying in schools

- Procedures regarding anti social behaviour orders and the proposal to brief all Members further on the AIM process

- Policies to deal with the perpetrators and the venue concerned in respect of fly posting

- Environmentally based community initiatives

- Local **housing** offices.

ORDERED that the reports be received and noted.

OVERVIEW AND SCRUTINY BOARD - CHAIR - APPOINTMENT

Moved, seconded and **ORDERED** that Councillor Brunton be appointed Chair of the Overview and Scrutiny Board.

AUDIT FUNCTION - CONSTITUTION - COMMITTEE REMITS

Council received and considered a report, presented by the Chief Executive which outlined proposed amendments to the **Constitution** and relevant Committee remits in order to implement the Audit Commission's recommendations in respect of the need for Scrutiny to have a clear role in ensuring adequate standards of financial control.

Moved, seconded and **ORDERED** as follows:-

1. That Article 6 of the **Constitution** be amended and the following words inserted in Article 6.03 after the section 'Scrutiny of Performance and Service Delivery matters' and before 'Finance':

Audit Committee Function

The Overview and Scrutiny committees will act as the Council's Audit Committee, ensuring good stewardship of the Authority's resources. Overview and Scrutiny committees may:

- a. Advise on the adequacy and effectiveness of the Authority's internal control

- b. Monitor the adequacy and effectiveness of the External Audit service and respond to its findings
- c. Receive and consider external audit reports and Annual Audit letter and advise the Executive as appropriate
- d. Monitor the adequacy and effectiveness of the Internal Audit service and the Director's responsibility for ensuring an adequate control environment
- e. Monitor management's response to Internal and External Auditors' major findings and the implementation of key recommendations.

2. That the remit of the Standards Committee be amended to include the following:

"8. Review compliance with relevant standards, codes of practice and corporate governance policies of or relating to the Council."

- 3. That the Policy, Performance and Resources Scrutiny Panel be renamed the Resources and Audit Scrutiny Panel.
- 4. That consideration be given to the role of Scrutiny in relation to Risk Management following the report of the Assistant Chief Executive Policy and Performance and the Director of Resources to be presented to a future meeting of the Executive.

QUARTERLY UPDATE - URGENT KEY DECISIONS - AUGUST TO OCTOBER 2003

In accordance with the **Constitution** the Council received and considered a report on key decisions taken under Special Urgency rules during the period August to October 2003 as follows:-

Subject Date Decision Taken Decision Taken By`

Middlesbrough Council's 5 August 2003 The Mayor

Participation in the

Department of Work and

Pensions **Housing** Benefits

Pilot

Barker and Stonehouse 26 September 2003 The Mayor

Land at Cannon Street

ORDERED that the report be noted.

NOTICE OF MOTION - DEMOCRACY

The following Motion, notice of which was received under Council Procedure Rule No. 9 was presented:

"This Council agrees that only by the full and proper implementation of the fundamental tenets of Democracy can the interests and concerns of the Public be served; via the asserting, promoting and championing of those rights aforementioned, by Individual Councillors on the Public's behalf, without fear of reprisal, let or hindrance from its ruling hierarchy, or any other delegated Party.

And I so move."

The motion was not seconded and the matter was not debated in accordance with Council Procedure Rule 11.1.

NOTICE OF MOTION - COUNCIL TAX

The following Motion, notice of which was received under Council Procedure Rule No. 9 was presented:

"Middlesbrough Council notes:

- a. That the proportion of the Council's expenditure paid for by the Government's revenue support grant has been decreasing for a number of years;

- b. That therefore the proportion of the Council's expenditure paid for by the Council Taxpayers of Middlesbrough has been obliged to increase each year and has now reached a level that is no longer acceptable (over £1,000 for residents of a Band D property);

- c. That a small percentage increase in Council expenditure without an equivalent increase in the Government's revenue support grant and business rates means a much larger percentage increase for the Council Taxpayers of Middlesbrough;

- d. That Council Tax is the least fair major tax and that a pensioner couple with a small fixed income pay the same amount as a family of higher earners living in an equivalent house next door;

- e. That adding an additional lower valuation band below Band A and higher valuation bands above Band H would not change the basic unfairness of Council Tax based on historic property values.

This Council therefore calls upon the Government:-

1. To abolish Council Tax for domestic properties based on historical property values and introduce a new system of local taxation based on the ability to pay (such as Local Income Tax);

2. To establish a formula for an equalisation revenue support grant which would be a much smaller proportion of local authority spending requirements than the current revenue support grant;

3. To ensure that the major saving from not having to operate a Council Tax benefit system is devolved to local authorities for the benefit of local communities."

An amendment was moved by Councillor N J Walker, seconded by Councillor Carr that all the words after "This Council notes" be deleted and the following inserted:

"that the balance between central and local sources of funding of local government is a major issue, worthy of extensive consideration and debate by Members. It should be an informed debate, encompassing the range of options for change and an assessment of their potential impact on the people of Middlesbrough. It should take place when further evidence, including that currently being commissioned by the Balance of Funding Steering Group, is available to Members."

On a vote being taken the amendment was carried.

This being the substantive motion, the motion was then put.

On a vote being taken the motion was declared carried.

**** CORPORATE SEAL**

ORDERED that the Corporate Seal be affixed to the documents requiring the same.