

WEST DUNBARTONSHIRE COUNCIL

At the Special Meeting of West Dunbartonshire Council held in the Council Chambers, Council Offices, Garshake Road, Dumbarton, on Thursday 12 February 2009 at 2.00 p.m.

Present: Provost Denis Agnew and Councillors George Black, James Bollan, Margaret Bootland, Jim Brown, Geoff Calvert, Gail Casey, Jim Finn, William Hendrie, Douglas McAllister, David McBride, Jonathan McColl, Ronnie McColl, Jim McElhill, Patrick McGlinchey*, Craig McLaughlin, Willie McLaughlin, Marie McNair, John Millar*, Iain Robertson, Martin Rooney and May Smillie.

*Arrived later in the meeting.

Attending: David McMillan, Chief Executive; Bill Clark, Executive Director of Social Work and Health; Elaine Melrose, Executive Director of Housing, Environmental and Economic Development; Terry Lanagan, Executive Director of Educational Services; Joyce White, Executive Director of Corporate Services; David Connell, Head of Finance and ICT; Jim Pow, Manager of Finance, Housing, Environmental and Economic Development; Liz Cochrane, Principal Policy Officer; Andrew Fraser, Head of Legal, Administrative and Regulatory Services and George Hawthorn, Senior Administrative Officer.

Provost Denis Agnew in the Chair

PROVOST'S REMARKS

Provost Agnew informed the Council that he intended to allow the SNP Group and the Labour Group to present their budget proposals and then there would be an adjournment to allow the SSP Member and the independent Members to consider the proposals before entering into debate. It was noted that the Chief Financial Officer would be available to answer Members' questions during the recess.

Note: Councillor Millar entered the meeting at this point in the proceedings.

BUDGET PRIORITIES CITIZENS' PANEL SURVEY, DECEMBER 2008 AND BUDGET PUBLIC FORUM MEETINGS – 13, 14 & 15 JANUARY 2009

A report was submitted by the Chief Executive providing information on:-

- (a) the key priorities identified in the West Dunbartonshire Citizens' Panel budget priorities survey;

- (b) the points raised at the budget forum meetings held to discuss the Council's revenue budget for 2009/10; and
- (c) the points raised via the Council's budget website.

The Council agreed to note the contents of the report.

GENERAL SERVICES REVENUE ESTIMATES AND COUNCIL TAX 2009/2010

A report was submitted by the Executive Director of Corporate Services providing Council with sufficient information to:-

- (a) approve the General Services Revenue Estimates for 2009/2010;
- (b) set the level of prudential reserves for 2009/2010; and
- (c) set the Council Tax level for 2009/2010.

It was noted that the draft Revenue Estimates book, as referred to in the aforementioned report, had been circulated to all Members on 7 January 2009.

At this point, the SNP Group's Budget proposal documents were circulated.

Councillor McLaughlin moved:-

That the Council approves the SNP Revenue Budget Proposals for 2009/2010 as detailed in the undernoted documents:-

- An Improving Council – Revenue Budget Proposals 2009/2010 and 2010/2011 (shown as Appendix I to these Minutes); and
- West Dunbartonshire Council -2009/2010 Revenue Estimates – Budget Savings Options (shown as Appendix II to these minutes).

Therefore I am recommending to the Council that for the second year in a row that Council Tax levels are frozen at 2007/2008 levels.

In addition, subject to the additional support being available from the Scottish Government, that 2010/2011 council tax levels should also be frozen.

This Council acknowledges the announcement by John Swinney MSP, to a further Council tax freeze until after the election in 2011.

I am recommending a Band D equivalent of £34,207, which in turn will set a Band D council tax level of £1163 plus water charges.

Note: Councillor Patrick McGlinchey entered the meeting at this point in the proceedings.

At this point the Labour Group's Budget proposal document was circulated.

As an amendment, Councillor McBride moved:-

I commend the Labour Opposition budget proposals set out in this document (shown as Appendix III to these Minutes). Specifically, I move as follows:-

1. That a net General Services Revenue budget of £243,941,260 be approved. This budget should be based on the draft estimates book issued by the Chief Executive to all Members in January 2009.
2. That the enhancements set out in Section 3 (Appendix III refers) and valued at £154,550 should be approved.
3. That the efficiency savings of £2,894,260 as described in Section 4 (Appendix III refers) should be approved. The savings options are subject to any required statutory consultation.
4. That the 2009/2010 Band D council tax should be £1,163.00 which represents zero increase and assumes a collection rate of 97.00%.
5. To note that the Labour Opposition has succeeded in honouring our commitment to keep council tax increases as low as possible for 2009/10.
6. We recognise the financial burden which the council tax places on our citizens, particularly the elderly, and we are determined to maintain our manifesto pledge to minimise tax increases.

In response to Members' questions, the Head of Legal, Administrative and Regulatory Services informed the Council that in respect of the £1,000,000 (referred to in Section 3 of the Labour Group's proposals as "Less transfer of earmarked balance") which had been previously earmarked by the Council for single status, the Council would need to suspend Standing Orders if the £1,000,000 was funded from this source, as a period of 6 months had not passed since the Council made the decision on 19 August 2008. However, if the £1,000,000 was taken from the General Reserves then the suspension of Standing Orders would not be required.

At this point, Councillor McBride informed the Council that, in light of the above advice, the Labour Group's budget proposals be amended to show that the sum of £1,000,000 would be funded from the General Reserves.

It was therefore noted that the Suspension of Standing Orders would not be required.

ADJOURNMENT

After hearing Provost Agnew, the Council agreed to adjourn for a period of 30 minutes to allow Members to consider both sets of budget proposals.

The meeting reconvened at 3.15 p.m. with all those Members shown on the sederunt in attendance.

Thereafter, Councillor C. McLaughlin, Councillor McBride, Members of the Corporate Management Team, the Head of Finance and ICT and the Head of Legal, Administrative and Regulatory Services were heard in response to Members' questions.

At this point Councillor Robertson seconded the motion by Councillor C. McLaughlin and Councillor Rooney seconded the amendment by Councillor McBride.

After debate, on a vote being taken, 8 Members vote for the amendment, 13 for the motion and one member abstained. The motion was accordingly declared carried.

HOUSING REVENUE ACCOUNT (HRA) ESTIMATES 2009/2010

A report was submitted by the Executive Director of Housing, Environmental and Economic Development making recommendations in respect of the HRA Estimates and rent levels for 2009/2010 and HRA Prudential Reserves for 2009/2010.

Councillor Hendrie, seconded by Councillor C. McLaughlin, moved:-

Council agrees recommendations 'i', 'v' and 'vi' at 12.1 of the report (as shown below):-

- (i) to agree a weekly rent increase of not less than £2.15 on a 52 week basis (£2.38 on a 47 week basis), equating to 4.5% as detailed in Appendix 1 of the report (shown as Appendix IV to these minutes);
- (v) to note the work being undertaken by Arneil Johnston in developing a new rent model that will sustain the delivery of the SHQS and that a report on the matter will be brought to a future meeting of the appropriate Committee; and
- (vi) to maintain the existing level of lock up rentals.

Further to this, Council agrees to expand the Estate Caretaking Scheme and to provide a Close Cleaning service in the pilot areas.

This will be implemented as outlined in Appendix 3 of the report with these services being funded from the HRA Reserve.

Council acknowledges the need for a revised rent model to support the delivery of the SHQS and sustain housing standards. It is essential active tenant consultation takes place in developing the new rent model.

In order to help facilitate development of a new rent model, Council also agrees with recommendation 'iv' at 12.1 of the report (as shown below):-

- (iv) agree to suspend rent harmonisation increases as outlined in paragraph 5.5 option 2 (of the report) pending the introduction of a revised rent model for 2010/2011 and beyond.

The Executive Director of Housing, Environmental and Economic Development, was heard in response to Members' questions.

As an amendment Councillor Calvert moved:-

Rent Harmonisation/Revised Rent Model

This Council notes with grave concern that successive decisions it has taken regarding Rent Harmonisation appear not to have been implemented. It is noted in para. 5.2 of the report that an Internal Audit investigation is in progress and therefore it would be premature to make further comment on this matter at this time.

Given the added complications implicit in funding the delivery of the SHQS 2015, Council agrees that rent harmonisation should be suspended at present. Council agrees that a new Council-Wide rent model, open and transparent, should be in place before rent harmonisation is recommenced.

Recommendations

Council agrees the need for a revised rent model as outlined in para. 12.1 (iii) and notes the work being undertaken by Arneil Johnston in this regard as outlined in para. 12.1 (v) of the Recommendations.

Furthermore, Council agrees to suspend rent harmonisation increases as outlined in para. 12. (iv) of the Recommendations.

Estate Enhancement

This Council agreed in February 2008 that three major estate enhancement schemes be instigated and the additional costs be added to the weekly rent. These schemes were:- (i) enhanced caretaking service; (ii) enhanced back-court maintenance and grass cutting; and (iii) a new close cleaning service.

Liaison with tenants reveals that the additional caretakers, where in place, are valued and are making a real difference, that the back-court maintenance programme has not been carried out to the level agreed and that the close cleaning service has not even begun – one full year after being agreed by Council.

This Council is aware that the decision to intensify its estate management service was taken because parts of some of our estates were deteriorating into appalling states, that our estate management teams had little or no power to enforce conditions of missives and that the anti social behaviour of some

tenants was the direct cause of the unacceptably high level of void properties. This Council was united in its view that action had to be taken.

Having taken the right decision in 2008, this Council is annoyed and frustrated at the incompetence of this Administration that has led to not one close being cleaned and a patchy back court and grass cutting service. Council notes also that it has collected additional rent amounting to £150k approx for this service which it has failed to provide.

Recommendation

This Council affirms its decision of 2008 and, in addition, agrees to instigate and expand the three estate management schemes with the money already collected from tenants and thereafter at an additional cost of 0.99p per week. This Council expects the Administration to implement this decision without any more incompetence or prevarication and to bring forward progress reports to every future meeting of Housing, Environmental and Economic Development Services Committee until further notice.

Rent Levels

This Council notes with satisfaction that Council Housing rents have been kept at levels below the rents for equivalent properties of other housing providers over the last ten years by the successful application of Labour policies as consistent commitments to affordable rents.

In looking to the immediate future, this Council notes that in setting the direction for investment and rent setting, the Standard Delivery Plan to achieve the Scottish Housing Quality Standard 2015 will be the driver for progress. Therefore, it is recognised, by tenants' organisations as well as by this Council, that above inflation rent increases will become a feature over the coming few years. However, we are not there yet.

Recommendation

Council agrees, in continuing to keep its commitment to affordable rents, that a weekly increase equating to **2.5%** and not as outlined in para. 12.1 (i) of the Recommendations be applied. Council agrees that £252,000 will be applied from the Reserves to achieve this level of increase.

Council agrees rental for lock ups be maintained at existing levels in line with para. 12.1 (vi) of the Recommendations.

HRA Reserves

This Council notes that the HRA Reserve as at 31st March 09 is estimated to be at approximately £1,685,000. Council notes also that the recommended, but not legally binding, level of reserves should be £627,000. This Council accepts that over £1 million of tenants money is readily available right now to

tackle the shortcomings in properties that will need to be addressed in meeting the SHQS 2015.

As stated in para. 11.6 of the report, this Council is appalled that this Administration plans to spend, not one but, £2 million of tenants money to fund lawyers and consultants to support stock transfer rather than to invest directly in property to provide warm, dry and energy efficient homes for our tenants.

Recommendation

This Council will transfer £1,000,000 of its HRA Reserves to the HRA Capital Plan to be ring-fenced for investment in properties that will support the SHQS 2015. This Council requests that the Director of HEED bring forward recommendations for this investment in the report for Council at the end of February.

This Council agrees that the resultant prudential reserve of £443,000 is adequate for its purposes given the real need to invest in housing stock before the deadline for SHQS 2015.

ADJOURNMENT

After hearing Provost Agnew, the Council agreed to adjourn for a period of 20 minutes to allow officers sufficient time to examine the proposals.

The meeting reconvened at 5.25 p.m. with all those Members shown on the sederunt in attendance.

Provost Agnew invited the Chief Executive to address the Council. The Chief Executive informed the Council that it appeared that there was a £300,000 discrepancy in the figures contained in the Labour Group's proposal which if funded from HRA reserves, would result in reserves being reduced to approximately £128,000. The Manager of Finance (Housing, Environment and Economic Development) explained in detail how the shortfall had been calculated. Thereafter, the Executive Director of Housing, Environmental and Economic Development informed the Council that in her opinion the shortfall could not be met out of existing budgets, while to reduce the reserve to £128,000 would put the Council at significant risk. The Head of Legal, Administrative and Regulatory Services advised the Council that in circumstances where the full financial consequences of decisions could not be assessed prior to taking a major financial decision, this would be a breach of the Council's statutory obligation of best value. A resolution in these terms would therefore be illegal, albeit that the motion could still be amended since it had not been seconded.

Thereafter, the Provost having taken the advice of the Head of Legal, Administrative and Regulatory Services, ruled that the motion was not competent.

After discussion, Councillor Calvert informed the Council that in light of this he would amend the penultimate paragraph of the amendment to read as follows:-

This Council will transfer £700,000 of its HRA Reserves to the HRA Capital Plan to be ring-fenced for investment in properties that will support the SHQS 2015. This Council requests that the Director of Housing, Environmental and Economic Development bring forward recommendations for this investment in the report for Council at the end of February.

At this point, Councillor Casey seconded the amendment.

On a vote being taken, 10 Members voted for the amendment and 10 for the motion and 2 Members abstained. There being an equality of votes the Provost used his casting vote in favour of the motion which was accordingly declared carried.

PROVOST'S REMARKS

The Provost, on behalf of the Council, thanked officers for their work in preparing the budgets.

The meeting closed at 6.10 p.m.