

ITEM NO. 2 (b)

COUNCIL

1st March, 2012

PRESENT – The Mayor; Councillors Baldwin, Carson, Copeland, Cossins, Coultas, Crudass, Curry, Dixon, Donoghue, Galletley, Grundy, Harker, Harman, Haszeldine, L. Haszeldine, C. L. B. Hughes, L. Hughes, Johnson, B. Jones, Mrs. D. Jones, Knowles, Landers, Lawton, Lewis, Long, D. A. Lyonette, J. M. Lyonette, Macnab, Maddison, McEwan, Newall, Nutt, Regan, E. A. Richmond, S. Richmond, A. J. Scott, Mrs. H. Scott, Stenson, C. Taylor, J. Taylor, Thistlethwaite, J. Vasey, Wallis and Wright. (45)

APOLOGIES – Councillors Francis, Hutchinson, Lee, Lister and York. (5)

ABSENT – Councillor Kelley. (1)

49. DECLARATIONS OF INTEREST – Councillors Long, Macnab, Newall and Stenson each declared a Personal and Non-Prejudicial interest in relation to the item detailed at Minute 51(2) below.

50. PETITIONS – Representation was heard from one of the two Petition Organisers where the threshold to prompt a debate in a Full Council Meeting had been achieved under the Council’s Petition Scheme.

51. CABINET REPORTS – (1) Darlington Library Plan 2012/15 – The Director of Place submitted a report (previously circulated) seeking approval for a Library Plan for 2012-2015.

The submitted report stated the 2011-15 Medium Term Financial Plan, approved by Council in March 2011, committed the Council to realising savings in the Library Service budget of £130,000 per annum by 2011-12 and £250,000 per annum by 2012-13, and highlighted that a Transformational Review of the Review of the service had delivered £242,000 of savings through management and operational staffing consolidation.

The submitted report also stated that an Assessment of Local Need had been completed in 2011 to determine whether Darlington’s proposals met local need, and that the Authority had also received guidance from, and involved, the Museums, Libraries and Archives Council (MLA) during the Libraries Review and the MLA had expressed its support for how the review process had been completed. Six key principles were identified based on the findings of the Assessment of Need and the priorities outlined in the Sustainable Communities Strategy, and the findings and priorities guided the writing of the Library Plan.

RESOLVED – That the Library Plan for 2012-2015 be approved.

REASON – To meet the Assessment of Local Need, as well as One Darlington: Perfectly Placed and the Council’s Business Model, and provide context for a decision on the Libraries Service.

(2) Medium Term Financial Plan 2012/13 to 2015/16 - The Chief Officers Executive submitted a report (previously circulated) to approve this Council’s Medium Term Financial Plan (MTFP) for 2012/13 to 2015/16.

The submitted report stated that the Council faced a significant financial challenge following the reduction in Local Government funding which had resulted in the Council losing an estimated 24.4 per cent of grant funding. It was reported that the 2011/15 MTFP identified savings of £11.8 million with a further £7.7 million to follow, however due to anticipated grant changes, increases in service demand, and inflationary pressures this figure would increase to £15.8 million by 2015/16.

The submitted report explained that the Council’s grant figure was only certain until March 2013 as the Government planned to implement a fundamental review of local government funding from April 2013, and that this would cast uncertainty in relation to projected resource levels beyond next year with significant risk that grants could be less than were assumed within the report. The submitted report highlighted that a further review which examined spending reduction from 2015/16 had been conducted and an estimate of the impact to Local Government funding, assuming similar policy objectives were achieved, had been formed. It was reported that the review suggested that the reduction at national level for Local Government would be 9.8 per cent in 2015/16, and 6.8 per cent in 2016/17, which would equate to further grant losses for Darlington of £3.3 million rising to £5.4 million by 2016/17. The submitted report also highlighted a reduction in funding to Local Government to reflect a 1 per cent pay rise instead of the 2 per cent assumed in the Comprehensive Spending Review.

The submitted report identified additional cost pressures of over £5 million for the forthcoming financial year, the most significant of which were Looked After Children at £1.67 million and Learning Disabilities at £0.42 million, where service demand had increased, and pressures on income, and inflation in relation to energy and fuel prices. Consideration was also given to retaining a suggested revenue balance to protect the Council against financial risk, and an outline of the Council’s business model was provided.

The submitted report also highlighted that annual Council Tax increases of 3.5 per cent had been proposed to raise an additional £2 million compared with the current MTFP to help balance the budget and mitigate the impact of reductions in front-line services.

It was further reported that extensive consultation that had been undertaken on the MTFP, which included some 6,100 individual responses from members of the public. Members were advised that the majority of responses related to a relatively small number of proposals where the public recognised that there would be significant impacts on the quality of life. The submitted report stated that Cabinet had considered the consultation responses and explored opportunities to respond to suggestions from members of the public and other stakeholders, and had been able to recommend

alternative proposals in relation to libraries, Closed Circuit Television (CCTV) and Shopmobility.

The following amendment to the recommendations detailed in the submitted report was moved by Councillor Johnson, seconded by Councillor Galletley, and lost.

‘To delete ‘Approve the Revenue MTFP as summarised in Appendix 16’ in the first line of ‘(a)’ in the recommendations moved and replace with the following:-

‘(a) That the Arts Centre closure be delayed until the end of 2012 to give further time for an alternative building (which is centrally located to accommodate all the facilities currently in use at the Arts Centre) to be found with the additional funding being met from revenue balances and approve the Revenue MTFP as summarised in a revised Appendix 16,’

NOTE – A vote on the Amendment was taken by a call of names of the Members present and there appeared:-

For the Amendment –

Councillors Coultas, Crudass, Curry, Donoghue, Galletley, Grundy, Johnson, B. Jones, Mrs. D. Jones, Lawton, Lewis, Macnab, E. A. Richmond, Mrs. H. Scott and Stenson. (15)

Against the Recommendation –

The Mayor; Councillors Baldwin, Carson, Copeland, Cossins, Dixon, Harker, Harman, Haszeldine, L. Haszeldine, C. L. B. Hughes, L. Hughes, Knowles, Landers, Long, D. A. Lyonette, J. M. Lyonette, Maddison, McEwan, Newall, Nutt, Regan, S. Richmond, A. J. Scott, C. Taylor, J. Taylor, Thistlethwaite, J. Vasey, Wallis and Wright.. (30)

A further amendment (detailed below) to the recommendations detailed in the submitted report was moved by Councillor Curry, seconded by Councillor Macnab, and lost.

First to delete ‘Approve the Revenue MTFP as summarised in Appendix 16’ in the first line of ‘(a)’ in the recommendations moved and replace with the following:-

‘(a) That, to enable a further review, the Arts Centre remain open until 31st March, 2013 and an additional subsidy of £100,000 (in addition to the £210,000 in year one) be allocated in 2012/13 be found with the additional funding being met from revenue balances and approve the Revenue MTFP as summarised in a revised Appendix 16,’

Second to amend recommendation (a) at sub-section (ii) by deleting ‘Appendix 7’ and inserting ‘a revised Appendix 7 (to be funded from revenue balances)’ to allow the following:-

- (i) Removal of Secondary Home to School Transport for one year to allow further discussions with schools to establish alternative transport and review the implications; and

- (ii) Removal of Supported Bus Service Proposals for one year to enable negotiations with residents, community groups and the bus services to find alternative transport provision.

RESOLVED –

(a) That the Revenue Medium Term Financial Plan, as summarised in Appendix 16 of the submitted report, including the following, be approved:-

- (i) That a 3.5% Council Tax increase for 2012/13 and the following potential increases be included in the Medium Term Financial Plan for future years:-

2013/14	3.5%
2014/15	3.5%
2015/16	3.5%

- (ii) That the budget reductions set out in summary at Appendix 7 of the submitted report, be approved;

- (iii) That the schedule of charges set out in Appendix 3 of the submitted report, be approved; and

- (iv) That discretion for Cabinet to vary the budget for 2012/13, by up to £0.5 million without further Council approval, be approved.

(b) That the Capital Medium Term Financial Plan, set out on pages 30 to 35 and Appendix 15 of the submitted report, be approved.

(c) That any capital receipt from a sale of the Arts Centre be invested in the future delivery of Arts in Darlington.

REASONS – (a) To enable the Council to continue to plan services and finances over the medium term.

(b) To set the 2012/13 budget and Council Tax in compliance with statutory requirements and the council's constitution.

(c) To continue to offer a varied and vibrant arts offer across the Borough.

(3) Housing Revenue Account – Revenue Budget 2012/13 – The Director of People submitted a report (previously circulated) on the changes to the Housing Revenue Account (HRA) following the national review of the HRA subsidy system, and requesting that consideration be given to proposals in relation to the revenue budget, rent levels and service charges for the Council's Housing Revenue Account for the financial year 2012/13.

The submitted report considered, in particular, the impact of the Government's Rent Restructuring Policy, the HRA Subsidy determination and the proposed increase in rent and service charges.

RESOLVED – (a) That an average weekly rent increase of 7.70% (£4.59) be implemented in line with the Government rent restructuring model.

(b) That Garage rents and service charges be increased as detailed in Table 1 of the submitted report.

(c) That the budget as detailed in Appendix 1 of the submitted report be approved.

REASON – To enable the Council to deliver an appropriate level of service to tenants.

(4) Prudential Indicators and Treasury Management Strategy Report 2012/13 – The Director of Resources submitted a report (previously circulated) which requested that Council adopt the Prudential Indicators and Limits for 2012/13 to 2014/15 relating to capital expenditure and Treasury Management activity, a policy statement relating to the Minimum Revenue Provision, and the Treasury Management Strategy 2012/13, which included the Investment Strategy for 2012/13.

The submitted report outlined the Council's Prudential Indicators for 2012/13 – 2014/15, and set out the expected treasury operations for this period. It was stated that the report fulfilled key legislative and guidance requirements. The information contained within the submitted report regarding the Council's capital expenditure plans, treasury management and prudential borrowing activities indicated that they were within the statutory framework and consistent with the relevant codes of practice, prudent, affordable and sustainable, and an integral part of the Council's Revenue and Capital Medium Term Financial Plans.

The submitted report outlined the consideration given to the Prudential Indicators and Treasury Management Strategy by the Audit Committee at its Special Meeting on 24th January 2012, and that the Audit Committee was satisfied with the Prudential Indicators and Treasury Management Strategy.

RESOLVED – (a) That the Prudential Indicators and limits for 2012/13 to 2013/14, as summarised in Tables 1 and 2 of the submitted report, be approved.

(b) That the Minimum Revenue Provision (MRP) statement, contained within paragraph 28 of the submitted report, be approved.

(c) That the Treasury Management Strategy 2012/13–2014/15, as detailed within paragraphs 38 to 56 of the submitted report, be approved.

(d) That the Investment Strategy 2012/13, as contained in paragraphs 57 to 87 of the submitted report, be approved.

REASONS – (a) To comply with the Prudential code for Capital Finance in Local Authorities and the Department for Communities and Local Government (CLG) guidance on investments.

(b) To comply with the requirements of the Local Government Act 2003.

(c) To approve a framework for officers to work within when making investment decisions.

52. COUNCIL REPORTS – (1) Setting the Council Tax for 2012/13 – The Director of Resources submitted a report (previously circulated) requesting that consideration be given to setting this Council's Council Tax for 2012/2013, which was required to be set before 11th March 2012.

RESOLVED – (a) That the following amounts be calculated by the Council for 2012/13 in accordance with sections 31 to 36 of the Act and relevant regulations:-

- | | | |
|-------|---|--------------|
| (i) | the aggregate of the amount which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils, which is its expenditure | £249,647,709 |
| (ii) | the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act, which is its income | £208,056,756 |
| (iii) | the amount by which (i) exceeds (ii) calculated by the Council for the year in accordance with Section 31A(4) of the Act as its Council Tax Requirement | £41,590,953 |
| (iv) | The amount at item 5(iii) above, divided by the council tax base in paragraph 14 below, calculated by the Council in accordance with Section 31B of the Act as the basic amount of its Council Tax for the year (including Parish Precepts) | £1,193.58 |
| (v) | the aggregate of all special items (Parish Precepts) referred to in Section 34(1) of the Act as in the attached Appendix 1 | £80,209 |
| (vi) | the amount at 5(iv) above less the result given by dividing the amount at 5(v) above by the amount at paragraph 14 below, calculated by the Council in accordance with Section 34(2) of the Act as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish Precept relates | £1,191.28 |
| (vii) | That the basic council tax for 2012/13 calculated for dwellings in those areas that have parish precepts be as set out in Appendix 1, column 5. | |

(viii) That the Council, in accordance with Sections 30 and 36 of the Act, hereby sets the aggregate amounts shown in **Appendix 2** as the amount of Council Tax for 2012/13 for each part of its area and for each of the categories of dwellings

(b) It be noted that for the year 2012/13 Durham Police Authority has stated the following amounts in the precept issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwellings shown : -

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Police Authority	102.27	119.32	136.36	153.41	187.50	221.59	255.68	306.82

(c) It be noted that for the year 2012/13 County Durham and Darlington Fire and Rescue Authority has stated the following amounts in the precept issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwellings shown: -

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Fire Authority	60.30	70.35	80.40	90.45	110.55	130.65	150.75	180.90

(d) The Council, in accordance with Section 30(2) of the Act hereby sets the amounts set out in **Appendix 3** as the amounts of council tax for 2012/13 for each of the categories of dwellings.

REASON – To set the Council Tax for the Council’s area in accordance with statutory requirements.

(2) Implementation of Local Sustainable Transport Fund – Development of Shopmobility Service and Better Meeting the Needs of Disabled People – The Director of Place submitted a report (previously circulated) requesting that consideration be given to waiving Contract Procedure Rules under Rule 18 to allow Officers to financially support Darlington Association on Disability (DAD) as part of the implementation of the Local Sustainable Transport Fund project.

The submitted report stated that Darlington’s Shopmobility service was provided by DAD, from its premises in 22-24 Horsemarket, and had been funded for a number of years by the Council. The submitted report highlighted that one of the recommendations contained within the MTFP was to cease funding the Shopmobility service with effect from 31st March 2012, however it was proposed that alternative funding for a further 12 months be granted to enable DAD to develop an alternative business model and potentially expand.

The submitted report outlined that varying and extending the current contract would exceed the £75k procurement threshold set by the Council’s internal Contract

Procedure Rules, and therefore permission to waive Contract Procedure Rules was required to part fund the service.

RESOLVED – (a) That Contract procedure Rules be waived, under Rule 18, to allow for the procurement from Darlington Association on Disability of a continued Shopmobility service, including development of a new business model not reliant on Council funding, and provision of practical advice and guidance on the travel needs of disabled people.

(b) That the Assistant Director - Resources be authorised to extend the current contract with Darlington Association on Disability for the period 1st April 2012 – 31st March 2013, with a further maximum expenditure of £32, 000.

REASONS – (a) To enable Darlington Association on Disability to develop a new business model for the delivery of a Shopmobility service, following the withdrawal of funding by the Council.

(b) To meet the outcomes set out in the Local Sustainable Transport Fund bid to better meet the needs of disabled people through greater involvement of disabled people in the Local Motion project.

53. SUPPLEMENTARY ITEM – Hurworth Ward Casual Vacancy – With the prior approval of the Mayor to the matter being treated as urgent to inform Members at the earliest opportunity, the Chief Executive and Returning Officer submitted a report (previously circulated) declaring a casual vacancy for a Councillor for the Hurworth Ward.

The submitted report highlighted that if a Member of a local authority failed throughout a period of six consecutive months from the date of his or her last attendance to attend any meeting of the authority, he or she shall, unless the failure was due to some reason approved by the local authority before the expiry of that period, cease to be a Member of the authority.

It was reported that the last meeting attended by Councillor Martin Swainston was the Ordinary Meeting of the Council on 21st July 2011, that the Council had not approved a reason for Councillor Swainston’s non-attendance prior to the expiry of his six months absence from meetings, and that therefore Councillor Swainston ceased to be a Member of the Council on 21st January 2012.

RESOLVED – That it be noted that the Council declare a casual vacancy for a Member in the Hurworth Ward.

REASON – To meet legislative requirements.