

COUNCIL
1st October, 2009

PRESENT – The Mayor; Councillors Armstrong, Baldwin, Barker, Burton, G. Cartwright, M. Cartwright, Chapman, Copeland, Coultas, Curry, Davies, Dixon, Dunstone, Francis, Galletley, Harker, Haszeldine, Hughes, Jenkinson, Johnson, B. Jones, Mrs. D. Jones, Lawton, Lee, Lewis, Lister, D. A. Lyonette, J. M. Lyonette, Maddison, McEwan, Newall, Nicholson, Nutt, Regan, Richmond, Roberts, Robson, A. J. Scott, Mrs. H. Scott, Stenson, Swainston, Swift, Thistlethwaite, Walker, Wallis, Williams and York. (48)

APOLOGIES – Councillors Freitag, Hartley, L. Haszeldine, Long and Vasey. (5)

21. MINUTES – Submitted – The Minutes (previously circulated) of the meeting of this Council held on 16th July 2009.

RESOLVED – That the Minutes be approved as a correct record.

22. DECLARATIONS OF INTEREST – There were no declarations of interest reported at the meeting.

23. ORDER OF SEALING DOCUMENTS – Presented – The Register showing the documents which had been sealed since the last meeting of Council.

24. ANNOUNCEMENTS – (1) **Welcome to Chris Sivers, Assistant Chief Executive** – The Mayor extended a warm welcome to Ms. Chris Sivers, Assistant Chief Executive, who was attending a meeting of the Council for the first time.

(2) **Best Small City Award – Northumbria in Bloom** – The Mayor reported that the entry from this Council had been awarded the Best Small City Award in the Northumbria in Bloom Competition, and expressed his personal congratulations, and that of the Council, to those that took part in gaining the Award.

(3) **Tees Valley Rural Council Awards** - The Mayor reported that the entry from Middleton St. George Parish Council had been awarded the Outstanding Community Group Award in the Tees Valley Rural Council Awards, and expressed his personal congratulations to those that took part in gaining the Award.

25. QUESTIONS – TO ANSWER QUESTIONS (WHERE NOTICE HAS BEEN GIVEN) FROM – (1) **The Public** – There were no questions from members of the Public.

(2) **Members to Cabinet / Chairs** – Councillor Barker asked a question to Councillor D. A. Lyonette, Cabinet Member with Portfolio for Transport, and Councillor D. A. Lyonette replied. Councillor Barker subsequently asked a supplementary question, without notice, and Councillor D. A. Lyonette replied.

Councillor Barker asked a question to Councillor Williams, the Leader of the Council, and Councillor Williams replied. Councillor Barker subsequently asked a supplementary question, without notice, and Councillor Williams replied.

Councillor Curry asked a question to Councillor Chapman, Cabinet Member with Portfolio for Children and Young People, and Councillor Chapman replied.

(3) Members to the Nominated Member of the Police Authority in accordance with Section 20 of the Police Act 1996 – Councillor Dunstone asked a question to Councillor Dixon, the nominated Member of the Police Authority, in accordance with Section 20 of the Police Act 1996, and Councillor Dixon replied.

26. COUNCIL REPORTS – There were no reports to Council, which had not previously been considered by Cabinet, for consideration at the meeting.

27. CABINET REPORTS – (1) Overview Reports of Cabinet Members – The Leader and Cabinet Members each gave a report (previously circulated) on the main areas of work undertaken under their relevant portfolio during the previous cycle of meetings.

Cabinet Members answered questions on their portfolios.

(2) – Treasury Management Annual Report and Outturn Prudential Indicators 2008/09 – The Director of Corporate Services submitted a report (previously circulated) to provide information in relation to the regulation and management of this Council's borrowing, investments and cash-flow, for the period 2008/09. The submitted report also requested approval of the Prudential Indicators results for 2008/09, in accordance with the Prudential Code, and the approval of a further revision to the Investment Strategy for 2009/10.

The submitted report stated that the financial year 2008/09 had presented exceptional circumstances in relation to treasury management, and that the main implications of these exceptional circumstances had been deteriorating investment returns, and an increase in counterparty risk. The submitted report outlined two further changes to the Investment Strategy, to improve performance and manage risks.

The submitted report highlighted that this Council had complied with its legislative and regulatory requirements and that no investments were at risk with the Icelandic banks. It was also confirmed that borrowing was only undertaken for capital purposes and that the Statutory borrowing limit, the Authorised limit had not been breached.

The submitted report stated that at 31st March 2009, the Council's external debt was £104.242m, in comparison to £101.242m at 31st March 2008, with an average interest rate of 4.27%. It was reported that investments totalled £39.900m, in comparison to £43.460m at 31 March 2008, earning interest of 5.23% on short term investments, and 5.72% on long term investments.

RESOLVED – (a) That the outturn 2008/09 Prudential Indicators within the submitted report, and those in Appendix 1 of the submitted report, be noted.

(b) That the Treasury Management Annual Report for 2008/09, be noted.

(c) That the Council's own bank (currently Nat West) be added to the Counterparty list with a cash limit of £3m and a time limit of 3 months.

(d) That a further two Money Market Funds be added to the counterparty list with a maximum investment of £5m each but with an overall limit of investments in Money Market Funds of £20m.

REASONS – (a) To comply with the Prudential Code for Capital Finance in Local Authorities.

(b) To inform Members of the Performance of the Treasury Management function.

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

(3) Cabinet Urgent Decisions – The Corporate Management Team submitted a report (previously circulated) detailing two decisions taken by Cabinet as a matter of urgency and to which the procedure for call-in could not be applied.

The submitted report outlined the procedure to be followed if decisions were taken under the Urgency Rule.

RESOLVED – That the urgent decisions taken by Cabinet be noted.

REASON – To comply with the Council's Constitution.

28. SCRUTINY REPORTS – Overview Reports – The five Scrutiny Committee Chairs each gave a report (previously circulated) on the main areas of work undertaken by their relevant Scrutiny Committee during the last cycle of Committee meetings.

29. MEMBERSHIP CHANGES – There were no membership changes reported at the meeting.