

**COUNCIL**

26th February, 2009

**PRESENT** – The Mayor; Councillors Armstrong, Baldwin, Barker, Burton, G. Cartwright, Chapman, Copeland, Coultas, Curry, Davies, Dixon, Dunstone, Francis, Freitag, Galletley, Harker, Hartley, L. Haszeldine, Hughes, Jenkinson, Johnson, B. Jones, Lawton, Lee, Lewis, Lister, Long, D. A. Lyonette, J. M. Lyonette, Maddison, McEwan, Newall, Nutt, Regan, Richmond, Roberts, Robson, Ruck, A. J. Scott, Mrs. H. Scott, Stenson, Swainston, Thistlethwaite, Walker, Wallis and Williams. (47)

**APOLOGIES** – Councillors M. Cartwright, Mrs. D. Jones, Nicholson, Swift, Vasey and York. (6)

**ABSENT** – None. (0)

**58. DECLARATIONS OF INTEREST** – Councillors Coultas, Johnson and Wallis each declared a personal and non-prejudicial interest in Minute 59(1) below.

**59. CABINET RECOMMENDATIONS AND REPORTS – (1) Medium Term Corporate Plan (incorporating the Medium Term Financial Plan 2009/10 to 2012/13) and Revenue Budget 2009/10** - The Corporate Management Team submitted a report (previously circulated) to agree this Council's budget requirement for 2009/10, and requesting approval of this Council's Medium Term Corporate Plan (incorporating the Medium Term Financial Plan 2009/10 to 2012/13) for 2009/10 to 2012/13.

The submitted report stated that a draft copy of the Medium Term Corporate Plan had previously been considered by Cabinet at its meeting held on 14<sup>th</sup> January 2009, where Cabinet approved the Plan for consultation. It was reported that an extensive public consultation exercise had been conducted up to 12<sup>th</sup> February 2009. The report outlined that the Resources Scrutiny Committee had examined the proposals through a Task and Finish Review Group, which was established to enable more time and resource to be dedicated to the scrutiny process. The Review Group submitted its conclusions to the Resources Scrutiny Committee at its meeting held on 10<sup>th</sup> February 2009, and Cabinet considered the Committee's views at its meeting on 17<sup>th</sup> February 2009.

It was reported that, at its meeting on the 17<sup>th</sup> February 2009, Cabinet reconsidered the draft plans, in particular the Medium Term Financial Plan, in light of the extensive responses to consultation and the views of the Resources Scrutiny Committee. It was further reported that Cabinet had agreed a number of amendments made since consideration of the original draft copy, and further changes were made at the meeting on 17<sup>th</sup> February 2009 with regard to supported bus services and a number of proposed savings. This revised Plan was appended at Annex A of the submitted report.

There was one question from a member of the public, where notice had been given, to the Leader of the Council.

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

‘That the recommendations as previously moved be prefixed with (2) and the following be inserted as recommendation (1):-

- (1) That Council endorses the following recommendations of the Resources Scrutiny Committee :-
  - (a) that the revenue budget monitoring information which is submitted monthly to the Council’s Corporate Management Team be also submitted to Members of the Resources Scrutiny Committee on a monthly basis;
  - (b) that a Review Group, to be known as the Budget Monitoring and Efficiency Review Group, be established to monitor the 2009/10 budget and to assist in developing efficiency projects to try to identify further savings 2009/10 and future years;
  - (c) that the above Review Group meet every 2 months in between the ordinary meetings of the Resources Scrutiny Committee and that all Directors be requested to continue to review and challenge their individual budgets and attend meetings of this Review Group, as and when, requested;
  - (d) that the Resources Scrutiny Committee continue with its current monitoring role in relation to the Medium Term Financial Plan;
  - (e) that a report on the National Agreements/Contracts of Employment of Directors and Assistant Directors be presented to the Budget Monitoring and Efficiency Review Group;
  - (f) that, in relation to the Communications Unit, the Chief Executive be requested to submit a report to the Budget Monitoring and Efficiency Review Group on the scope of the work undertaken by that Unit;
  - (g) that, in relation to Talking Together, the Budget Monitoring and Efficiency Task and Finish Review Group monitor the proposed savings of £45,000 in the 2009/10 budget;
  - (h) that, in relation to vacant posts within the Authority, the Chief Executive be given responsibility to approve, in writing, the filling of all vacant posts and that the pay structure within the Senior Management of the Authority be taken into account when filling vacant posts;
  - (i) that all Directors be requested to look at commissioning services within their individual areas with the voluntary and private sector; and
  - (j) that this Budget Task and Finish Review Group is concerned about the proposed reduction from the original proposals in the Leading Edge Efficiencies in 2009/10 and that further monitoring be undertaken in relation to that by the Budget Monitoring and Efficiency Review Group.’

The original motion moved by Councillor Williams was thereupon put to the meeting.

**RESOLVED** – (a) That the Corporate Plan, detailed in Appendix 1 of Annex 1 of the submitted report, with delegation given to the Chief Executive in consultation with the Leader to make any

minor amendments to enable the Plan to be completed and published by 31 March 2009, be approved.

(b) That the Schedules of Charges, detailed in Appendices 5 to 8 of Annex 1 of the submitted report, be approved.

(c) That the Capital Medium Term Financial Plan, detailed in Appendix 10 and paragraph 81 of Annex 1 of the submitted report, be approved.

(d) That the Revenue Medium Term Financial Plan, detailed in Appendix 12 of Annex 1 of the submitted report, be approved.

(e) That the Revenue Budget Requirement of £77,479,253, including Parish Precepts, be approved.

**REASONS** – (a) To produce a Corporate Plan and Medium Term Financial Plan.

(b) To set a revenue budget for 2009/10 in accordance with statutory requirements.

**(2) Prudential Indicators and Treasury Management Strategy Report 2009/10** – The Director of Corporate Services submitted a report (previously circulated) requesting that consideration be given to recommendations made by Cabinet in relation to Prudential Indicators and limits relating to capital expenditure and Treasury Management activity, a Policy Statement relating to Minimum Revenue Provision, and the Treasury Management Strategy 2009/10, which included the Investment Strategy for 2009/10.

**RESOLVED** – (a) That the prudential indicators and limits for 2009/10 to 2011/12 contained within Tables 3 to 10 and 12 to 14 of the submitted report, be adopted.

(b) That the Minimum Revenue Provision Policy Statement contained in paragraph 22 of the submitted report, be approved.

(c) That the Treasury Management Strategy 2009/10, contained in paragraphs 36 to 64 of the submitted report, be approved.

(d) That the Investment Strategy 2009/10 contained in the Treasury Management Strategy, and the detailed criteria included in Appendix 3 of the submitted report, specifically approving the criteria for specified investments and the criteria for non-specified investments, be approved.

**REASONS** – (a) In order to comply with the Prudential Code for Capital Finance in Local Authorities and Department for Communities and Local Government 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.

**(3) Housing Revenue Account – Revenue Budget 2009/10** – The Director of Community Services submitted a report (previously circulated) requesting approval of the revenue budget, rent levels and service charges for the Council's Housing Revenue Account (HRA) for the

financial year 2008/09, and approval of the review of the Lifeline Service, as detailed in Appendix 1 of the submitted report.

The submitted report outlined the principal factors and key elements taken into account in the draft budget; the objective of the Government's policy on rent restructuring; the Housing Subsidy determination; a review of garage rents and service charges; and an assessment of the housing services from a value for money point of view.

**RESOLVED** – (a) That an average weekly rent increase of 6.02% (£3.21) be implemented, in line with the Government rent restructuring model.

(b) That service charges for Extra Care and Sheltered Housing Scheme be increased, as detailed in Table 3 of the submitted report.

(c) That all other service charges be increased, as detailed in Table 4 of the submitted report.

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

(e) That the contents of the submitted report be approved.

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

**60. SETTING THE COUNCIL TAX FOR 2009/10** – The Director of Corporate Services submitted a report (previously circulated) requesting that consideration be given to setting this Council's Council Tax for 2009/10, which was required to be set before 11th March 2009, in accordance with Section 30 of the Local Government Finance Act 1992.

**RESOLVED** – (a) That the following amounts be calculated by the Council for 2009/10 in accordance with sections 32 to 36 of the Act and relevant regulations:-

- |       |  |              |
|-------|--|--------------|
| (i)   | being the aggregate of the amount which the Council estimates for the items set out in Section 32(2) (a) to (e) of the Act, which is its expenditure;  | £233,023,253 |
| (ii)  | being the aggregate of the amounts which the Council estimates for the items set out in Sections 32(3) (a) to (c) of the Act, which is its income;   | £155,544,000 |
| (iii) | being the amount by which (i) exceeds (ii) calculated by the Council for the year in accordance with Section 32(4) of the Act as its budget requirement;   | £77,479,253  |
| (iv)  | being the aggregate of the sums which the Council estimates will be payable into the General Fund in respect of Revenue Support Grant £7,085,570 and redistributed Business Rate Grant £30,698,327 increased by the amount the Council estimates will be transferred from the Collection Fund to the General Fund; | £37,783,897  |
| (v)   | being the amount calculated by the Council in accordance with  |              |

	Section 33 of the Act, as the basic amount of council tax for the year;	£1152.80
(vi)	being the aggregate amount of all special items referred to in Section 34(1) of the Act;	£61,253
(vii)	being the basic council tax for 2009/10 calculated in accordance with Section 34(2) for dwellings in those areas that have no parish precepts or other special items;	£1151.03
(viii)	the basic council tax for 2009/10 calculated in accordance with Section 34(3) for dwellings in those areas that have parish precepts be as set out in <b>Appendix 2</b> , column 5, and	
(ix)	the amounts of council tax at items (vii) and (viii) multiplied by the proportion set out in paragraph 17 which is applicable to each category of dwelling in its area, in accordance with Section 36 of the Act be as set out in <b>Appendix 3</b> .	

- (b) That it be noted that for the year 2009/10 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	98.34	114.73	131.12	147.51	180.29	213.07	245.85	295.02

- (c) That it be noted that for the year 2009/10 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	56.94	66.43	75.92	85.41	104.39	123.37	142.35	170.82

- (d) That the Council, in accordance with Section 30(2) of the Act, hereby sets the amounts set out in Appendix 4 of the submitted report, as the amounts of council tax for 2009/10 for each of the categories of dwellings.

**REASON** - The recommendations are supported to set the Council Tax for the Council's area in accordance with statutory requirements.