

COUNCIL
28th February, 2008

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

APOLOGIES – Councillors Burton, Galletley, I. Haszeldine, Lister, Nicholson and Roberts. (6)

ABSENT – None. (0)

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

77. CABINET RECOMMENDATIONS AND REPORTS – (1) Medium Term Corporate Plan (incorporating the Medium Term Financial Plan 2008/09 to 2011/12) and Revenue Budget 2008/09 - The Corporate Management Team submitted a report (previously circulated) to agree this Council’s budget requirement for 2008/09 and requesting approval of this Council’s Medium Term Corporate Plan (incorporating the Medium Term Financial Plan 2008/09 to 2011/12).

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 16th January 2008, where Cabinet approved the Plan for consultation. It was reported that an extensive public consultation exercise had been conducted up to 14th February 2008. The report outlined that the Resources Scrutiny Committee, at its meeting held on 29th January 2008, examined the draft plans and heard representations thereon, and following discussion the Resources Scrutiny Committee supported the draft plans.

It was reported that, at its meeting on the 19th February 2008, Cabinet reconsidered the draft plans, in particular the Medium Term Financial Plan, examined the results of the consultation exercise and, taking into consideration an improved financial position, agreed to recommend a number of amendments to the proposed budget and Medium Term Financial Plan. This revised Plan was appended at Annex 1 of the submitted report.

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

“That recommendation (c) be deleted and the following be substituted: -

(c) Appendix 15 to the Revenue Medium-Term Financial Plan be approved with the following amendments:-

- (i) in relation to the Chief Executive’s Medium Term Financial Plan:-
 - (A) further staffing reductions be made in the Communications Section of £65,000; and
 - (B) the proposed Complaints Officer post be deleted from the establishment and the existing system be continued making further reductions of £51,000;
- (ii) further capital receipts of £5 million be utilised to repay debts as follows:-
 - 2008/09 £2 million (reducing Financial Costs by £0.1 million in 2008-09 and by £0.2 million in subsequent years)
 - 2009/10 £2 million (reducing Financial Costs by a further £0.1 million in 2009-10 and by £0.2 million in subsequent years)
 - 2010/11 £1 million (reducing Financial Costs by a further £0.1 million in 2010-11 and by £0.2 million in subsequent years)
- (iii) the headroom of £0.5 million in 2009/10 and £1 million in 2010/11 and 2011/12 be deleted;
- (iv) the contribution from reserve balances be:-
 - £1.785 million in 2008/09
 - £1.091 million in 2009/10
 - £0.191 million in 2010/11
 - £0.129 million in 2011/12

That in relation to recommendation (e), the revenue budget requirement of ‘£74, 501, 539’ be deleted and ‘£74, 141, 539’ be inserted.”

The further, following amendment to the recommendations detailed in the submitted report was moved by Councillor Barker, seconded by Councillor Freitag, and lost.

“That recommendation (d), as printed, be amended by the addition of the following:-

‘with the exception that the additional capital expenditure of £400,000 for Community Environmental Works be determined by the relevant Director, who shall be guided in his decision by direct consultation with Ward Councillors acting individually or in Ward groups.’

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

RESOLVED – (a) That the Schedules of Charges, as detailed in Annex 1 of the submitted report, be approved.

(b) That the Corporate Plan, as detailed in Appendix 2 of Annex 1 of the submitted report, with delegation to the Chief Executive in consultation with the Leader to make any minor amendments, be approved.

(c) That the Revenue Medium Term Financial Plan, as detailed in Appendix 15 of Annex 1, be approved.

(d) That the Capital Medium Term Financial plan, as detailed in Appendix 10 of Annex 1 of the submitted report, and that the additional schemes identified in paragraph 99 of the submitted report, be approved.

(e) That the Revenue Budget Requirement of £74,501,539, including Parish Precepts, be approved.

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

(b) To set a revenue budget for 2008/09 in accordance with statutory requirements.

(2) Prudential Indicators and Treasury Management Strategy Report 2008/09 – 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 2008/09, which included the Investment Strategy for 2008/09.

RESOLVED – (a) That the prudential indicators and limits for 2007/08 to 2010/11 contained within Tables 3 to 10 of the submitted report, be adopted.

(b) That the Minimum Revenue Provision (MRP) Policy Statement contained in paragraph 21 of the submitted report, be approved.

(c) That the Treasury Management Strategy 2008/09 contained in paragraphs 35 to 57, and the treasury prudential indicators contained in Table 13, of the submitted report, be approved.

(d) That the Investment Strategy 2008/09 contained in the Treasury Management Strategy, and the detailed criteria included in Appendix 3 of the submitted report, be approved.

(e) That 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 ODPM 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 2008/09 – 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 the implementation of rent restructuring and formula rents be continued.

(b) That an average weekly rent increase of 5.29% (£2.68) be implemented, in line with the Government rent restructuring model.

(c) That the increase in Service charges for Extra Care and Sheltered Housing Schemes, as detailed in Table 3 of the submitted report, be approved.

(d) That the increase in all other service charges, as detailed in paragraph 4 of the submitted report, be approved.

(e) The Lifeline Service be improved to provide a three tier service, and that the proposed weekly charges, as outlined in Appendix 1 of the submitted report, be approved.

(f) That the budget, as outlined at Appendix 2 of the submitted report, be approved.

REASONS – (a) To enable the Council to deliver an appropriate level of service to Housing tenants.

(b) To reflect changing circumstances and conditions in the housing market.

(4) Contract Procedure Rules – The Assistant Chief Executive submitted a report (previously circulated) requesting approval of proposals to change the way in which contracts are procured and contract awards are made.

The submitted report outlined the current arrangements, the reasons for revising the rules, the principles underlying the changes, the scope of the new rules, members' roles and responsibilities, strategic procurement decisions, and the use of internal services.

RESOLVED – (a) That the revised Contract Procedure Rules, as appended at Appendix A of the submitted report, be adopted.

(b) That the rules be promoted to schools for adoption.

(c) That Council note the amendments to Section 3 of the Constitution, Responsibilities for Functions, previously approved by Cabinet.

REASONS – (a) To increase and enhance member's role in procurement.

(b) To improve the Council's procurement practices.

78. SETTING THE COUNCIL TAX FOR 2008/09 – The Director of Corporate Services submitted a report (previously circulated) requesting that consideration be given to setting this Council's Council Tax for 2008/09, which was required to be set before 11th March 2008, in accordance with Section 30 of the Local Government Finance Act 1992.

RESOLVED – (a) That the following amounts be calculated by the Council for 2008/09 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	£221,620,539
(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	£147,119,000
(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	£74,501,539
(iv)	being the aggregate of the sums which the Council estimates will be payable into the General Fund in respect of Revenue Support Grant £4,474,117 and redistributed Business Rate Grant £32,139,771 increased by the amount the Council estimates will be transferred from the Collection Fund to the General Fund	£36,613,888
(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	£1,113.90
(vi)	being the aggregate amount of all special items referred to in Section 34(1) of the Act	£61,539
(vii)	being the basic council tax for 2008/09 calculated in accordance with Section 34(2) for dwellings in those areas that have no parish precepts or other special items	£1,112.09
(viii)	the basic council tax for 2008/09 calculated in accordance with Section 34(3) for dwellings in those areas that have parish precepts be as set out in Appendix 2, column 5 of the submitted report.	
(ix)	the amounts of council tax at items (vii) and (viii) multiplied by the proportion set out in paragraph 13 which is applicable to each category of dwelling in its area, in accordance with Section 36 of the Act be as set out in Appendix 3 of the submitted report.	

(b) That the Durham Police Authority has stated the following amounts in the precept issued to the Council for the year 2008/09, in accordance with Section 40 of the Act, for each of the categories of dwellings shown, be noted: -

A	B	C	D	E	F	G	H
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	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Police Authority	94.98	110.81	126.64	142.47	174.13	205.79	237.45	284.94

(c) That the County Durham and Darlington Fire and Rescue Authority has stated the following amounts in the precept issued to the Council for the year 2008/09, in accordance with Section 40 of the Act, for each of the categories of dwellings shown, be noted: -

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Fire Authority	55.08	64.26	73.44	82.62	100.98	119.34	137.70	165.24

(d) That, in accordance with Section 30(2) of the Act, the amounts set out in Appendix 4 of the submitted report, be approved as the amounts of council tax for 2008/09 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.

79. MEMBERSHIP CHANGES – Consideration was given to membership changes of the Committees, Subsidiary Bodies and Other Bodies for the Municipal Year 2007/08.

RESOLVED – That Councillor Nicholson be deleted from the membership of the General Licensing Committee, the Licensing Act 2003 Committee, and the Licensing Sub-Committees, and that Councillor Lee be Councillor Nicolson's replacement on those Committees.