

COUNCIL

27th February 2014

PRESENT – The Mayor; Councillors Baldwin, Carson, Copeland, Cossins, Coultas, Crudass, Crumbie, Curry, Dixon, Donoghue, Francis, Galletley, Harker, Harman, I. Haszeldine, L. Haszeldine, C. L. B. Hughes, L. Hughes, B. Jones, Mrs. D. Jones, Kelley, Knowles, Landers, Lawton, Lee, Lister, Long, D. A. Lyonette, J. M. Lyonette, Macnab, McEwan, Newall, Nutt, Regan, E. A. Richmond, S. Richmond, A. J. Scott, Mrs. H. Scott, Stenson, Swainston, C. Taylor, J. Taylor, Thistlethwaite, J. Vasey, L. Vasey, Wallis, Wright and York. (49)

APOLOGIES – Councillors Cartwright and Hutchinson. (2)

ABSENT – Councillor Grundy. (1)

48. DECLARATIONS OF INTEREST – Councillor Macnab declared a Non Pecuniary interest in Minute 50 (1) below, as a Trustee of Head of Steam.

49. RECORDED VOTES AT COUNCIL BUDGET MEETINGS – The Chief Executive submitted a report (previously circulated) requesting that an amendment be made to the Council's Constitution to make it mandatory to record in Council meetings how each Member has voted on the budget and amendments to the budget.

The submitted report stated that the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 had been laid before Parliament, which made it a mandatory requirement for Councils to amend their Standing Orders to record in the minutes how each Member voted at budget meetings. The submitted report highlighted the required amendments to the Budget and Policy Framework Procedure Rules, which were appended to the submitted report.

RESOLVED – That the Council's Budget and Policy Framework Procedure Rules be amended in the Council's Constitution to make it mandatory to record in Council meetings how each Member has voted on the budget and on any amendments to the budget.

REASON – To meet legislative requirements which came into force on 25th February 2014.

50. CABINET REPORTS – (1) Medium Term Financial Plan 2014/15 to 2019/20 - The Chief Officers Executive submitted a report (previously circulated) to approve this Council's Medium Term Financial Plan (MTFP) for 2014/15 to 2019/20.

The submitted report stated that the Council continued to face a significant financial challenge, and that the Local Government Financial Settlement for 2013/14 and 2014/15 had given more certainty as to the size of the financial reductions that needed to be made by the Council.

The submitted report highlighted that the Council's priorities were outlined in the Community Strategy, One Darlington Perfectly Placed (ODPP), and identified the interventions and actions which were the most vital to make the biggest impact on the long term goals, in a climate of significantly reduced public spending. The submitted report outlined three distinct areas in which this focus would be demonstrated.

The submitted report identified updated information and changes to the draft MTFP, provided financial information and analysis in terms of income, expenditure, revenue balances, and initial revenue budget projections, outlined Government consultation on financial matters, and the consultation and analysis conducted by the Council. The submitted report also set out the vision for Darlington, public services and financial sustainability, in terms of building strong communities, growing the economy, and spending wisely.

It was moved by Councillor Dixon and seconded by Councillor Harker :-

That the Revenue Medium Term Financial Plan, as summarised in Appendix 9 of the submitted report, including the following, be approved:-

- (a) A 1.94% Council Tax increase for 2014/15 and subsequent years.
- (b) Schedule of charges as set out in **Appendix 3**
- (c) Spending reduction proposals and plans totalling £13.752m by 2016/17.
- (d) Use of £8.550m of revenue balances to fund revenue expenditure.
- (e) Additional resources for shop mobility services of £3,000 and £16,000 in 2014/15 and 2015/16 respectively.
- (f) Additional resources of between £46,000 and £70,000 for paying a supplement up to Scale Point 10 for employees earning below that threshold
- (g) A delegation for Cabinet to vary the Revenue budget for 2014/15 by up to £0.5m without further Council Approval.

In accordance with the requirements of the Budget and Policy Framework Rules a vote on the motion was taken of those Members present at the meeting and there appeared:-

For the Motion – Councillors Baldwin, Carson, Copeland, Cossins, Crumbie, Curry, Dixon, Francis, Harker, Harman, I. Haszeldine, L. Haszeldine, C. L. B. Hughes, L. Hughes, Kelley, Knowles, Landers, Lawton, Lister, Long, D. A. Lyonette, J. M. Lyonette, Macnab, McEwan, Newall, Nutt, Regan, S. Richmond, A. J. Scott, C. Taylor, J. Taylor, Thistlethwaite, J. Vasey, L. Vasey, Wallis and Wright. (36)

Against the Motion – The Mayor, Councillors Coultas, Crudass, Donoghue, Galletley, B. Jones, Mrs. D. Jones, Lee, E. A. Richmond, Mrs. H. Scott, Stenson and York. (12)

Abstentions – Councillor Swainston. (1)

Motion Carried.

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

(b) To set the 2014/15 budget and Council Tax in compliance with statutory requirements and the council's constitution.

(2) Housing Revenue Account – MTFP 2014/15 to 2018/19 – The Director of Neighbourhood Services and Resources submitted a report (previously circulated) requesting that consideration be given to proposals for the revenue budget, rent levels and service charges for the Council's Housing Revenue Account (HRA) for the financial year 2014/15 in the context of the HRA Medium Term Financial Plan to 2018/19, and the 30 year business plan.

The submitted report recommended the continuation of past practice to increase rents in line with the maximum allowed by Government to ensure sufficient funds for investment in the housing stock. It was also reported that there was potential for the Council to bid to remove the borrowing limits placed on the HRA to increase investment, and that the Business Plan for investment proposed the building of 160 new properties.

RESOLVED – (a) That an average weekly rent increase for 2014/15 of 4.89% (£3.29) be implemented.

(b) Garage rents and service charges are increased as shown in Table 3.

(c) The budget at **Appendix 1** is approved.

(d) The Housing Business Plan **Appendix 2** is agreed.

(e) That delegation be given to the Director of Neighbourhood Services & Resources in consultation with the Cabinet Members for Adults and Housing, and Efficiencies and Resources, to submit a bid through the Local Enterprise Partnerships (LEP) to remove the HRA Borrowing Limit.

REASON - To enable the Council to deliver an appropriate level of service to tenants to meet housing need and to support the economic growth of the Borough through housing development.

(3) Prudential Indicators and Treasury Management Strategy 2014/15 – The Director of Neighbourhood Services and Resources submitted a report (previously circulated) which requested that Council adopt the Prudential Indicators and Limits for 2014/15 to 2016/17 relating to capital expenditure and Treasury Management activity, a policy statement relating to the Minimum Revenue Provision, and the Treasury Management Strategy 2014/15, which included the Investment Strategy for 2014/15.

The submitted report outlined the Council's Prudential Indicators for 2014/15 – 2016/17, 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 31st January 2014, and that the Audit Committee was satisfied with the Prudential Indicators and Treasury Management Strategy.

RESOLVED – (a) That the Prudential Indicators and limits for 2014/15 to 2016/17, summarised in Tables 1 and 2 of the submitted report, be approved.

(b) That the Minimum Revenue Provision (MRP) statement, contained within paragraph 26 of the submitted report, be approved.

(c) That the Treasury Management Strategy 2014/15 to 2016/17, as summarised in paragraphs 34 to 53 of the submitted report, be approved.

(d) That the Annual Investment Strategy 2014/15, contained in paragraphs 54 to 90 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.

(4) Capital Programme – The Director of Neighbourhood Services and Resources submitted a report (previously circulated) to approve a Capital Programme for 2014/15.

The submitted report stated that Capital expenditure is significant, one off expenditure used to purchase or improve assets to enable the Council to deliver its priorities. The submitted report stated that the majority of the funding for capital expenditure for schools and transport was received from Government grants, and that housing improvements were funded from the Housing Revenue Account (HRA). It was reported that the Council could also supplement Government Capital funding from its own resources, such as capital receipts and borrowing, and that there was a need ensure provision was made within the Council's overall financial strategy to maintain the buildings and assets which the Council owned.

RESOLVED – (a) That the 2014/15 Capital Programme, as summarised in Appendix 1 of the submitted report, be approved.

(b) That a delegation for Cabinet to vary the Capital Budget for 2014/15 by up to £0.500m without further Council approval, be approved.

REASON – To provide funding for capital schemes.

(5) Sustainable Community Strategy – The Chief Executive submitted a report (previously circulated) to present Members with a proposed vision for the Council, and the basis for a revised Sustainable Community Strategy.

The submitted report stated that reductions in Government grant and income had seen a significant reduction in the resources available to deliver public services across the Darlington Partnership. It was reported that this had created the need to revisit the vision to ensure that the need to achieve fairness for all was central to all the outcomes, and that this had been made an overriding objective within the new vision statement. The submitted report identified outcomes deemed key for the continued delivery of the vision, and reduce inequality.

The submitted report outlined the consultation programme undertaken which allowed consideration to be given to those services that the Council are obliged to provide by statute and law, the cost of delivering those services, the cost of providing discretionary and preventative services, and identified the overall conditions that would need to change within the Borough in order to confidently continue to deliver the vision with reduced resources available.

RESOLVED – That the updated vision be approved.

REASONS – (a) To ensure that the Council's vision is articulated and explained.

(b) To approve the vision statement and MTFP at the same time to ensure that one informs the other.

51. COUNCIL REPORTS – (1) Setting the Council Tax for 2014/15 – The Director of Neighbourhood Services and Resources submitted a report (previously circulated) requesting that consideration be given to setting this Council's Council Tax for 2014/2015, which was required to be set before 11th March 2014.

It was moved by Councillor Harker and seconded by Councillor Dixon:-

(a) That the following amounts be calculated by the Council for 2014/15 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 | £221,171,462 |
| (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 | £183,507,326 |
| (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 £37,664,136

- (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) £1,242.69
- (v) the aggregate of all special items (Parish Precepts) referred to in Section 34(1) of the Act as in the attached **Appendix 1** £122,889
- (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 £1,238.64
- (vii) That the basic council tax for 2014/15 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 2014/15 for each part of its area and for each of the categories of dwellings

(b) It be noted that for the year 2014/15 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	106.38	124.11	141.84	159.57	195.03	230.49	265.95	319.14

(c) It be noted that for the year 2014/15 County Durham and Darlington Fire and Rescue Service 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	61.44	71.68	81.92	92.16	112.64	133.12	153.60	184.32

- (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 2014/15 for each of the categories of dwellings.

In accordance with the requirements of the Budget and Policy Framework Rules a vote on the motion was taken of those Members present at the meeting and there appeared:-

For the Motion – Councillors Baldwin, Carson, Copeland, Cossins, Crumbie, Curry, Dixon, Francis, Harker, Harman, I. Haszeldine, L. Haszeldine, C. L. B. Hughes, L. Hughes, Kelley, Knowles, Landers, Lawton, Lister, Long, D. A. Lyonette, J. M. Lyonette, Macnab, McEwan, Newall, Nutt, Regan, A. J. Scott, C. Taylor, J. Taylor, Thistlethwaite, J. Vasey, L. Vasey, Wallis and Wright. (35)

Against the Motion – The Mayor, Councillors Coultas, Crudass, Donoghue, Galletley, Mrs. H. Scott and Stenson. (7)

Abstentions – Councillors B. Jones, Mrs. D. Jones, Lee, Swainston and York. (5)

(Note - Councillors E.A. Richmond and S. Richmond were not present when the vote was taken).

Motion Carried.

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

(2) Pay Policy Statement 2014/2015 – The Director of Neighbourhood Services and Resources submitted a report (previously circulated) requesting that Members receive and approve the Pay policy Statement for the financial year 2014/2015, in line with the requirements of the Localism Act 2011.

The submitted report stated that the Localism Act 2011 required the Council to agree a written Pay Policy on an annual basis, and publish specific information relating to the Council’s highest and lowest paid employees.

RESOLVED – (a) That the proposed Pay Policy 2014/15 be approved.

(b) That arrangements be made to publish the Policy on the Council’s intranet for public access.

REASON – To enable the Council to comply with the requirements of the Localism Act 2011.