

**COUNCIL**  
26th February 2015

**PRESENT** – Councillor Nutt (the Deputy Mayor); Councillors Baldwin, Carson, Cartwright, Copeland, Cossins, Coultas, Crichlow, Crudass, Mrs. Culley, Curry, Dixon, Galletley, Grundy, Harker, Harman, I. Haszeldine, L. Haszeldine, C. L. B. Hughes, L. Hughes, Johnson, Kelley, Knowles, Lawton, Long, D. A. Lyonette, Macnab, McEwan, Newall, Regan, E. A. Richmond, S. Richmond, Mrs. H. Scott, Stenson, Swainston, C. Taylor, J. Taylor, Thistlethwaite, J. Vasey, L. Vasey, Wallis and Wright. (42)

**APOLOGIES** – The Mayor; Councillors Crumbie, Donoghue, Hutchinson, B. Jones, Mrs. D. Jones, Landers, Lister, A. J. Scott and York. (10)

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

**46. PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT STRATEGY REPORT 2015/16** – The Director of Neighbourhood Services and Resources submitted a report (previously circulated) which requested that Council adopt the Prudential Indicators and Limits for 2015/16 to 2017/18 relating to capital expenditure and Treasury Management activity, a policy statement relating to the Minimum Revenue Provision, and the Treasury Management Strategy 2015/16, which included the Investment Strategy for 2015/16.

The submitted report outlined the Council's Prudential Indicators for 2015/16 – 2017/18, 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 6th February 2015, and that the Audit Committee was satisfied with the Prudential Indicators and Treasury Management Strategy.

**RESOLVED** – (a) That the Prudential Indicators and limits for 2015/16 to 2017/18, as summarised in Tables 1 and 2 of the submitted report, be approved.

(b) That the Minimum Revenue Provision (MRP) statement, contained within paragraph 29 of the submitted report, which included a change in calculation for

Capital expenditure incurred before 1 April 2008 and future expenditure supported through revenue support from, from 4% of the opening balance to 2% including the financial year 2014/15, be approved.

(c) That the Treasury Management Strategy 2015/16 to 2017/18, as summarised in paragraphs 38 to 59 of the submitted report, be approved.

(d) That the Annual Investment Strategy 2015/16, contained in paragraphs 60 to 94 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.

**47. MEDIUM TERM FINANCIAL PLAN 2015/16 TO 2019/20** - The Chief Officers Executive submitted a report (previously circulated) to approve this Council's Medium Term Financial Plan (MTFP) for 2015/16 to 2019/20, which included setting the budget for 2015/16.

The submitted report stated that the Council had been proactive in adapting to an environment of significant service pressure and resource reductions. It was reported that during the period 2010/11 to 2015/16 there had been a £23.3m cash reduction in government grant, which in real terms (after taking inflation into account) equated to £33.7m, a 42% real reduction with the anticipation of more reductions to come.

It was stated that the 2014/15 – 2019/20 MTFP set out a forward strategy and phased approach to achieving the significant savings required over the period, and focused its planning and resources in three key areas that offer the best prospects of being in a position to continue to serve the public well into the long term. The submitted report stated that these areas were building strong communities, spending wisely by maximising every public service pound spent, and growing the economy.

The submitted report outlined that the Council had developed a staged approach to meeting the challenges, and a two year budget within a six year planning horizon. It was reported that this staged approach allowed new approaches to be tested to identify what could be possible in future years, and that the staged approach was needed given the Council's capacity, and the public's capacity, to engage and understand the change required in the Borough.

The submitted report stated that with the savings agreed, together with the use of additional balances and a proposed 1.99% Council Tax increase, a balanced budget for 2015/16 would be delivered, though highlighted that further significant cost reductions would be required in the future.

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

That the Revenue Medium Term Financial Plan, as summarised in Appendix 7 of the submitted report, including the following, be approved:-

- (a) A 1.99% Council Tax increase for 2015/16 and subsequent years.
- (b) Schedule of charges as set out in Appendix 3 of the submitted report.
- (c) Use of a further £3.754m of revenue balances to fund revenue expenditure.
- (d) Transfer £2.0m to the decommissioning and redundancy reserve fund.
- (e) Additional resources of £465,000 for the continuation of the services currently covered by the Local Welfare Provision Grant.
- (f) A delegation for Cabinet to vary the Revenue budget for 2015/16 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, Crichlow, Curry, Dixon, Harker, Harman, I. Haszeldine, L. Haszeldine, C. L. B. Hughes, L. Hughes, Knowles, Lawton, Long, D. A. Lyonette, Macnab, McEwan, Newall, Nutt, Regan, S. Richmond, C. Taylor, J. Taylor, Thistlethwaite, J. Vasey, L. Vasey, Wallis and Wright. (30)

**Against the Motion** – Councillors Cartwright, Coultas, Crudass, Mrs. Culley, Galletley, Grundy, Johnson, E.A. Richmond, Mrs. H. Scott, Stenson and Swainston. (11)

**Abstentions** – Councillor Kelley. (1)

**Motion Carried.**

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

(b) To set the 2015/16 budget and Council Tax in compliance with statutory requirements and the council's constitution.

**48. SETTING THE COUNCIL TAX FOR 2015/16** – 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 2015/2016, which was required to be set before 11th March 2015.

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

- (a) the following amounts be calculated by the Council for 2015/16 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 £223,798,064
  - (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 £184,382,000
  - (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 £39,416,064
  - (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) £1,267.36
  - (v) the aggregate of all special items (Parish Precepts) referred to in Section 34(1) of the Act as in Appendix 1 of the submitted report £125,065
  - (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 £1,263.34
  - (vii) That the basic council tax for 2015/16 calculated for dwellings in those areas that have parish precepts be as set out in, column 5 of the submitted report
  - (viii) That the Council, in accordance with Sections 30 and 36 of the Act, hereby sets the aggregate amounts shown in Appendix 2 of the submitted report as the amount of Council Tax for 2015/16 for each part of

its area and for each of the categories of dwellings

- (b) It be noted that for the year 2015/16 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	108.49	126.57	144.65	162.73	198.89	235.05	271.22	325.46

- (c) It be noted that for the year 2015/16 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	62.64	73.08	83.52	93.96	114.84	135.72	156.60	187.92

- (d) The Council, in accordance with Section 30(2) of the Act hereby sets the amounts set out in Appendix 3 of the submitted report as the amounts of council tax for 2015/16 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, Crichlow, Curry, Dixon, Harker, Harman, I. Haszeldine, L. Haszeldine, C. L. B. Hughes, L. Hughes, Kelley, Knowles, Lawton, Long, D. A. Lyonette, Macnab, McEwan, Newall, Nutt, Regan, S. Richmond, C. Taylor, J. Taylor, Thistlethwaite, J. Vasey, L. Vasey, Wallis and Wright.  
(31)

**Against the Motion** – Councillors Cartwright, Coultas, Crudass, Mrs. Culley, Galletley, Grundy, Johnson, E. A. Richmond, Mrs. H. Scott, Stenson and Swainston.  
(11)

**Motion Carried.**

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

**49. HOUSING REVENUE ACCOUNT – MTFP 2015/16 TO 2019/20** – 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 2015/16 in the context of the HRA Medium Term Financial Plan to 2019/20, 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 reported that the proposed rent increase would be an average 3.43%, and that 71% of tenants would have the increase covered by benefit payments. The submitted report stated that the Business Plan for investment proposed the building of up to 90 new dwellings, in addition to the 78 dwellings previously approved, and the ongoing improvements to existing stock.

**RESOLVED** – (a) That an average weekly rent increase for 2015/16 of 3.43% be implemented giving an average rent of £72.94.

(b) That garage rents and service charges are increased as shown in Table 1 of the submitted report.

(c) That the budget at Appendix 1 of the submitted report be approved.

(d) That the Housing Business Plan at Appendix 2 of the submitted report be approved.

(e) That the Equalities Impact Assessment at Appendix 5 of the submitted report be given full consideration before making any decision.

**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.

**50. CAPITAL PROGRAMME** – The Director of Neighbourhood Services and Resources submitted a report (previously circulated) to approve a Capital Programme for 2015/16.

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 2015/16 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 2015/16 by up to £0.500m, without further Council approval, be approved.

**REASON** – To provide funding for capital schemes.

**51. PAY POLICY STATEMENT 2015/2016** - 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 2015/2016, in line with the requirements of the Localism Act 2011, and the recently published Local Government Transparency Code 2014..

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 2015/16 be approved.

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

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