

COUNCIL
8th March, 2007

PRESENT – The Mayor; Councillors Armstrong, Baldwin, Bristow, Copeland, Dixon, Flowers, Francis, Galletley, Harker, Mrs. Hart, Hartley, Haszeldine, Holmes, Hughes, Johnson, S. Jones, Lawton, Lee, Lewis, Long, D. A. Lyonette, J. M. Lyonette, Maddison, Maybrey, McEwan, Newall, Nutt, Dr. Reynolds, Richmond, Roberts, F. S. Robson, S. Robson, Ruck, A. J. Scott, Mrs. Scott, Stenson, Swainston, Mrs. Swift, Vasey-Smith, J. C. Vasey, L. Vasey, G. B. Walker and Williams. (44)

APOLOGIES – Councillors Mrs. Brown, Foster, Heaney, Hutchinson, B. Jones, Mrs. D. Jones, Thistlethwaite and Wallis. (8)

ABSENT – Councillor Wilson. (1)

93. DECLARATIONS OF INTEREST – Councillors Vasey-Smith, J. C. Vasey and L. Vasey each declared personal and non-prejudicial interests in Minute 94(2) below.

94. CABINET RECOMMENDATIONS AND REPORTS – (1) Revenue Budget 2007/08 and Medium Term Financial Plan 2007/08 to 2010/11 - The Corporate Management Team submitted a report (previously circulated) requesting approval to this Council’s Revenue Budget requirement for 2007/08 and the Medium Term Financial Plan (MTFP) for the period from 2007/08 to 2010/11.

The submitted report stated that the Plan had previously been considered by Cabinet at its meeting held on 30th January 2007, and it had endorsed the Corporate Management Team’s recommendations, as detailed in the submitted report. The report outlined that the Resources Scrutiny Committee, at its meeting held on 16th February 2007, examined the Revenue Budget and MTFP together with Cabinet’s recommendations thereon, and the majority view of the Committee was to support Cabinet’s recommendations. The minority view of the Committee was to accept the information contained within the report, but not to accept the recommendations of Cabinet outlined in paragraph 67 (a) – (d). The minority view of the Scrutiny Committee was also to request the Council’s Chief Internal Auditor to review the risks in respect of the planned use of Council reserves to support revenue expenditure.

It was reported that the Director of Corporate Services had advised Cabinet that the key risks taken into account in assessing the minimum prudent level of reserves to be maintained by the Council had been assessed in terms of their impact and the likelihood of them occurring. The planned use of reserves in the proposed MTFP maintained a level above the recommended minimum level. The Director further advised that he was satisfied that the Council had arrangements in place to manage risks, including the medium-term framework for financial and service planning that allowed time for plans to be amended if necessary. Cabinet considered the report again, together with the views of Resources Scrutiny Committee, on 28th February 2007. Cabinet agreed to delete the provision for Pedestrian Heart Transport, and agreed to recommend to Council the proposed budget and MTFP, as amended, set out in Annex 2 of the submitted report.

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

“First

That recommendation (b), in relation to the Medium Term Financial Plan detailed at Annex 2 of the submitted report, be amended as follows: -

Add 'subject to the following amendments: -

- (i) Council Tax be increased in 2007/08 by 3.5 per cent; in 2008/09 by 3 per cent; in 2009/10 by 2.5 per cent; and in 2010/11 by 2.5 per cent; and
- (ii) Leading Edge efficiency savings be increased to £0.522m in 2007/08; to £2.187m in 2008/09; to £3.385m in 2009/10; and to £4.225 in 2010/11.'

And Second

That in relation to the revenue budget requirement, recommendation (c), as printed, be amended by the deletion of '£68,836,846' and the insertion of '£68,699,846.'

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

RESOLVED – (a) The Schedules of Charges detailed in Annex 1 of the submitted report, be approved;

(b) The Medium Term Financial Plan detailed in Annex 2 of the submitted report, be approved; and

(c) The Revenue Budget Requirement of £68,836,846, including Parish Precepts, be approved.

REASON – The recommendations are supported to enable the Council to set a revenue budget for 2007/08 in accordance with statutory requirements.

(2) CAPITAL MEDIUM TERM FINANCIAL PLAN 2007/08 – 2010/11 – The Director of Corporate Services submitted a report (previously circulated) seeking approval of the Council's Capital Programme 2007/08, and the Capital Medium Term Financial Plan (MTFP) for 2007/08-2010/11.

Reference was also made to the Asset Disposal Programme, which had previously been approved by Cabinet. The Capital Medium Term Financial Plan 2007/08 – 2010/11 and the Capital Programme 2007/08 had previously been endorsed by both the Resources Scrutiny Committee and the Cabinet.

RESOLVED – (a) That the allocation of supported capital expenditure as detailed in Tables 1 and 2 of Annex 1 of the submitted report, be approved;

(b) That the Capital spending plans for 2007/08 to 2010/11 as detailed in Appendix 2 of Annex 1 of the submitted report, be approved;

(c) That the capital priorities submitted by the Corporate Management Team, totalling £0.570m, as detailed in Table 3 of Annex 1 of the submitted report, be approved; and

(d) The Asset Disposal Programme as agreed by Cabinet, be approved.

REASON - The recommendations are supported to approve the allocation of capital resources to specific programmes.

(3) PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT STRATEGY

REPORT 2007/08 – The Director of Corporate Services submitted a report (previously circulated) requesting that consideration be given to a review and adoption of the prudential indicators and limits, and the approval of the Treasury Management Strategy for 2007/08.

RESOLVED – (a) That the prudential indicators and limits for 2007/08 to 2010/11 as detailed in Tables 3 to 11 of Annex 1 of the submitted report, be adopted;

(b) That the Treasury Management Strategy 2007/08 as detailed in paragraphs 33 to 57 of Annex 1, and the treasury management prudential indicators outlined in Table 12 of Annex 1, of the submitted report, be approved; and

(c) That the Investment Strategy 2007/08 contained in the Treasury Management Strategy, and the detailed criteria included in Appendix 2 of Annex 1 of the submitted report, be approved.

REASONS – (a) To comply with the Prudential Code for Capital Finance in Local Authorities and DCLG guidance on investments;

(b) To comply with the requirements of the Local Government Act 2003; and

(c) To approve a framework for officers to work within when making investment decisions.

95. SETTING THE COUNCIL TAX FOR 2007/08 – The Director of Corporate Services submitted a report (previously circulated) requesting that consideration be given to setting this Council's Council Tax for 2007/08, which was required to be set before 11th March 2007, in accordance with Section 30 of the Local Government Finance Act 1992.

RESOLVED – (a) That the following amounts be calculated by the Council for 2007/08 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 | £206,100,846 |
| (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 | £137,264,000 |
| (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 | £68,836,846 |
| (iv) | being the aggregate of the sums which the Council estimates will be payable into the General Fund in respect of Revenue Support Grant £4,757,325 and redistributed Business Rate Grant £28,347,676 increased by the amount the Council estimates will be transferred from the Collection Fund to the General Fund | £33,105,001 |
| (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 | £1,061.56 |

- (vi) being the aggregate amount of all special items referred to in Section 34(1) of the Act £47,846
- (vii) being the basic council tax for 2007/08 calculated in accordance with Section 34(2) for dwellings in those areas that have no parish precepts or other special items £1,060.14
- (viii) the basic council tax for 2007/08 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 it be noted that for the year 2007/08 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	90.48	105.56	120.64	135.72	165.88	196.04	226.20	271.44

(c) That it be noted that for the year 2007/08 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	53.52	62.44	71.36	80.28	98.12	115.96	133.80	160.56

(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 2007/08 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.