

CABINET
22nd February, 2011

PRESENT - Councillor Williams (in the Chair); Councillors Copeland, Harker, Hughes, McEwan, D.A. Lyonette, A.J. Scott and Wallis. (8)

INVITEES – Councillors Curry and I. Haszeldine. (2)

ALSO IN ATTENDANCE – Councillors Dunstone, Francis, Lewis, Richmond, Stenson and Walker. (13)

APOLOGIES – Councillors Dixon, Mrs. H. Scott and Swainston. (3)

C140. DECLARATIONS OF INTEREST – In respect of Minute C142(2) below, Councillor Haszeldine declared a personal but non-prejudicial interest, as he rented a garage from the Council; and Councillor Wallis declared a personal and prejudicial interest, and left the meeting.

C141. REPRESENTATIONS – In respect of Minute C142(2) below, representations were made, by Members, members of the public, union representatives and officers, in attendance at the meeting.

C142. KEY DECISIONS – (1) Housing Revenue Account – Revenue Budget 2011/2 – The Leader introduced the report of the Director of People (previously circulated) requesting that consideration be given to the revenue budget, rent levels and service charges for the Council's Housing Revenue Account (HRA) for the financial year 2011/12.

RESOLVED – That it be recommended to Council that:-

- (a) an average weekly rent increase of 6.46 per cent (£3.60) be implemented in line with the Government rent restructuring model;
- (b) garage rents and service charges be increased, as detailed in Tables 2 and 3 of the submitted report; and
- (c) the budget, as detailed in Appendix 1 of the submitted report, be approved.

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

(2) Draft Medium Term Financial Plan – Pursuant to Minute C130(1)/Jan/11, the Leader introduced the report of the Corporate Management Team (previously circulated) presenting a detailed Medium Term Financial Plan (MTFP) (also previously circulated), as a basis for consultation in light of the feedback received on initial proposals released in November 2010 and the Local Government Settlement received in December 2010.

A representative of Darlington Association on Disability and a member of the public, addressed Cabinet in respect of the Impact Assessments that had been undertaken, and raised concerns in respect of a number of impact assessments that were still to be undertaken and/or finalised. They felt that the most vulnerable people of the Borough would be affected by the budget saving proposals and they needed to be considered when making any decisions.

The Youth Member of Parliament for Darlington, addressed Members in respect of the budget saving proposals relating to the Youth Service and the effect that he felt they would have on the young people of Darlington. He felt the service and the schemes that it provided, had helped him personally, but they had also helped many young people in the town. A further young person in attendance at the meeting made reference to the lack of consultation that he felt had been undertaken with the young people of the town in respect of the proposals contained within the MTFP that would affect them directly.

A Community Volunteer Campaigner made reference to the proposed budget saving proposals relating to transport at the meeting and the effect that those proposals would have on the people of Darlington, particularly those who were carers, low paid and who worked shifts.

The Council's Road Safety Officer addressed Cabinet in respect of the budget saving proposals for the Road Safety education, training and publicity activity, and the importance of the service to the Borough's children. It was reported that the service saved the Council money, as one fatal accident could cost £1.6M. Further information on the role and benefits of the service was circulated at the meeting.

Union representatives in attendance at the meeting made reference to the redundancy payments and contracts; cuts on pensions, pay freezes and privatisation; the low morale of employees; the effect that the budget proposals would have on the services, some of which may stop altogether; how the Council would provide its statutory duties; the lack of detail in respect of some of the proposals and their impact on the public; the Council Tax freeze; the Council's structure; how the cuts would affect the Council and its business; and the recommendations of the Resources Scrutiny Committee which were made at its meeting held on 7th February, 2011.

The Leader, the Cabinet Members with Children and Young People Portfolio and the Efficiency and Resources Portfolios, the Chief Executive and the Assistant Director Resources, responded thereon.

RESOLVED – (a) That the draft Revenue Medium Term Financial Plan, as appended to the submitted report, be recommended to Council, at its meeting scheduled to be held on Thursday, 3rd March, 2011, including:-

- (i) the establishment of a redundancy and decommissioning reserve of £4.240 million;
- (ii) the capitalisation order for redundancies being utilised to fund redundancies;
- (iii) all available capital receipts being utilised to fund redundancy costs and repay debt;
- (iv) a zero Council tax increase for 2011/12 with the following potential increases being included in the MTFP for future years :-

2012/13	3 per cent;
2013/14	3 per cent; and
2014/15	3 per cent;

- (v) budget reduction proposals, as detailed in Table 2 (page 19) and Appendix 8, of the submitted report;
- (vi) the schedule of charges, as set out in Appendix 9 of the submitted report;
- (vii) Cabinet be given delegated authority to vary the budget for 2011/12 by up to £0.5m; and
- (viii) Should it not be possible to deliver the proposed changes to the redundancy calculator and premium payments by agreement, a pay freeze for one year with effect from 1st April, 2012, be included in the Medium Term Financial Plan.

(b) That the draft Capital Medium Term Financial Plan, as detailed in pages 26 to 29 of the submitted report, be recommended to Council for approval.

REASONS – (a) To propose a draft Medium Term Financial Plan for consideration by Council.

(b) To meet the statutory timetable for setting the 2011/12 budget and Council Tax.

(3) Prudential Indicators and Treasury Management Strategy Report 2011/12 – The Cabinet Member with the Efficiency and Resources Portfolio introduced the report of the Director of Resources (previously circulated) requesting that consideration be given to the Prudential Indicators and Limits for 2011/12 and 2013/14 relating to capital expenditure and Treasury Management activity; policy statement relating to Minimum Revenue Provision (MRP); and to the Treasury Management Strategy 2011/12, including the Investment Strategy for 2011/12.

RESOLVED – That it be recommended to Council that:-

- (a) the Prudential Indicators and limits for 2011/12 to 2013/14, as summarised within Tables 1 and 2, of the submitted report, be approved;
- (b) the Minimum Revenue Provision (MRP) Statement, as contained within paragraph 29 of the submitted report, be approved;
- (c) the Treasury Management Strategy 2011/12 to 2013/14, as contained within paragraphs 42 to 61 of the submitted report, be approved; and
- (d) the Investment Management Strategy 2011/12 to 2013/14, as contained within paragraphs 62 to 82 of the submitted report, be approved.

REASONS – (a) In order 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.

**DECISIONS DATED –
FRIDAY, 25TH FEBRUARY, 2011**