

**COUNCIL**  
25th February 2016

**PRESENT** – The Mayor; Councillors Baldwin, Carson, Cartwright, Copeland, Cossins, Coultas, Crichlow, Crumbie, Mrs. Culley, Curry, Dixon, Donoghue, Galletley, Grundy, Harker, I. Haszeldine, C. L. B. Hughes, Johnson, B. Jones, Kane, Kelley, Kelly, Knowles, Lawton, Lister, Lyonette, McEwan, Newall, K. Nicholson, M. Nicholson, A. J. Scott, Mrs. H. Scott, Stenson, Storr, C. Taylor, J. Taylor, Tostevin, Wallis, Wright and York. (41)

**APOLOGIES** – Councillors Crudass, L. Haszeldine, L. Hughes, Mrs. D. Jones, Lee, Mills, Regan, E. A. Richmond and S. Richmond. (9)

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

**54. ANNOUNCEMENTS – Former Mayor and Councillor Isobel Hartley** - The Mayor reported on the death of Former Mayor and Councillor Isobel Hartley, who had sadly passed away on 6th February 2016, and referred to Former Mayor and Councillor Hartley’s role on the Council.

As a mark of respect, Members held a short silence for Former Mayor and Councillor Hartley.

**55. PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT STRATEGY REPORT 2016/17** - The Director of Neighbourhood Services and Resources submitted a report (previously circulated) which requested that Council adopt the Prudential Indicators and Limits for 2016/17 to 2018/19 relating to capital expenditure and Treasury Management activity, a policy statement relating to the Minimum Revenue Provision, and the Treasury Management Strategy 2016/17, which included the Investment Strategy for 2016/17.

The submitted report outlined the Council’s Prudential Indicators for 2016/17 – 2018/19, 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 29th January 2016, and that the Audit Committee was satisfied with the Prudential Indicators and Treasury Management Strategy.

**RESOLVED** – (a) That the Prudential Indicators and limits for 2016/17 to 2018/19, summarised in Tables 1 and 2 of the submitted report, be approved and adopted.

(b) That the Minimum Revenue Provision (MRP) statement (paragraph 37), be approved and adopted.

(c) That the Treasury Management Strategy 2016/17 to 2018/19, as summarised in paragraphs 44 to 72 of the submitted report, be approved and adopted.

(d) That the Annual Investment Strategy 2016/17, contained in paragraphs 73 to 110 of the submitted report, be approved and adopted.

**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.

**56. MEDIUM TERM FINANCIAL PLAN – Phase 1** - The Chief Officers Executive submitted a report (previously circulated) to approve the 2016/17 Budget and Council Tax.

The submitted report stated that the Council had faced unprecedented financial challenges between the financial years 2010/11 to 2015/16, following the introduction of significant public sector spending reductions as part of the Government's response to the worldwide economic downturn. It was reported that, during the period to date, there had been an overall real terms decrease in government funding of £37.3m, which had resulted in the Council agreeing reductions in planned expenditure of £35.4m, leading to a reduction of 572 in the Council's workforce.

The submitted report highlighted that, since the draft MTFP was published, the Local Government Finance Settlement had been delivered, with an indication of funding for the next four years, albeit not guaranteed. It was reported that, as expected, there had been further funding reductions, in particular to Revenue Support Grant and Public Health Grant, and whilst it was stated that additional Better Care Funding had been announced to assist with pressures in Social Care, this had been funded by a reduction in New Homes Bonus Funding.

The submitted report outlined that the Council had adopted a two stage approach to the MTFP this year, and that this report addressed the first stage, which was to agree a budget for 2016/17, which included setting the Council Tax, and fees and

charges. It was reported that Cabinet had made further proposals on how the funding gap can be achieved, and that these proposals were the subject of ongoing consultation.

It was moved by Councillor Dixon, and seconded, that Council:-

- (a) Approve the Revenue MTFP, as summarised in Appendix 7 of the submitted report, including the following :-
  - (i) Council tax increase of 3.99% for 2016/17 and subsequent years.
  - (ii) Schedule of charges as set out in Appendix 3
- (b) Approve a delegation for Cabinet to vary the Revenue Budget for 2016/17 by up to 0.5m without further Council approval.
- (c) Approve the Capital Medium Term financial Plan set out in paragraphs 51 to 80 and Appendix 8.
- (d) Approve a delegation for Cabinet to vary the Capital Budget for 2016/17 by up to £0.5m without further Council approval.

An Amendment to the Motion was moved by Councillor Mrs. Culley, and seconded by Councillor Tostevin, that Council:-

- (a) Approve the Revenue MTFP for 2016/17 only, as summarised in Appendix 7 of the submitted report, including the following :-
  - (i) Council tax increase of 3.99% for 2016/17
  - (ii) Schedule of charges as set out in Appendix 3
- (b) Approve the Capital Medium Term financial Plan for 2016/17 only set out in paragraphs 51 to 80 and Appendix 8.

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

**For the Amendment** – Councillors Cartwright, Coultas, Mrs. Culley, Curry, Donoghue, Galletley, Grundy, Johnson, B. Jones, Kelley, Lawton, K. Nicholson, Mrs. H. Scott, Stenson, Tostevin and York. (16)

**Against the Amendment** – The Mayor; Councillors Baldwin, Carson, Copeland, Cossins, Crichlow, Crumbie, Dixon, Harker, I. Haszeldine, C. L. B. Hughes, Kane, Kelly, Knowles, Lister, Lyonette, McEwan, Newall, M. Nicholson, A. J. Scott, Storr, C. Taylor, J. Taylor, Wallis and Wright. (25)

**Amendment Lost.**

A vote on the Substantive Motion was then taken of those Members present at the meeting and there appeared:-

**For the Motion** – The Mayor; Councillors Baldwin, Carson, Copeland, Cossins, Crichlow, Crumbie, Dixon, Harker, I. Haszeldine, C. L. B. Hughes, Kane, Kelly, Knowles, Lister, Lyonette, McEwan, Newall, M. Nicholson, A. J. Scott, Storr, C. Taylor, J. Taylor, Wallis and Wright. (25)

**Against the Motion** - Councillors Cartwright, Coultas, Mrs. Culley, Curry, Donoghue, Galletley, Grundy, Johnson, B. Jones, Kelley, Lawton, K. Nicholson, Mrs. H. Scott, Stenson, Tostevin and York. (16)

**Motion Carried.**

**REASON** – To set the 2016/17 Budget and Council Tax in compliance with statutory requirements and the Council’s constitution.

**57. SETTING THE COUNCIL TAX FOR 2016/17** – 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 2016/2017, which was required to be set before 11th March 2016.

It was moved by Councillor Harker, and seconded, that:-

- (a) the following amounts be calculated by the Council for 2016/17 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. £226,482,825
  - (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. £184,666,000
  - (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. £41,816,825
  - (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). £1,317.49

- (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. £118,825
- (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. £1,313.75
- (vii) That the basic council tax for 2016/17 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 of the submitted report, as the amount of Council Tax for 2016/17 for each part of its area and for each of the categories of dwellings

(b) It be noted that for the year 2016/17 The Office of the Durham Police and Crime Commissioner 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	110.63	129.07	147.51	165.95	202.83	239.71	276.58	331.90

(c) It be noted that for the year 2016/17 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	63.84	74.48	85.12	95.76	117.04	138.32	159.60	191.52

(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 2016/17 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** – The Mayor; Councillors Baldwin, Carson, Cartwright, Copeland, Cossins, Coultas, Crichlow, Crumby, Mrs. Culley, Curry, Dixon, Donoghue, Galletley, Grundy, Harker, I. Haszeldine, C. L. B. Hughes, Johnson, B. Jones, Kane, Kelley, Kelly, Knowles, Lawton, Lister, Lyonette, McEwan, Newall, K. Nicholson, M. Nicholson, A. J. Scott, Mrs. H. Scott. Stenson, Storr, C. Taylor, J. Taylor, Tostevin, Wallis, Wright and York. (41)

**Against the Motion** – None.

**Motion Carried.**

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

**58. HOUSING REVENUE ACCOUNT – MTFP 2016/17 TO 2020/21** – 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 2016/17 in the context of the HRA Medium Term Financial Plan to 2019/20, and the 30 year business plan.

The submitted report stated that the Government were introducing a compulsory 1% reduction in social and affordable rents through the Welfare Reform and Work Bill 2015, and that therefore all Council tenants would receive an average 77p reduction in weekly rent in 2016/17. The submitted report included some alternative options for additional income generation to compensate for the loss in rental income. An Equality Impact Assessment had been undertaken to enable Members to understand the full impact of the proposed rent and service charges, and this was attached to the submitted report.

**RESOLVED** – (a) That the Equalities Impact Assessment, as detailed in Appendix 5 of the submitted report, be given full consideration prior to a decision being made.

(b) That an average weekly rent reduction of 1% for 2016/17 be implemented, giving an average rent of £72.17.

(c) That all social rents be converted to affordable rents as properties become available to let where this would result in an increase in the overall charge.

(d) That garage rents and service charges are increased, as shown in Table 3 of the submitted report, and include an administration fee of 10%, where applicable.

(e) That the standard charge for properties previously excluded from pavement crossing and hard-standing charges be implemented from April 2016.

(f) That the budget, as detailed at Appendix 1 of the submitted report, be approved.

(g) That the Housing Business Plan, as detailed at Appendix 2 of the submitted report, be agreed.

**REASONS** – (a) 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.

(b) To allow the results of consultation to be considered before final decisions are made.

**59. PAY POLICY STATEMENT 2016/2017** - 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 2016/2017, in line with the requirements of the Localism Act 2011, and the 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 2016/17 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.

**60. MEMBERS' ALLOWANCES REVIEW** - The Director of Neighbourhood Services and Resources submitted a report (previously circulated) requesting that consideration be given to the recommendations of the Independent Panel appointed by the Council in relation to the adoption of a new Scheme of Members' Allowances.

The submitted report stated that the Independent Panel had produced a report with recommendations in accordance with the Council's terms of reference for the Panel, and informed Members of the issues and the Panel's reasoning in formulating its recommendations.

**RESOLVED** – (a) That the recommendations of the Independent Panel be agreed in full, with the exception of the recommended increase in Basic Allowance to all Members of the Council and the proposed increase to the Chair of the Audit Committee.

(b) That it be noted that the financial implications will be an overall saving on the current budget of approximately £6,400.

(c) That the Members' Allowances Scheme, as detailed at Appendix 2 of the submitted report, be amended as detailed in (a) above and be published accordingly.

**REASON** – To implement a new Members' Allowances Scheme with effect from 1st April 2016.

**61. REVIEW OF SENIOR MANAGEMENT** – The Chief Executive submitted a report (previously circulated) requesting that consideration be given to a review of the management of the Council in light of the significant financial challenges and service demands.

The submitted report proposed changes to senior management (Chief Officer) structures in response to the demands of falling revenue, and the need to manage service pressures. It was stated that the proposed changes resulted in a net saving of £117,261 per annum, in addition to further proposals in the MTFP, which added £191,739 to the total reduction in senior management.

**RESOLVED** – (a) That the changes to the Chief Officers structure, as detailed in Appendix 2 of the submitted report, be approved.

(b) That the Early Retirement/Voluntary Redundancy package, as detailed in Appendix 3 of the submitted report, be approved.

**REASONS** – (a) To ensure sufficient management experience and capacity to meet the Council's obligations and to respond to service and inspectorate demands.

(b) To explore and exploit each and every opportunity to save money from the overall costs of managing Council business.