

COUNCIL
22nd February 2018

PRESENT – The Mayor; Councillors Baldwin, Carson, Copeland, Cossins, Coultas, Crichlow, Crudass, Crumbie, Curry, Dixon, Galletley, Harker, Haszeldine, C. L. B. Hughes, L. Hughes, Johnson, B. Jones, Mrs. D. Jones, Kane, Kelley, Kelly, Lawton, Lee, Lyonette, Marshall, McEwan, Mills, Newall, K. Nicholson, M. Nicholson, Nutt, E. A. Richmond, S. Richmond, A. J. Scott, Mrs. H. Scott, Storr, C. Taylor, Tostevin, Wallis and Wright. (41)

APOLOGIES – Councillors Mrs. Culley, Donoghue, Grundy, Knowles, Lister, Rahman, Regan and York. (8)

ABSENT – Councillor Cartwright. (1)

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

48. (a) Medium Term Financial Plan – The Chief Officers Executive submitted a report (previously circulated) to seek approval for a Revenue Medium Term Financial Plan (MTFP) for 2018/19 to 2021/22, including setting a budget and Council Tax increase for 2018/19, and a 2018/19 to 2021/22 Capital Programme.

The submitted report stated that the Council had faced unprecedented financial challenges between the financial years 2010/11 to 2017/18, following the introduction of reductions in public sector spending. It was reported that, during the period to date, there had been an overall real terms decrease in government funding of £42.4m, which was anticipated to increase to £51.0m by 2021/22, and which had resulted in the Council agreeing reductions in planned expenditure of £45.4m, leading to a reduction of 730 in the Council's workforce.

The submitted report highlighted that, since the draft MTFP was published, the Local Government Finance Settlement (LGFS) had been received, and the pay offer made to the Unions by the National Employers Organisation. It was stated that whilst the pay offer was higher than anticipated and would have caused significant pressure, the LGFS gave local authorities flexibility by increasing the Council Tax referendum limit to 2.99%. It was reported that Cabinet had met in January, and recommended an amendment to the proposed Council Tax from 1.99% to 2.99%.

The submitted report outlined that the Council had undertaken a significant consultation exercise in 2016, following an in-depth and detailed review of all services, which had resulted in the agreement of a Core Offer budget by Council on 29 June 2016. The submitted report stated that the core offer remained challenging, with a number of savings still to be realised over the lifetime of the MTFP, with additional pressures having arisen, however it was anticipated that the Council could deliver the agreed balanced plan and extend the MTFP through innovative financial investments, increased income, and the release of redundant earmarked reserves. It

was also stated that £4.1m had been identified to add to the Futures Fund for investment in services across the life of this MTFP. Following consultation feedback and the consideration of the impacts on services since the programme of austerity began, it was proposed that resources be allocated across five themes – Community Safety; Maintain an attractive street scene environment, maintaining a vibrant town centre, developing an attractive visitor economy, and neighbourhood renewal.

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

For the Motion – The Mayor; Councillors Baldwin, Carson, Copeland, Cossins, Coultas, Crichlow, Crudass, Crumby, Dixon, Galletley, Harker, Haszeldine, C. L. B. Hughes, L. Hughes, Johnson, B. Jones, Mrs. D. Jones, Kane, Kelly, Lee, Lyonette, Marshall, McEwan, Mills, Newall, M. Nicholson, Nutt, E. A. Richmond, S. Richmond, A. J. Scott, Mrs. H. Scott, Storr, C. Taylor, L. Tostevin, Wallis and Wright. (37)

Against the Motion – Councillors Curry, Kelley, Lawton and K. Nicholson. (4)

Abstentions – None. (0)

Motion Carried.

RESOLVED – (a) That the Revenue MTFP, as detailed in Appendix 7 of the submitted report, be approved, including the following:

(i) Council Tax increase of 2.99%, plus the 3% social care levy to fund Adult Social Care for 2018/19;

(ii) Schedule of charges, as detailed in Appendix 3 of the submitted report;

(iii) The proposed investments, as detailed in paragraphs 49-62 of the submitted report.

(b) That a delegation for Cabinet to vary the Revenue Budget for 2018/19 by up to £0.5m without further Council approval, be approved.

(c) That the Capital Medium Term Financial Plan, as detailed in Appendix 10 of the submitted report, be approved.

(d) That a delegation for Cabinet to vary the Capital Budget for 2018/19 by up to £0.5m without further Council approval, be approved.

REASONS – (a) The Council must set a budget for the next financial year.

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

(c) To ensure decisions can be made in a timely manner.

NOTE: Prior to discussion on the above item, there were three questions, with notice, from Members of the public, who received a response thereon.

(b) Setting the Council Tax for 2018/19 - 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 2018/2019, which was required to be set before 11th March 2018.

For the Motion – The Mayor; Councillors Baldwin, Carson, Copeland, Cossins, Coultas, Crichlow, Crudass, Crumbie, Curry, Dixon, Galletley, Harker, Haszeldine, C. L. B. Hughes, L. Hughes, Johnson, B. Jones, Mrs. D. Jones, Kane, Kelley, Kelly, Lawton, Lee, Lyonette, Marshall, McEwan, Mills, Newall, K. Nicholson, M. Nicholson, Nutt, E. A. Richmond, S. Richmond, A. J. Scott, Mrs. H. Scott, Storr, C. Taylor, Tostevin, Wallis and Wright. (41)

Against the Motion – None. (0)

Motion Carried.

RESOLVED – (a) That the following amounts be calculated by the Council for 2018/19 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 | £219,211,779 |
| (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 | £171,719,000 |
| (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 | £47,492,779 |
| (iv) | The amount at item 5(iii) above, divided by the council tax base in paragraph 13 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) | £1,466.93 |
| (v) | the aggregate of all special items (Parish Precepts) referred to in Section 34(1) of the Act as in the attached Appendix 1 | £161,779 |
| (vi) | the amount at 5(iv) above less the result given by dividing the amount at 5(v) above by the amount at | £1,461.93 |

paragraph 13 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

- (vii) That the basic council tax for 2018/19 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 2018/19 for each part of its area and for each of the categories of dwellings.
- (b) That it be noted that for the year 2018/19 the Office of the Durham Police, Crime and Victims' 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	120.8	140.9	161.1	181.2	221.5	261.7	302.0	362.4
	3	6	0	4	2	9	7	8

- (c) That it be noted that for the year 2018/19 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	67.02	78.19	89.36	100.5	122.8	145.2	167.5	201.0
				3	7	1	5	6

- (d) That 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 2018/19, for each of the categories of dwellings.

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

(c) Investment Opportunities – Update and Request to Increase the Fund – The Director of Neighbourhood Services and Resources submitted a report (previously

circulated) to update Members on progress against the agreed Capital Investment Fund, and to seek approval to increase the fund.

The submitted report stated that the Council had previously approved the principle and establishment of an investment fund, and confirmed that the established fund was being utilised as envisaged in the original report to Council, which was appended to the submitted report. It was stated that to further deliver the desired outcomes of the fund, Cabinet had proposed an increase in the provision from £10m to £30m, with the stipulation that the use of the fund would be subject to a full detailed report to Cabinet.

RESOLVED – (a) That the Capital Investment Fund be increased to £30m.

(b) That the operation of the fund is delegated to Cabinet in line with previous Council approval.

REASONS – (a) To allow Council to take up opportunities to gain investment returns.

(b) To enable Cabinet to consider detailed proposals many of which will be commercially sensitive.

(c) To allow the investment fund to be established and financed.

(d) Housing Revenue Account – MTFP 2018/19 to 2021/22 – 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 2018/19 in the context of the HRA Medium Term Financial Plan to 2021/22, and the 30 year business plan.

The submitted report stated that the Government had introduced 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 61p reduction in weekly rent in 2018/19. It was stated that, where appropriate, some service charges had an inflationary increase, though it was noted that 70% of tenants would have their rent and most service charges covered by benefit payments.

RESOLVED – (a) That an average weekly social rent reduction of 1% for 2018/19 be implemented giving an average social rent of £70.88, and affordable rent of £81.72.

(b) That garage rents and service charges are increased as detailed in Table 3 of the submitted report.

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

(d) That the Housing Business Plan, as detailed in Appendix 2 of the submitted report, is agreed.

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.

(e) Prudential Indicators and Treasury Management Strategy Report 2018/19 –

The Director of Neighbourhood Services and Resources submitted a report (previously circulated) which requested that Council adopt the Prudential Indicators and Limits for 2018/19 to 2020/21 relating to capital expenditure and Treasury Management activity, a policy statement relating to the Minimum Revenue Provision, and the Treasury Management Strategy 2018/19, which included the Investment Strategy for 2018/19.

The submitted report outlined the Council's Prudential Indicators for 2018/19 – 2020/21, 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 31 January 2018, and that the Audit Committee was satisfied with the Prudential Indicators and Treasury Management Strategy.

RESOLVED – (a) That the Prudential Indicators and limits for 2018/19 to 2020/21, as detailed in Tables 1 and 2 of the submitted report, be approved and adopted.

(b) That the Minimum Revenue Provision (MRP) statement, detailed in paragraph 31 of the submitted report, be approved and adopted.

(c) That the Treasury Management Strategy 2018/19 to 2020/21, as detailed in paragraphs 40 to 97 of the submitted report, be approved and adopted.

(d) That the Annual Investment Strategy 2018/19, as detailed in paragraphs 59 to 97 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.