

## City of Durham

At a Meeting of the **COUNCIL** held in the Town Hall, Durham, on Monday, 26<sup>th</sup> February, 2007, at 5.30 p.m.

**Present:** The Right Worshipful the Mayor of Durham, Councillor Lodge (in the Chair) and Councillors Bell, Carr, Colledge, Cowper, Dickie, Freeman, Gibbon, Gill, Graham, Grimes, Hepplewhite, Holland, Howarth, Jackson, Kellett, Kinghorn, Leake, Lightley, McDonnell, Marsden, Moderate, Norman, Pape, Rae, Reynolds, Robinson, Shaw, Simmons, Simpson, Smith, Southwell, Stoddart, Taylor, Thomson, Turnbull, van Zwanenberg, Walker, Walton, Wolstenholme, Wynn and Young.

### **525. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Cummings, Griffin, Hopgood and Woods.

### **526. MINUTES**

The Minutes of the Meeting held on 9<sup>th</sup> January, 2007, were confirmed as a true record and signed by the Mayor.

### **527. MAYOR'S ANNOUNCEMENTS**

The Mayor announced that St. Nicholas Church Service with the City Council would be held on Sunday 29<sup>th</sup> April, 2007 at 11.00 a.m.

The lecture by Sir Kenneth would be held on Monday 26<sup>th</sup> March, 2007 at 7.00 p.m. in the Gala Theatre. Members were asked to help advertise the event.

The Mayor congratulated staff on the Council winning the Silver Working for Health Award from the County Durham PCT.

At the 2007 Chartered Institute of Public Relations (CIPR) Awards held in Newcastle on 25<sup>th</sup> January, 2007, the Council won the following Gold Awards :-

Best public sector programme for the Council's stubbies campaign, Best low budget campaign for the Council's "Swansong for Invincible", Best in-house campaign, again for the Council's stubbies campaign, Best newspaper or magazine for Durham City News and the Best Public Sector in-house team of the year.

The Mayor congratulated the Public Relations Team for an excellent job and Members and Officers warmly applauded the team who were in attendance at the Meeting with their awards.

### **528. NOTICES OF MOTION**

(a) Notice having been duly given Councillor Reynolds moved and Councillor Holland seconded:-

"This Council resolves that, in line with the Local Government White Paper on Local Government Restructure, it does not support any applications for Unitary Councils in County Durham and believes that the Two-Tier System should remain but with enhanced joint working between all of the Authorities to provide better and more efficient services for the public.

This Council therefore instructs the Chief Executive to write to the Secretary of State for Communities and Local Government re-affirming our position and calls for a public referendum to establish how residents in County Durham want their local services provided rather than stakeholder consultation after the Government has made its decision as currently outlined in the White Paper.”

The MOTION on being put was CARRIED and it was RESOLVED ACCORDINGLY.

**Report of the Director of Legal and Administration Services**

**529. COUNCILLOR MRS. HAWGOOD – RESIGNATION**

Members were advised that Councillor Mrs. Hawgood had submitted her resignation as a City Councillor with immediate effect.

Members and Officers warmly applauded in recognition of Councillor Hawgood’s work she had done over the years.

**Resolved:** That the report be noted.

**530. APPOINTMENT OF PARISH REPRESENTATIVE TO STANDARDS COMMITTEE**

Following the resignation of Parish Councillor Williams as one of the two parish representatives on the Standards Committee, in February 2006, four nominations were received for a replacement from Parishes.

A small appointments panel was set up to consider the applications and the appointments panel after one postponement met on 26<sup>th</sup> January 2007.

Prior to the meeting, one of the applicants withdrew his nomination and a second applicant indicated that she was, again, unwell and would not be able to attend.

At the meeting, in the event, only one applicant attended.

The last remaining applicant was interviewed by the panel and recommended by them for appointment as a parish representative to the Standards Committee.

The applicant was Parish Councillor Joe Anderson of Croxdale and Hett Parish Council who, as a former member of the City Council and former Mayor would be well known to Members.

The appointment of members to the Standards Committee was a function of Full Council and Members were therefore requested to indicate whether they wished to ratify the nomination of Parish Councillor Anderson.

**Resolved:** That the nomination of Parish Councillor Anderson be ratified.

**531. REPORT OF THE INDEPENDENT REMUNERATION PANEL  
27<sup>th</sup> NOVEMBER, 2006**

The Independent Remuneration Panel met on Monday 27<sup>th</sup> November, 2006, to consider the Members’ Allowance Scheme.

Following consideration of this matter, the Independent Remuneration Panel had issued their report a copy of which had been circulated. Members were invited to consider its recommendations.

**Resolved:** (i) That the recommendation in relation to Reimbursement of Expenses for Members' On Line be amended to read as follows:-

That with effect from the 1<sup>st</sup> January 2007 when Members' on Line is fully implemented, Members be paid an allowance of £360 per annum for Portfolio Holders and £240 per annum for all other Members of the Council.

(ii) That subject to (i) above the report of the Independent Remuneration Panel be approved and adopted.

## **532. AMENDMENTS TO THE CITY COUNCIL'S CONSTITUTION**

### **Part 4 – Rules of Procedure**

The Scrutiny Committee at its Meeting held on 29<sup>th</sup> January 2007 considered the report of the Scrutiny Working Party which was circulated.

The Scrutiny Committee endorsed the report for consideration by Council.

**Resolved:** (i) That paragraph 9.1 of the Council Procedure Rules remain unchanged.

(ii) That subject to (i) above the City Council's Constitution be amended to reflect the recommendations of the Scrutiny Working Party.

### **Report of the Head of Strategic Resources**

## **533. 2007/08 ESTIMATES**

The Director of Strategic Resources submitted a comprehensive report on the 2007/08 Estimates. (See Report File).

**Resolved** (i) That the revenue estimates for 2007/08 be approved.

(ii) That the revised capital programme for 2006/07 and the capital programme for 2007/08 be approved.

(iii) That the policy on reserves and balances adopted in February 2006 be endorsed.

### **Summary of Net Expenditure and Income**

After the Cabinet recommendations were approved, and after taking into account the County Council, Fire Brigade and Police Authority demands, the position was as follows:-

	£	£
<b>Durham City Council's Net Expenditure</b>	<b>13,282,466</b>	
<b>Add:</b> Parish Precepts	386,205	13,668,671
<b>Less:</b> a) Revenue Support Grant	1,217,374	
b) National Non Domestic Rate	7,254,017	8,471,391
		<b>5,197,280</b>
<b>Less Surplus on Collection Fund:</b>		
Council Tax	29,260	29,260
<b>Billing Authority Demand</b>		<b>5,168,020</b>
County Council Demand		25,993,488
County Durham & Darlington Fire & Rescue Authority		2,096,211
Police Authority Demand		3,543,819
<b>TOTAL DEMAND</b>		<b>36,801,538</b>

#### 534. COUNCIL TAX RESOLUTION

**Resolved:** (i) That the following, as submitted in the Council's Revenue and Capital Budgets 2007/08, be approved:-

- a) the revenue budgets (General Fund and Housing Revenue Account) for 2007/2008;
- b) the capital programmes (General Fund and Housing Revenue Account) for 2007/2008;

(ii) That it was noted that at its meeting on 9<sup>th</sup> January 2007, the Council calculated the following amounts for the year 2007/2008 in accordance with regulations made under Section 33(5) of the Local Government Finance Act 1992.

- a) 26,111.25 being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 as its Council Tax base for the year.
- b) Part of the Council's Area

##### Parish

Bearpark	618.35
Belmont	2,936.14
Brancepeth	213.05
Brandon & Byshottles	5,445.69
Cassop-cum-Quarrington	1,374.02
Coxhoe	1,292.64
Croxdale & Hett	312.35
Framwellgate Moor	1,544.20

**Parish**

Kelloe	413.62
Pittington	502.43
Shadforth	626.18
Sherburn	957.23
Shincliffe	711.81
West Rainton	758.34
Witton Gilbert	809.13

Being the amounts calculated by the Council, in accordance with Regulation 6 of the Regulations, as the amounts of its Council Tax base for the year for dwellings in those parts of its area to which one or more special items relate.

(iii) That the following amounts be now calculated by the Council for the year 2007/2008 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:-

- a) £59,875,800 being the aggregate of the amounts which the Council estimates for the items set out in Section 32 (a) to (e) of the Act.
- b) £46,207,1297 being the aggregate of the amounts which the Council estimates for the items set out in Section 32 (3) (a) to (c) of the Act.
- c) £13,668,671 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year.
- d) £8,471,391 being the aggregate of the sums which the Council estimates would be payable for the year into its general fund in respect of redistributed non-domestic rates, revenue support grants (reduced by the amount of the sums which the Council estimates would be transferred from its general fund to its collection fund in accordance with Section 97 (3) of the Local Government Finance Act 1988 (Council Tax Surplus) and reduced by the amount of any sum which the Council estimates would be transferred from its general fund to its collection fund pursuant to the collection fund (Community Charges) directions under Section 98 (4) of the Local Government Finance Act 1988 made on 7<sup>th</sup> February, 1994 (Community Charge Surplus).
- e) £197.93 being the amount at 3(c) above less the amount at 3(d) above, all divided by the amount at 2(a) above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year.
- f) £386,205 being the aggregate amount of all special items referred to in Section 34(1) of the Act.
- g) £183.14 being the amount at 3(e) above less the result given by dividing the amount at 3(f) above by the amount at 2(a) above, 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 special item relates.

h) Part of the Council's Area

<b>Parish</b>	<b>£</b>
Bearpark	202.55
Belmont	205.28
Brancepeth	203.96
Brandon & Byshottles	202.16
Cassop-cum-Quarrington	199.88
Coxhoe	204.80
Croxdale & Hett	206.19
Framwellgate Moor	206.58
Kelloe	203.04
Pittington	206.02
Shadforth	204.70
Sherburn	207.74
Shincliffe	197.19
West Rainton	209.51
Witton Gilbert	207.90
<b>All Other Areas</b>	<b>183.14</b>

being the amounts given by adding to the amount at 3(g) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 2(b) above, calculated by the Council in accordance with Section 34 (3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

**COUNCIL TAX BANDS 2007/08**

<b><u>Parts of the Council's Area</u></b>	<b>Valuation Bands</b>							
	<b><u>A</u></b>	<b><u>B</u></b>	<b><u>C</u></b>	<b><u>D</u></b>	<b><u>E</u></b>	<b><u>F</u></b>	<b><u>G</u></b>	<b><u>H</u></b>
<b>Parish of:-</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Bearpark</b>	135.03	157.54	180.04	202.55	247.56	292.58	337.58	405.10
<b>Belmont</b>	136.85	159.66	182.47	205.28	250.90	296.52	342.13	410.56
<b>Brancepeth</b>	135.97	158.63	181.30	203.96	249.29	294.61	339.93	407.92
<b>Brandon</b>	134.77	157.23	179.70	202.16	247.09	292.01	336.93	404.32

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>
Parish of:-	£	£	£	£	£	£	£	£
<b>Cassop</b>	133.25	155.46	177.67	199.88	244.30	288.72	333.13	399.76
<b>Coxhoe</b>	136.53	159.29	182.04	204.80	250.31	295.83	341.33	409.60
<b>Croxdale</b>	137.46	160.37	183.28	206.19	252.01	297.83	343.65	412.38
<b>Framwellgate Moor</b>	137.72	160.67	183.63	206.58	252.49	298.40	344.30	413.16
<b>Kelloe</b>	135.36	157.92	180.48	203.04	248.16	293.28	338.40	406.08
<b>Pittington</b>	137.34	160.24	183.13	206.02	251.80	297.59	343.36	412.04
<b>Shadforth</b>	136.46	159.21	181.95	204.70	250.19	295.68	341.16	409.40
<b>Sherburn</b>	138.49	161.57	184.66	207.74	253.91	300.07	346.23	415.48
<b>Shincliffe</b>	131.46	153.37	175.28	197.19	241.01	284.83	328.65	394.38
<b>West Rainton</b>	139.67	162.95	186.23	209.51	256.07	302.63	349.18	419.02
<b>Witton Gilbert</b>	138.60	161.70	184.80	207.90	254.10	300.30	346.50	415.80
<b>All Other Parts of City Council's Area:</b>	122.09	142.44	162.79	183.14	223.84	264.54	305.23	366.28

being the amounts given by multiplying the amounts at 3(g) and 3(h) above by the number which, in the proportion set out in Section 5(1) of the Act, was applicable to dwellings listed in a particular valuation band divided by the number which in that proportion was applicable to dwellings listed in valuation Band 'D', calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

(iv) That it be noted that for the year 2007/2008, Durham County Council, Durham Police Authority and County Durham and Darlington Fire and Rescue Authority had stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

Precepting Authority	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>
	£	£	£	£	£	£	£	£
Durham County Council	663.66	774.27	884.88	995.49	1,216.71	1,437.93	1,659.15	1,990.98
Durham Police Authority	90.48	105.56	120.64	135.72	165.88	196.04	226.20	271.44
County Durham and Darlington Fire & Rescue Authority	53.52	62.44	71.36	80.28	98.12	115.96	133.80	160.56

(v) That having calculated the aggregate in each case of the amounts at 3(i) and 4 above, the Council, in accordance with Section 30 (2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2007/2008 for each of the categories of dwellings shown below:

Parts of the Council's Area	Valuation Bands							
	<u>A</u> £	<u>B</u> £	<u>C</u> £	<u>D</u> £	<u>E</u> £	<u>F</u> £	<u>G</u> £	<u>H</u> £
Bearpark	942.69	1099.81	1256.92	1414.04	1728.27	2042.51	2356.73	2828.08
Belmont	944.51	1101.93	1259.35	1416.77	1731.61	2046.45	2361.28	2833.54
Brancepeth	943.63	1100.90	1258.18	1415.45	1730.00	2044.54	2359.08	2830.90
Brandon	942.43	1099.50	1256.58	1413.65	1727.80	2041.94	2356.08	2827.30
Cassop	940.91	1097.73	1254.55	1411.37	1725.01	2038.65	2352.28	2822.74
Coxhoe	944.19	1101.56	1258.92	1416.29	1731.02	2045.76	2360.48	2832.58
Croxdale	945.12	1102.64	1260.16	1417.68	1732.72	2047.76	2362.80	2835.36
Framwellgate Moor	945.38	1102.94	1260.51	1418.07	1733.20	2048.33	2363.45	2836.14
Kelloe	943.02	1100.19	1257.36	1414.53	1728.87	2043.21	2357.55	2829.06
Pittington	945.00	1102.51	1260.01	1417.51	1732.51	2047.52	2362.51	2835.02
Shadforth	944.12	1101.48	1258.83	1416.19	1730.90	2045.61	2360.31	2832.38
Sherburn	946.15	1103.84	1261.54	1419.23	1734.62	2050.00	2365.38	2838.46
Shincliffe	939.12	1095.64	1252.16	1408.68	1721.72	2034.76	2347.80	2817.36
West Rainton	947.33	1105.22	1263.11	1421.00	1736.78	2052.56	2368.33	2842.00
Witton Gilbert	946.26	1103.97	1261.68	1419.39	1734.81	2050.23	2365.65	2838.78
All Other Parts of City Council's Area:	929.75	1084.71	1239.67	1394.63	1704.55	2014.47	2324.38	2789.26

(vi) That the Chief Executive be instructed to publish a notice to the setting of Council Tax as delineated in Paragraph 5 above, in accordance with Section 38 (2) of the Local Government Finance Act 1992.

### 535. TREASURY MANAGEMENT AND INVESTMENT STRATEGY 2007/08 AND PRUDENTIAL INDICATORS 2007/08

The Director of Strategic Resources submitted a report that outlined the Council's prudential indicators for 2007/08 – 2009/10 and set out the expected treasury operations for this period. It fulfilled three key reports required by the Local Government Act 2003:

- ◆ The reporting of the prudential indicators as required by the CIPFA Prudential Code for Capital Finance in Local Authorities a copy of which had been circulated.
- ◆ The Treasury Strategy in accordance with the CIPFA Code of Practice on Treasury Management a copy of which had been circulated.
- ◆ The Investment Strategy (in accordance with the DCLG investment guidance) a copy of which had been circulated.

The key requirements were set out below:



### Capital Expenditure

The projected capital expenditure was expected to be:

<b>Capital Expenditure</b>	<b>2006/07 Revised £000s</b>	<b>2007/08 Estimated £000s</b>	<b>2008/09 Estimated £000s</b>	<b>2009/10 Estimated £000s</b>
Non HRA	4,779	5,700	2,541	1,721
HRA	5,451	5,154	4,743	4,551
Total	10,230	10,854	7,284	6,272

### Debt Requirement

Part of the capital expenditure programme would be financed directly (through Government Grants, capital receipts etc.), leaving a residue which would increase the Council's external borrowing requirement (its Capital Financing Requirement – CFR). The General Fund CFR was reduced each year by a statutory revenue charge for the repayment of debt (there was no requirement for an HRA charge).

<b>Capital Financing Requirement</b>	<b>2006/07 Revised £000s</b>	<b>2007/08 Estimated £000s</b>	<b>2008/09 Estimated £000s</b>	<b>2009/10 Estimated £000s</b>
Non HRA	4,051	3,889	3,734	3,584
HRA	18,545	18,793	18,893	18,933
Total	22,596	22,682	22,627	22,577

Against this borrowing need (the CFR), the Council's expected external debt position for each year (the Operational Boundary), and the maximum amount it could borrow (the Authorised Limit) are:

	<b>2006/07 Revised £000s</b>	<b>2007/08 Estimated £000s</b>	<b>2008/09 Estimated £000s</b>	<b>2009/10 Estimated £000s</b>
Authorised Limit	28,696	28,782	30,927	30,877
Operational Boundary	26,096	26,182	28,127	28,077

The impact of the new schemes being approved as part of this budgetary cycle on Council Tax and housing rents are expected to be:

Incremental Impact of Capital Investment Decisions (£) on	2006/07 Revised £ p	2007/08 Estimated £ p	2008/09 Estimated £ p	2009/10 Estimated £ p
Band D Council Tax	0.0	1.43	1.22	1.74
Housing Rents Levels	0.0	0.00	0.03	0.03

### Investments

The resources applied to finance the capital spend above was one of the elements which influenced the overall resources of the Council. The expected position of Council's year end resources (balances, capital receipts, etc.), was shown below supplemented with the expected cash flow position to provide an overall estimate of the year end investment position. The prudential indicator limiting longer term investments was also shown.

	2006/07 Revised £000s	2007/08 Estimated £000s	2008/09 Estimated £000s	2009/10 Estimated £000s
Total Resources	8,256	7,441	6,674	6,147
Working Capital	1,355	825	881	990
Total Investments	9,611	8,274	7,555	7,137
Principal Sums Invested > 364 days		£5M	£4M	£4M

**Resolved:** (i) That the Prudential Indicators and Limits for 2007/08 to 2009/10 contained within Appendix B of the circulated report be adopted.

(ii) That the Treasury Management Strategy 2007/08, and the Treasury Prudential Indicators contained within Appendix C of the circulated report be approved.

(iii) That the Investment Strategy 2007/08 contained in the Treasury Management Strategy, and the detailed criteria included in Annex C1 of the circulated report be approved.

### Report of the Head of Property Services

#### **536. REPLACEMENT OF GAS CENTRAL HEATING SYSTEMS**

The existing gas heating contract, for the replacement of gas central heating systems, was due to end on the 31<sup>st</sup> March 2007.

A tendering exercise for a four year contract was currently under way and tender documents were due to be returned to the City Council on the 2<sup>nd</sup> March 2007. These would be analysed with a view to a tenderer being appointed to commence the new contract on the 1<sup>st</sup> April 2007.

The estimated contract value for this four year contract in total, was in excess of £1m. Under the Council's Contract Procedure Rules tenders in excess of £1m had to be approved by Full Council.

The next meeting of Full Council was not to take place until the 23<sup>rd</sup> May 2007. To ensure that there was no delay in completion of next years programme of works it was recommended that delegated powers be given to Cabinet at its meeting on the 21<sup>st</sup> March 2007 to appoint the successful tenderer for the gas heating contract. Thereafter the contract would be reported to the next Full Council meeting for information.

**Resolved:** That delegated powers be given to Cabinet to appoint the successful tenderer for the gas heating contract.

The Meeting terminated at 5.25 p.m.

Mayor