

**THE MINUTES OF THE
EXTRAORDINARY MEETING OF THE DISTRICT COUNCIL OF EASINGTON
HELD ON WEDNESDAY 21 FEBRUARY 2007**

Present: Councillors E. Bell, S. Bishop,
Mrs. G. Bleasdale, B. Burn, A. Collinson,
Mrs. E.M. Connor, R. Crute, Mrs. J.
Freak, J. Haggan, H. High, Mrs. E.
Huntington, T. Longstaff, Mrs. J. Maslin,
Mrs. S. Mason, D. Myers, A. Napier,
Mrs. A. Naylor, W.R. Peardon, G. Pinkney,
B. Quinn, F. Shaw, Mrs. B.A. Sloan, R.
Taylor and P.G. Ward.

1. ELECTION OF CHAIR

In the absence of the Chair and Vice Chair of the Council, nominations were sought for a Chair for the meeting.

RESOLVED that Councillor W.R. Peardon be elected Chair of the meeting.

2. GENERAL FUND BUDGET FOR 2007/2008 AND THE MEDIUM TERM FINANCIAL STRATEGY FOR 2007/2008 - 2009/2010

Consideration was given to the report of the Director of Finance and Corporate Services which sought approval to the General Fund estimates for 2007/8 and the Medium Term Financial Strategy from 2007/8 to 2009/10, a copy of which had been circulated to each Member.

The Director explained that as S.151 Officer he was required to give an opinion on the robustness of the Council's estimates and the adequacy of financial reserves. This was presented to Members in Appendix 1 to the report.

He then proceeded to explain the need for medium term planning and some of the difficulties associated with this, emphasising the need to ensure that the budget was aligned to priorities and linked to the Corporate Plan. It was important to build upon the existing financial strategy to meet objectives and ensure the Council was delivering value for money by directing resources effectively. However, when reviewing plans, the Council must be aware of, and manage, external pressures.

The Strategy was reviewed in November 2006 and as part of this corrective action had been taken to bring the financial plans back on track. This was reflected in the 2007/8 budget where the base budget was balanced without unplanned use of reserves.

In preparing the Strategy, a number of key issues and assumptions had been considered and these were detailed in Appendix 3 to the report with areas identified for additional resources across the three year period set out in Appendix 4.

The review of the strategy identified that it was likely that significant efficiencies would have to be identified in future, requiring a radical change in service delivery. Local Government restructuring proposals would influence this position.

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As it was difficult to identify the levels of savings achievable at this time, it was anticipated that these would be amended as the plan developed. Section 5.5.18 of the report gave details of the savings that had been identified as achievable over the life of the plan.

As part of the budget process levels of earmarked and uncommitted reserves and balances were reviewed and the recommendations in relation to these were detailed in Section 5.5.24 for Members' consideration.

To conclude, the Director reported that the final grant settlement remained the same at £12.011m and notwithstanding the significant challenges faced it was pleasing to propose a balanced budget for this year.

Section 6.3 in the report highlighted some of the issues that had been managed as part of the process including the proposed Council Tax increases of 2.5% which were at the same levels as 2006/7 and the review of Environmental Charges detailed in Appendix 12.

The overall budget requirement including the Parish precept was £20.731m. Details of the precepts were set out in Appendix 10.

With regard to the Collection Fund, it was pleasing to report that the provision for bad debts had been reduced by £200k.

RESOLVED that:

- (a) the robustness of the budget and adequacy of the reserves as set out in Appendix 1, be noted;
- (b) the Medium Term Financial Strategy for the period 2007/8 - 2009/10 as set out in paragraph 5 and the financial forecasts in Appendix 5, be agreed;
- (c) the Treasury Management Strategy incorporating the Council's overall borrowing limits and investment strategy as set out in Appendix 6, be agreed;
- (d) the prudential indicators as set out in Appendix 7/1, be agreed;
- (e) the Schedule of Charges for Environmental Services as set out in Appendix 12, be agreed;
- (f) following the review of reserves the transactions below be agreed with immediate effect:-
 - the retention of a prudent balance of £1.5m;
 - the creation of a management of change reserve to manage the uncertainties and challenges facing the Council in the medium term, setting aside £1.5m of general reserves to manage the change in the medium term. The additional reserve would support the base budget over that period;
 - reduce specific reserves (Support Services and Benefits) and transfer residual balances of £300k to the general reserves to be utilised to fund an element of revenue one-offs as proposed in Appendix 4;

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- the creation of an economic development/regeneration reserve to provide funding for regeneration initiatives and related schemes and to transfer £408k from general reserves into the reserve. In addition, to transfer future LABGI receipts to the reserve;
 - to consider the further use of reserves following closure of the 2006/7 accounts.
- (g) an overall budget of £18,207,910 be agreed as set out in Appendix 9;
- (h) a budget requirement of £20,731,397 for the purposes of calculating the collection fund demand, be agreed (as detailed in paragraph 7.3 in the report);
- (i) the sum of £8,626,270 be demanded from the Collection Fund for the year 2007/8 (as detailed in paragraph 8.1 in the report);
- (k) Band D Council Tax for 2007/8 be agreed at £173.16. Schedules of amounts of Council Tax for the year 2007/8 to be presented to a further meeting of the Council on 8th March 2007. The Schedule to form the basis of the appropriate statutory resolutions to be put to that meeting, following the consultation process with representatives of the business community, in accordance with Section 30(2) of the Local Government Finance Act 1992.

3. **HOUSING REVENUE ACCOUNT (HRA) BUDGET FOR 2007/2008 AND FUTURE YEARS)**

Consideration was given to the report of the Director of Finance and Corporate Services on the Housing Revenue Account budget for 2007/2008 and future years, a copy of which had been circulated to each Member.

The purpose of the report was to agree the Housing Revenue Account budget, the East Durham Homes management fee and the weekly dwelling average rent increase for 2007/2008.

RESOLVED that:

- (a) the HRA budget proposals for 2007/8 and future years, as set out in the report, be agreed;
- (b) the 2007/8 HRA management fee for East Durham Homes be agreed at £10.482m;
- (c) the dwelling rent increase of 4.9% be agreed for 2007/8.

4. **CAPITAL PROGRAMME FOR 2007/2008**

Consideration was given to the report of the Executive Member for Resources which gave details of the proposed Capital Programme for 2007/8 a copy of which had been circulated to each Member.

The purpose of the report was to determine allocations for the Capital Programme for 2007/2008 which amounted to proposals totalling £14,777,769.

RESOLVED that:-

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- (a) a Capital Programme of £14,777,769 be agreed for 2007/2008 and be allocated as follows:-

	£
ALMO Works - Decent Homes Works	7,724,350
ALMO Works - Non-Decent Homes Works	625,000
HIP - Council Schemes	3,530,000
Other Services	2,698,419
Contingencies	200,000

- (b) further reports be submitted to Members as necessary, detailing the actual areas of work to be carried out within capital schemes in the 2007/2008 Capital Programme.

JE/CB/COM/DIST/070301
9 March 007