

**THE MINUTES OF THE EXTRAORDINARY MEETING
OF THE DISTRICT COUNCIL OF EASINGTON
HELD ON THURSDAY, 20 DECEMBER, 2007**

Present: Councillors Mrs M Nugent (Chair)

Councillors Mrs M Baird, S Bishop,
Mrs G Bleasdale, A Burnip, A Collinson,
R Davison, Mrs S Forster, J Haggan,
H High, Mrs E Huntington, Mrs A E Laing,
T Longstaff, D Maddison, Mrs S Mason,
K McGonnell, D Milsom, A Napier,
Mrs A Naylor, G Patterson, G Pinkney,
D Raine, F Shaw, P Stradling, R J Todd,
T Unsworth, C Walker, P G Ward and
Mrs V M Williams

1 REVIEW OF THE MEDIUM TERM FINANCIAL POSITION 2008/9 – 2010/11

Consideration was given to the report of the Director of Finance and Corporate Services on the medium term financial position for 2008/9 to 2010/11, a copy of which had been circulated to each Member.

The report advised Members of the medium term financial position and issues emerging from the 2008/9 financial planning process and asked Members to consider proposals to resource the Council's revised corporate properties over the medium term.

The Director of Finance and Corporate Services reported that the Council's current Medium Term Financial Strategy as set out in Appendix 1 focused on ensuring that resources were used effectively to meet the Council's vision and objectives as set out in the East Durham Community Strategy 2003 to 2010 and the Council's Corporate Plan. This was subject to continuous review in the light of local government reorganisation.

One of the outcomes of the local government review would be that the Durham Districts would be abolished from 1 April 2009, however, it was still necessary for the Council to prepare and set a budget for 2008/9. As the Council would not be running day to day services beyond April 2009, there were longer term objectives that needed to be delivered for the communities of East Durham and there was a need to ensure resources were in place to deliver priorities beyond that date. As part of the transitional process it was proposed to continue the Council's responsible financial approach to avoid leaving a legacy of liabilities for the Council Tax payers of the new Authority.

Whilst the financial aspects of the planning process had been to re-assess assumptions within the Medium Term Plan, there was also a need to consider the approach to be taken on reserves. In accordance with the Council's Medium Term Financial Strategy, the utilisation of reserves had been the key factor in progressing plans and improving services and it was therefore appropriate to review the Council's position again.

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Council had set aside £1.5m following a review in February 2007 when it was acknowledged that a further review was required but that future financial planning was made difficult by the uncertainty caused by local government reorganisation.

Management Team carried out a review of reserves in October 2007 and a summary of the position was given in section 9 of the report. Appendix 3 set out the estimated general fund commitment to be put in place to achieve the outcomes arising from the review of priorities for 2007/8 to 2010/11 to be resourced from reserves, and Appendix 3.1 set out the key proposals relating to the following initiatives:-

fixed term contracts and externally funded posts
East Durham Business Service
revenue one-offs

The Director added that these proposals were in accordance with the Medium Term Financial Strategy and Plans and it was assumed that they would be respected by the new Authority until such time as it had the opportunity to review its priorities and structures. Appendix 4 identified risk implications which would be reviewed as part of the 2008/9 budget process.

Following discussion Members welcomed the report and it was **RESOLVED** that:-

- (a) the initiatives as set out in the report and in Appendices 3 and 3.1, be agreed in accordance with the Council's Medium Term Financial Strategy and Plans;
- (b) in terms of financing the proposals and implications arising from the report, the following commitments be agreed:-
 - (i) an amount of £1.35m be transferred from specific reserves of which £850k to be allocated to the general fund with the remaining £500k being transferred to the HRA;
 - (ii) the following reserves be established:-
 - staffing - fixed term/externally funded posts £813k
 - East Durham Business Service/LEGI £400k
 - (iii) following the revision of the Council's Corporate Plan £1.844m of resources be directed into initiatives set out in Appendices 3 and 3.1 of the report over the next three years, to be financed as follows:-

use of specific reserve to fund the fixed term/externally funded posts identified in the report - £813k;

use of specific reserve to fund the East Durham Business Service/LEGI Initiative - £400k;

a programme of revenue one-offs be included in the 2008/9 revenue budgets and met from general reserves - £571k;

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2007/08 budget savings/efficiencies be used to address recycling issues in the current year - £60k.

- (iv) the scope of the Management of Change Reserve be widened to address issues arising from the restructuring of local government in County Durham, as proposed in paragraph 9.5.10.

JE/MC/COM/DIST/080101
3 January 2008