

DURHAM COUNTY COUNCIL

CABINET

AT A MEETING of the **CABINET** held at the County Hall, Durham on **THURSDAY 29 JANUARY 2009** at **10.00 a.m.**

PRESENT

Councillor Henig in the Chair

Cabinet Members:

Councillors Foster, Hodgson, Hovvels, E Huntington, Nicholls, Robson, Stephens, Vasey and B Young.

Other Members:

Councillors Armstrong, Avery, A Bainbridge, Blakey, Chaplow, Graham, Gray, Hancock, N Harrison, Hopgood, G Huntington, Johnson, Jopling, Liddle, Martin, Rodgers, Shuttleworth, Simmons, Southwell, Stradling, Temple, K Thompson, Todd, Tomlinson, Walker, Wilkes, Wilkinson, Williams, Woods and Zair.

A1 Declarations of Interest

None Declared.

A2 Budget 2009/10 incorporating the Medium Term Financial Plan 2008/09 – 2010/11 [Key Decision Corp/TR/01/08]

The Cabinet considered a Report of the Corporate Director, Resources providing information to enable Cabinet to make recommendations to the meeting of the County Council on the 27th February about the 2009/10 Budget (for copy see file of Minutes).

In the ensuing discussion the Chairman, Councillor Hodgson the Cabinet Portfolio for Resources and the Corporate Director, Resources answered a series of questions from Members about the preparation and construction of the budget, its aim of protecting frontline services, as well as adhering to the County Council's bid for Unitary local government for County Durham.

With specific reference to establishing a capital programme the Chairman explained how the proposed Working Group of Members would play a pivotal role in this regard, examining not only existing projects but also new ones. It

was expected the Working Group, the membership of which remained to be agreed, would commence its work from 1 April 2009.

The Corporate Director Resources also pointed out that a separate report would be presented to Council dealing with the LSVT of Sedgefield Borough Council's housing stock and associated rent setting issues.

With regard to the Countryside Budget the Corporate Director, Environment explained that the reduction would not be at the expense of frontline service, but would be achieved by support services rationalisation.

Following Members' questions Councillor Hodgson moved and it was

Resolved

That the following recommendations be adopted for inclusion in the report to the County Council on 27 February 2009 with regard to the County Council Budget -

- 1 That the recommendations be approved as set out in:-
 - Section B Priorities, Section C – Consultation Responses, Section D Local Government Finance Settlement, Section E - Area Based Grants, Section F - Housing Revenue Account and other associated issues
 - Financial Reserves,
 - Sections Section H - Capital Budget, Section I - Prudential Code and Treasury Management, Section J - Dedicated Schools Grant, Section K - Durham Charter Trust
 - Section L – Council Tax Base and Estimated Collection Fund Surplus/Deficit
 - Section M Risk and N. Section 25 Report
- 2 That the County Council be recommended to agree an average Council Tax increase of 2.94% (ranging from an increase of 4.75% to a reduction of 1%) and authorise incorporation into the Cabinet's report appropriate recommendations to put this into effect.
- 3 That, as a consequence of adopting 2 above, it be noted the Budget gap is now £5.961m
- 4 That Section G – Service Investments and Service Savings be agreed subject to the following variations:

That the County Council be recommended to close the Budget gap by:

- a) Additional support recharged for Area Action Partnerships, reduced from Bid (£1.4m), saving £1.200m
- b) In Adults Wellbeing and Health, assume that if necessary any double running costs will be met from the County Council contingency provision, £0.200m

saving

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| c) | In Children's & Young People's Services assume that the staffing for the 14-19 planning will not be in place soon enough to incur the total investment proposed, saving | £0.050m |
| d) | In Corporate Resources, removing the additional support to replacing the lost grant, saving | £0.053m |
| e) | In the calculation of the additional revenue cost of capital, assuming that the programme will be contained within existing levels of budget provision, saving | £1.000m |
| f) | That earmarked reserves and trading account profits from across the Council contribute the balance of | £3.458m |
- 5 That the Corporate Director, Resources be authorised to make any proper accounting transactions that would be in the interests of the County Council in relation to the accounts for 2008/09.