

# ANGUS COUNCIL

MINUTE of Special MEETING of **ANGUS COUNCIL** held in the Town and County Hall, Forfar on Wednesday 27 February 2008 at 2.30pm.

**Present:** Provost RUTH LESLIE MELVILLE MBE, Depute Provost PETER MURPHY, Councillors ALISON ANDREWS, COLIN BROWN, FRANK ELLIS, MAIRI EVANS, DAVID FAIRWEATHER, IAIN GAUL, ALEX KING, DAVID LUMGAIR, IAN MACKINTOSH, DAVID MAY, GLENNIS MIDDLETON, BILL MIDDLETON, JIM MILLAR, DONALD MORRISON, ROB MURRAY, ROBERT MYLES, PETER NIELD, HELEN OSWALD, RALPH PALMER, JOHN RYMER, MARK SALMOND, ROBERT SPINK, MARGARET THOMSON, PAUL VALENTINE, SANDY WEST, SHEENA WELSH and JOHN WHYTE.

Provost RUTH LESLIE MELVILLE, in the Chair.

## 1. DECLARATIONS OF INTEREST

The Council noted that no declarations of interest were made.

## 2. MEETINGS OF COMMITTEES – 27 FEBRUARY 2008

The Head of Law and Administration reported that the special meetings of the following Committees held earlier today had noted and approved their respective budgets as detailed in [Report Nos 161/08](#), [162/08](#), [163/08](#) and [164/08](#):-

- (a) Corporate Services Committee
- (b) Education Committee
- (c) Neighbourhood Services Committee
- (d) Social Work and Health Committee
- (e) Infrastructure Services Committee
- (f) Strategic Policy Committee

Councillor Murray (on behalf of the SNP Group) had, however, reserved his position to this meeting.

## 3. LONG TERM AFFORDABILITY OF THE GENERAL FUND FINANCIAL PLAN

There was submitted [Joint Report No 165/08](#) by the Director of Corporate Services and the Head of Finance summarising the outcome from an assessment of the long term affordability of the Council's proposed Financial Plan carried out as part of the Council's longer term financial management strategy.

The Report concluded that, whilst the analysis had had to be based on a number of assumptions given the timescale over which the projections were based, the outcomes were considered to give a reasonable indication of the affordability of the Council's intended capital expenditure programme. The results of this exercise indicated that the Council's 2007/2011 Financial Plan was affordable, prudent and sustainable as required by the Prudential Code.

The Council resolved:-

- (i) to note the contents of Report No 165/08 for its interest and in particular the key assumptions underpinning the affordability analysis;
- (ii) to note that the outcomes from the affordability analysis undertaken had been taken into account where appropriate in the separate Prudential Indicators Report (No 167/08);
- (iii) to note that, based on the assumptions made and the affordability analysis undertaken, including revisions to the phasing of certain projects, that the Council's 2007/2011 Financial Plan was considered to be affordable, prudent and sustainable as required by the Prudential Code;

- (iv) to note that the General Fund 2007/2011 Financial Plan and Provisional Capital Budget Volume (Report 164/08) reflected the outcome of the long term affordability review where appropriate;
- (v) to note that the Policy & Budget Strategy Group and Capital Budget Sub Group would keep this affordability position under review into future years, with update reports being provided to the Council on an annual basis;
- (vi) to approve the continuation of the special repayment strategy as outlined in Section 8 and Appendix 2 to the Report on the basis that the effect of the strategy would be highlighted as part of the annual update report on the long term affordability of the Financial Plan;
- (vii) to approve the use of any future underspends arising in the loan charges budget for special repayment purposes, subject to the amounts involved being highlighted in the annual budget carry forward report; and
- (viii) to note that should the UK Treasury implement a national limit on capital borrowing, as outlined in paragraph 12 of the Report, this could require the Council's capital spending plans to be reviewed and possibly scaled back.

#### **4. REVENUE BUDGET 2008/2009**

##### **(a) Setting of the Council Tax**

There was submitted [Joint Report No 166/08](#) by the Director of Corporate Services and the Head of Finance which explained the detailed steps which had already been taken, and the further steps which still required to be taken, with regard to the setting of the Council Tax charge for Angus Council in respect of the financial year 2008/2009.

The Report reminded members of the background surrounding the preparation of the revenue budget for 2008/2009 and referred to Report Nos 625/07, 147/08 and 161/08 which had given information on the development of the Council's Revenue Budget, the grant settlement provided by the Scottish Government and Angus Council's departmental provisional revenue budgets for 2008/2009. In particular, Report No 161/08 had outlined that departmental budget savings totalling £2.620 million had been necessary to allow a balance and sustainable budget to be set.

The Council's net estimated expenditure for 2008/2009 would be £248.237 million (excluding contributions to/from general fund balances and special funds) after removal of the proposed departmental budget savings. The deduction of £204.430 million of Aggregate External Finance (AEF), as adjusted and £0.813 million of general fund balances, to finance those budget issues identified in Report No 161/08, left a balance of £42.994 million to be funded from Council Tax charges before considering the contributions to or from the Council's General Fund Balances and Special Funds which would be determined at this meeting.

The remainder of the Report outlined the main financial considerations and the steps necessary to set the Council Tax charge. The setting of the Council Tax effectively represented the conclusion of the General Fund Revenue Budget process. Final budgets for each department, based on the decisions made at this meeting, would be issued in the near future to allow the budget monitoring process to begin early in the new financial year;

##### **(b) Prudential Indicators**

There was also submitted [Joint Report No 167/08](#) by the Director of Corporate Services and Head of Finance advising members of the Prudential Indicators which the Council was required to consider and approve as part of the budget setting process.

The Report indicated that the Prudential Indicators, as laid out in Section 5-9, were considered to provide the Council with a robust framework for moving forward under the Prudential Code and reflected capital investments strategy which was prudent, affordable and sustainable.

THEREAFTER, COUNCILLOR SALMOND, SECONDED BY COUNCILLOR WHYTE, MOVED THAT THIS COUNCIL:-

- (I) APPROVES THE RECOMMENDATIONS OF THE VARIOUS COMMITTEES IN RESPECT OF THE INDIVIDUAL DEPARTMENTAL REVENUE BUDGETS WHICH GIVE A TOTAL ESTIMATED NET REVENUE EXPENDITURE FOR 2008/2009 OF £248.237 MILLION FOR ANGUS COUNCIL AS SHOWN IN APPENDIX 2 TO REPORT NO 166/08;
- (II) APPROVES THE RECOMMENDATIONS OF THE VARIOUS COMMITTEES IN RESPECT OF THE INDIVIDUAL DEPARTMENTAL CAPITAL BUDGETS WHICH GIVE A TOTAL ESTIMATED NET CAPITAL EXPENDITURE FOR 2008/2009 OF £11.404 MILLION FOR ANGUS COUNCIL AS SHOWN ON PAGE 5 OF REPORT NO 164/08;
- (III) APPROVES THE PROPOSED ADDITIONAL ITEMS OF EXPENDITURE (AS DETAILED IN STATEMENT 1 CIRCULATED WITH THE MOTION) TOTALLING £440,000 AS FOLLOWS:-

PRUDENTIAL CODE ADDITIONAL ITEMS OF EXPENDITURE (CAPITAL FINANCING COSTS)	£240,000
CIVIC PRIDE	£100,000
IMPROVING THE BUILT ENVIRONMENT	£100,000

- (IV) NOTES THE PROPOSED BAND D COUNCIL TAX AS SHOWN IN (X) BELOW WOULD ENSURE THAT THE COUNCIL RECEIVES £1.392 MILLION IN GRANT SUPPORT PROVIDED BY THE SCOTTISH GOVERNMENT TO ALLOW COUNCIL'S TO DELIVER A COUNCIL TAX FREEZE;
- (V) APPROVES: -
- THE REDESIGNATION OF THE CURRENT EQUIPMENT RENEWAL & REPAIR FUND AS A PARKS & CEMETERIES RENEWAL & REPAIR FUND ADMINISTERED BY THE DIRECTOR OF NEIGHBOURHOOD SERVICES;
  - THE PROPOSED £3.775 MILLION OF CONTRIBUTIONS TO THE COUNCIL'S SPECIAL FUNDS;
  - THE £3.563 MILLION CONTRIBUTION FROM THE COUNCIL'S GENERAL FUND BALANCES, INCLUDING £0.813 MILLION PER APPENDIX 3 OF REPORT 166/08 (AS DETAILED IN STATEMENT 2 CIRCULATED WITH THE MOTION);
  - THE ADDITIONAL £2.625 MILLION OF CAPITAL EXPENDITURE TO BE UNDERTAKEN IN 2008/09 OVER AND ABOVE THE £11.404 MILLION SHOWN IN REPORT NO 164/08;
- (VI) NOTES THE IMPACT ON THE LEVEL OF EARMARKED RESERVES OF THE PROPOSED £3.775 MILLION OF CONTRIBUTIONS TO THE COUNCIL'S SPECIAL FUNDS (AS DETAILED IN STATEMENT 3 CIRCULATED WITH THE MOTION);
- (VII) NOTES THE SUMMARY OF ADDITIONAL SPENDING POWER FOR INVESTMENT IN COUNCIL ASSETS ARISING FROM THE PROPOSED CONTRIBUTIONS TO SPECIAL FUNDS AND ADDITIONAL CAPITAL EXPENDITURE PROPOSED IN THIS MOTION (AS DETAILED IN STATEMENT 4 CIRCULATED WITH THE MOTION);
- (VIII) APPROVES THE PROPOSED 2% LEVEL FOR COUNCIL TAX NON-COLLECTION IN 2008/09, RESULTING IN A BAND D EQUIVALENT TAX BASE OF £41,473;

- (IX) APPROVES THE COUNCIL TAX CALCULATION STATEMENT (AS DETAILED IN STATEMENT 6 CIRCULATED WITH THE MOTION), WHICH ENCOMPASSES ALL OF THE APPROPRIATE ELEMENTS OF THIS MOTION;
- (X) SETS THE ANGUS COUNCIL BAND D COUNCIL TAX CHARGE FOR 2008/09, AT £1,072.00;
- (XI) NOTES THAT THE 2008/09 UNIFIED BUSINESS RATE HAS BEEN SET AT 45.8P IN THE £ BY THE SCOTTISH GOVERNMENT; AND
- (XII) APPROVES THE RECOMMENDATIONS OF REPORT NO 167/08 REGARDING THE SETTING OF PRUDENTIAL INDICATORS FOR THE 2008/09 BUDGET PROCESS AS AMENDED TO TAKE ACCOUNT OF THE CHANGES TO THE REVENUE AND CAPITAL BUDGETS OUTLINED ABOVE (AS DETAILED IN STATEMENT 7 CIRCULATED WITH THE MOTION).

*The Council resolved that the meeting be adjourned for a period of five minutes at this point (3.15 pm).*

On re-convening, Councillor King, seconded by Councillor Palmer, moved as an amendment that the Council resolves to:

- (i) amend the recommendations of Report No 166/08 (paragraph 1) as follows:-
  - (a) approve: -
    - the amended service developments, new burdens and budget issues to be recognised (as detailed in Appendix A circulated with the amendment);
    - the amended savings (as detailed in Appendix B circulated with the amendment);
    - the addition of £6.125 million of capital expenditure to be undertaken in 2008/09 over and above the £11.404 million shown in Report No 164/08 and the consequential £0.545 million additional capital financing costs (as detailed in Appendix C circulated with the amendment);
    - the 2008/09 net estimated expenditure of £250.354 million (excluding contributions to / from General Fund Balances and Special Funds) for Angus Council (as detailed in Appendix D circulated with the amendment being a revised version of Appendix 2 to Report No 166/08).
  - (b) agree that an allowance of 1.5% for non-collection of the Council Tax be used in the tax setting calculations;
  - (c) approve the net contribution to the Council's General Fund Balances and Special Funds (as detailed in Appendix E circulated with the amendment).
  - (d) approve a Council Tax payable at Band D of £1,072 (as detailed in Appendix F circulated with the amendment, being a revised Appendix 3 to Report No 166/08).
- (ii) approve the recommendations of Report No 167/08 regarding the Setting of Prudential Indicators for the 2008/09 budget process, as amended to take account of the changes to the revenue and capital budgets outlined above (as detailed in Appendix G circulated with the amendment).

*The Council resolved that the meeting be adjourned for a period of 30 minutes at this point (3.38 pm).*

On re-convening, eleven members spoke before Councillor Salmond exercised his right to sum up.

On a vote being taken, members voted:-

For the motion:

Provost Leslie Melville, Depute Provost Murphy, Councillors Andrews, Brown, Fairweather, Lumgair, Mackintosh, May, Millar, Myles, Nield, Rymer, Salmond, Thomson and Whyte (15).

For the amendment:

Councillors Ellis, Evans, Gaul, King, Bill Middleton, Glennis Middleton, Morrison, Murray, Oswald, Palmer, Valentine, Welsh and West (13).

No vote:

Councillor Spink (1).

The motion was declared carried and the Council resolved accordingly.