



MINUTES OF SPECIAL MEETING of the CLACKMANNANSHIRE COUNCIL held within the Council Chamber, Patons Building, Kilncraigs, Alloa, FK10 1EB, on TUESDAY 24 FEBRUARY 2015 at 10.00 am.

PRESENT

Provost Tina Murphy (In the Chair)
Councillor Donald Balsillie
Councillor Janet Cadenhead
Councillor Alastair Campbell
Councillor Archie Drummond
Councillor Kenneth Earle
Councillor Ellen Forson
Councillor Irene Hamilton
Councillor Craig Holden
Councillor Kathleen Martin
Councillor George Matchett, QPM
Councillor Walter McAdam, MBE
Councillor Bobby McGill
Councillor Les Sharp
Councillor Jim Stalker
Councillor Derek Stewart
Councillor Graham Watt
Councillor Gary Womersley

IN ATTENDANCE

Elaine McPherson, Chief Executive
Nikki Bridle, Depute Chief Executive
Garry Dallas, Executive Director
Stephen Coulter, Head of Resources and Governance
Stuart Crickmar, Head of Strategy and Customer Services
Val de Souza, Head of Social Services
Gordon McNeil, Head of Development and Environment
Sharon Johnston, Assistant Head of Education
Alan Milliken, Assistant Head of Education
Murray Sharp, Team Leader, Housing Business Management Services
Liz Shaw, Chief Accountant
Lindsay Sim, Team Leader, Finance
Brian Forbes, Customer Services Manager
Andrew Wyse, Team Leader, Legal Services - Clerk to the Council
Gillian White, Business Support to the Council - Minutes

CC.276 APOLOGIES

None

CC.277 DECLARATION OF INTERESTS

None

**CC.278 GENERAL SERVICES AND HRA REVENUE AND CAPITAL BUDGET
2014/15**

The report, submitted by the Depute Chief Executive, presented the Council's Budget for 2015/16. The report covered revenue and capital expenditure budgets for both General Services and Housing Revenue Accounts. In addition, the budget sought approval and provided information for further actions which will contribute to the Council's aim of improving medium term financial planning and financial sustainability. The report also built on the regular Making Clackmannanshire Better (MCB) and Budget Strategy Update reports and briefings presented to Council and Resources and Audit Committee throughout the year.

Motion

That Council agrees the recommendations set out in the report.

Moved by Councillor Les Sharp. Seconded by Councillor Donald Balsillie.

Amendment

"1. That recommendation 2.1.1 and consequently paragraph 3.7 be deferred;

2. That paragraph 2.1.5 and consequently Appendix D be deferred;

and that these two items be subject to separate consideration at the earliest appropriate Meeting of the full Council to enable a full debate and proper scrutiny of these recommendations before any decision on them is taken."

Moved by Councillor Bobby McGill. Seconded by Councillor Jim Stalker.

Voting on the Amendment

For the amendment	9 votes
Against the amendment	9 votes

On a division of 9 votes to 9, the amendment was defeated on the casting vote of the Provost.

Voting on the Motion

For the motion	9 votes
Against the motion	8 votes
Abstain from voting	1

Decision

On a division of 9 votes to 8 with 1 abstention, the Council agreed to approve:

1. the refined alternative service delivery model detailed in paragraph 3.7 of the report;
2. that management enters formal negotiations with Trade Union representatives in respect of redefining the working week and increasing the period between incremental progression from 12 to 18 months (paragraph 4.16);
3. the proposals for demand pressures (Appendices C and C1);
4. the sum of £63k from General Services uncommitted reserves in 2014/15 to pay the backdated element of holiday pay costs (Appendix C1);
5. the Draft Forward Plan of Key MCB projects (Appendix D);
6. the General Services Revenue Budget for 2015/16 (Appendix E);

7. the indicative budget savings targets and the underpinning assumptions for 2015-2019 (Table 2 and paragraph 5.5);
8. the savings set out in Appendix F as additionally explained in Appendices G, G1 and H and paragraph 6.5, and including the explicit recommendations set out in Appendices G, G1 and H which are incorporated as part of this decision;
9. a 0% increase in the level of Council Tax for 2015/16, resulting in Band D remaining at £1,148 (paragraph 5.5);
10. the utilisation of £1.936m from the available Capital Receipts Reserve (paragraph 6.9);
11. the utilisation of £1.801m of uncommitted General Services Revenue reserves (paragraph 6.10);
12. the utilisation of £1.0m of anticipated uncommitted revenue reserves to 'top up' the Employment Fund in 2015/16 which can be used to meet any costs associated with the continuing managed contraction of service delivery and associated costs (paragraphs 6.11 and 6.12);
13. the Summary Revenue Budget based on the HRA Business Plan (Appendix J);
14. the summary Lock up and Garage Pitch Site Budget (Appendix J2);
15. a housing rent increase of 3.75% for 2015/16 in line with the HRA Financial Business Plan Assumptions (Appendix K);
16. rent increases of 3.75% to Lock-up and Garage Pitch Sites and the weekly rent for the travelling persons site (paragraph 7.20);
17. that the Scottish Housing Best Value Network (SHBVN) is given a 12 month notice period to end the Council subscription whilst a review of the value for money obtained is conducted (paragraph 7.12)
18. the financing limits placed on capital investment for 2015/16 - 2019/20 based on the underpinning assumptions in Table 7 and paragraph 8.11;
19. the General Services Capital Budget for 2015-2020 (Appendix M);
20. the HRA Capital Budget for 2015-18 based on the HRA Financial Business Plan (Appendix N), having taken account of the amendments set out in Appendix O;
21. removal of Council house new build from the HRA Business Plan from 2019 (paragraphs 8.18 and 8.19);
22. acceptance of the revised commitment in respect of teacher numbers set out in paragraphs 6.13 to 6.15 by means of a written response to the Deputy First Minister; and
23. the continued application of the underpinning principles set out in paragraphs 3.4 and 8.4 to future budgeting.

On a division of 9 votes to 8 with 1 abstention, the Council also agreed to note:

1. Previously agreed Making Clackmannanshire Better principles (Appendix A)
2. the feedback from recent consultation and engagement activity detailed in Appendix B
3. the background to the new demand pressure following rulings on holiday pay payments (Appendix C1)

4. the intention to develop enhanced MCB programme management arrangements post budget setting (paragraph 3.8)
5. the 2015/16 Schedule of Funding to Voluntary Organisations (Appendix I)
6. the anticipated level of uncommitted reserves of £7.423m by 31 March 2015, prior to setting this budget (paragraph 6.7)
7. the anticipated level of General Services uncommitted reserves of £4.622m following setting this budget (paragraph 6.12)
8. The cumulative indicative gap of £23.384m to 2018/19 following setting this budget and an indicative funding gap of £11.571m in 2016/17 (Table 4)
9. that the budget proposed for 2015/16 includes provision to deliver across all of the specified commitments (paragraph 6.13 to 6.16)
10. the balance of £0.248m in the Capital Receipts Reserve, available to invest in new capital projects or repay existing debt (paragraph 6.9)
11. the balance of HRA uncommitted reserves will be maintained at 4% of rental income in line with the Business Plan (paragraph 8.32).

Action

Depute Chief Executive

The Provost adjourned the meeting at 12.45 pm. the meeting resumed at 12.50 pm with all eighteen members present.

CC.279 PRUDENTIAL INDICATORS 2015/16 TO 2019/20

The report, submitted by the Depute Chief Executive, set out the Prudential Indicators for 2015/16 to 2019/20. Capital budgets for those years had been prepared by the Council under the self regulating Prudential Code. Local authorities are required by regulation to comply with the Prudential Code in terms of meeting their statutory duty under Section 35(1) of the Local Government in Scotland Act 2003 to 'determine and keep under review the maximum amount which it can afford to allocate to capital expenditure'.

The key objectives of the Prudential Code are to ensure that the capital investment plans of local authorities are affordable, prudent and sustainable, as well as being consistent with local asset management planning. To demonstrate that local authorities have fulfilled these objectives, the Prudential Code sets out 8 indicators that must be considered covering 3 distinct areas - capital expenditure, external debt and treasury management; affordability; and prudence.

The purpose of this report was to update and revise the indicators approved by Council last year in the context of the Council's latest spending plans over the period 2015/16 to 2019/20. The report described the purpose of each of the indicators and the implications of the proposed levels, values and parameters for the Council.

Motion

That Council agrees the recommendations set out in the report.

Moved by Councillor Les Sharp. Seconded by Councillor Donald Balsillie.

Decision

The Council unanimously agreed to approve the prudential indicators set out in the report for the years 2015/16 to 2019/20 in compliance with the prudential code requirements.

Action

Depute Chief Executive

Ends: 1.00 pm

