



MEETING OF THE
COUNCIL OF THE BOROUGH OF MELTON

PARKSIDE, STATION APPROACH, BURTON STREET, MELTON MOWBRAY

5 FEBRUARY 2014

PRESENT

Councillors M. M. Gordon (Mayor)
P.M. Baguley, M. Barnes, G. Bush, G.E. Botterill, P.M. Chandler,
P. Cumbers, J.M. Douglas, A. Freer-Jones, M.C.R. Graham MBE,
L. Horton, E. Holmes, E. Hutchison, J. Illingworth,
V. J. Manderson, T. Moncrieff, J. Moulding, M. O'Callaghan,
J.T. Orson, P.M. Posnett, J.B. Rhodes, J. Simpson,
M.N. Twitney, D.R. Wright, J. Wyatt

Chief Executive, Strategic Director (KA)
Head of Communications & Monitoring Officer
Head of Central Services, Central Services Manager;
Senior Technical Accountant; Democracy & Involvement Officer

Deputy Young Mayor, Kelsey Mackie

Prayers were offered by Steven Wright, Pastor, Valley Christian Church, Harby

CO54. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Lumley, Sheldon, and Slater. Councillor Orson told Members that Councillor Sheldon was unwell and had been medically advised to take complete rest.

CO55. MINUTES

Councillor Twitney asked that the minutes CO43 and CO48(d) be amended to correctly reflect that the pecuniary interest he had declared was in relation to his employer who rented a number of properties, not because he personally owned a second home. Also in relation to minutes CO48 and CO52, having discussed the matter with the Monitoring Officer, the possible pecuniary interest in relation to the Local Plan was due to his employer being a land owner and not Councillor Twitney being a land owner. Councillor Twitney asked for it to be recorded that his employer was Brooksby Melton College and this was stated on his Register of Interests.

In relation to his speech at minute CO54 on page 54 in the bottom paragraph, Councillor Twitney stated it was before he was first elected to the Council he had asked that meetings be recorded, not when he was first elected to the Council.

Councillor Twitney then stated he wished to make a final important point that when he and a number of other Councillors, including the Leader, declared pecuniary interests in the Localised Council Tax Support Scheme at the start of the meeting, this was with the declared caveat that he and the other Members only had a pecuniary interest if discussions moved onto ownership of second homes in accordance with legal advice given at the meeting. Without this advice and the caveat being recorded in the minutes, they read that a number of councillors declared pecuniary interests but did not leave the room. As it transpired, the issue of second homes was not raised and therefore the Members concerned had no reason to leave the meeting.

Councillor O'Callaghan referred to minute CO50(2) and the recording of the discussion of the motion at the bottom of page 55. He asked that where reference was made to individual Members' names then reference to the "Opposition Member" should not be an anonymous one and the actual Member's name recorded.

Councillor Holmes stated she had left the room with Councillor Orson during discussion on minute CO53.

Subject to these amendments, the minutes of the last meeting held on 11 December 2013 were moved by Councillor Rhodes and seconded by Councillor Posnett and subsequently confirmed and authorised to be signed by the Mayor.

CO56. DECLARATIONS OF INTEREST

Councillors Orson, Posnett and Rhodes each declared a personal interest in any matters relating to the Leicestershire County Council due to their roles as County Councillors.

Minute CO61 - Recommendations and Reports from Committees
Community & Social Affairs Committee : 22 January 2014
Revenue Budget Proposals 2014/15 – Housing Revenue Account

Councillor Gordon declared a personal interest in this item due to being a Council house tenant and stated that she would not take part in the debate or vote.

CO57. MAYOR'S ANNOUNCEMENTS

(1) The Mayor stated that since the last meeting of the Council she had attended the following engagements:

- A very poignant and moving thanksgiving service for Nelson Mandela in Leicester;
- A very interesting visit just before Christmas to the Royal Mail Sorting Office in Melton where she saw the sorting process in action;
- The official opening of Hallmark Consumer Services' new premises at Green Bank in Melton. This was an exciting and developing enterprise and the

Mayor commended the Strategic Director, Christine Marshall, and her team for the assistance they had given to this local company to enable it to expand to bigger premises;

- A Christmas party at Gretton Court where her cousin, Nigel Baker, had performed for the residents. The Mayor told Members that Mr Baker would also be providing the entertainment at her forthcoming Civic Dinner on 7 March 2014;
- A fun and relaxed visit to the studios of 103 The Eye on Christmas Day
- The Boxing Day Meet of the Belvoir Hunt in Grantham. The Mayor stated this had been a great spectacle and very well supported by local people;
- This Council's Holocaust Memorial Day event at the War Memorial followed by a commemorative event at the Covenant Life Christian Centre in Nottingham Street. The event had been well attended and she expressed the hope that the Council would make this an annual event.
- A retirement presentation for a volunteer at Granby House which demonstrated the dedication of volunteers within the local community
- An open evening at Richard Barnes Funeral Directors. The premises had a room available for hire at no charge for community groups and those wishing to use a quiet space.

Councillor Orson referred to County Council's Community Safety team's Keep Safe Project and asked that they be notified of this facility at Richard Barnes.

(2) The Council then received a report from the Deputy Young Mayor, Kelsey Mackie. Kelsey gave apologies for absence from the Young Mayor, Ashleigh Evans and said that she and Ashleigh had attended a number of meetings about fund raising for the skate park. They were both looking forward to helping with this project.

(3) The Mayor advised Members that this meeting was not being recorded due to technical problems with the equipment.

CO58. LEADER'S ANNOUNCEMENTS

The Leader, Councillor Rhodes, made the following announcements:

- A grant of £490K had been awarded to the Council from the ESF Fund to set up the new Learning and Skills Centre at Phoenix House and run it for the next 18 months;
- The Council's Waste Contract would run out on 31 March 2017 and a new contract would be negotiated in co-operation with Harborough District Council to serve both Councils;
- This Council was co-operating with Rushcliffe Borough Council on the Supplementary Planning Document (SPD) for Wind Turbine policy. Costs would be shared but the timescales would be delayed by a few weeks. It was expected that the draft SPD would be put to the Council for approval in September;

- The Foyer Project was going ahead. This was a facility for 24 young people leaving care to assist them in the transition to the housing sector. The new building had been designed and would be built on the car park at Thorpe End. Alternative car parking arrangements were being made to retain the number of car parking places in that part of the town;
- He sat on the Planning and Infrastructure Members' Advisory Group (MAG) with Leaders and planning lead members from other Leicestershire Councils to oversee the production of the new Strategic Housing Market Assessment of the number of homes needed in Leicestershire in the next 25 years. This work will inform the new Melton Local Plan and through agreement with our colleagues would determine the number of homes we will have to find sites for. The first report from the consultants was expected in March;
- Next week the County Council commissioned report from the consultants Ernst and Young into the issue of a Unitary Council form of Local Government in Leicestershire would be published. The Leader expressed the hope that this report would be received with a constructive response whatever it's content. He added that it would require maturity and restraint in the debate that would ensue. There was little prospect of change in the next 3 to 4 years because the Secretary of State was not inclined to approve change without agreement. Whatever the recommendations in the report, he urged Members not to be distracted from the current far more important tasks of reducing costs, maintaining and improving our services in partnership.

Councillor Holmes referred to the Waste Management contract and commended the Council's current service manager for his work. She also mentioned the impact of the Foyer Project on car parking at Thorpe End referring to the number of HGVs that parked in that part of the town. As Leader of the Independent Group she expressed the wish to have been involved as she knew the area well.

CO59. PUBLIC QUESTION TIME

There were no questions received.

CO60. PETITIONS

There were no petitions received.

(Councillor Gordon declared a personal interest in this item due to being a Council house tenant and stated that she would not take part in the debate or vote. She here left the meeting at 6.55pm)

[The Deputy Mayor in the Chair]

CO61. RECOMMENDATIONS AND REPORTS FROM COMMITTEES

Community & Social Affairs Committee : 22 January 2014
Revenue Budget Proposals 2014/15 – Housing Revenue Account

The Chair of the Community & Social Affairs Committee, Councillor Wright proposed the following recommendation from the Committee and acknowledged that it was always a difficult decision in deciding how much to set the rent increase. Rent remained the main component for income under the self-financing HRA. Under the national rent restructuring policy, rent levels were set against formula rent increase guidance and within a rent limit set for each Council.

This year had been particularly difficult as this was the last year of the rent restructuring policy and after 2014/15 increases would be limited to the Consumer Price Index (CPI) +1% rather than the formula rent of 3.7% plus the movement to the formula rent or 3.7% +£2 whichever was the lower. This had significant impact on the HRA Business Plan which was developed under the assumption that the rent restructuring policy would remain for a further year. Additionally, we must also recognise that there were a high number of properties that were well below their rent convergence figure; simply put, they were too low.

The rent increase proposed ensured that over 600 additional properties would have converged, and any lower and we would have over 1300 properties below their target rent with very little hope of ever getting them back in line until they were vacated and re-let. However, the 4.63% proposed would ensure that we brought many of our properties in line with their target rent, continued to protect tenants using the individual property guideline rents, and also enabled some of the essential work identified, for example continue to make homes decent, improve the housing service and carry out major regeneration to some of our estates.

TFEC had been consulted on this increase and although they would have preferred a lower amount, they had recognised the rent restructuring policy we were in and the need to reach convergence for as many properties as we can. Councillor Wright then cited other Leicestershire districts proposed rent increases which were above that proposed for Melton Borough and given the facts presented, so moved the recommendation. The motion was seconded by Councillor Manderson.

Councillor O'Callaghan opened the debate by stating that the policy had been started by the Labour Government but this had been during different times when the economy had been growing. Times were different now and families were badly squeezed financially, therefore now was not the time to increase council house rents and this motion would be opposed by him and the Labour Group members. During these times of financial hardship support for the voluntary sector who provided assistance to poorer families was also being cut. He suggested that rent increases should be rolled out over a longer period of time and that the new regime to replace the rent restructuring policy be brought forward.

Councillor Holmes asked Councillor Wright how many Council house tenants actually paid full rent. Councillor Wright confirmed he would provide that information to Councillor Holmes.

Councillor Cumbers asked how Council house rents compared with private sector rents. Councillor Wright responded that this Council's average rent was £77.46 per week. Rents ranged from £47.74 per week to £102.55 per week. The current property that was being charged £47.74 under the formulae rent should be £85.94 per week. Market rent was £525 per month or £121 per week so the Council was well below commercial rent levels.

Councillor Holmes commented that £500 for a 2 bed house seemed excessive, particularly for rural areas. Councillor Wright replied that an affordable rent for a new 2 bed unit was £425 per month or £98 per week. In response to Councillor Holmes' earlier question about the number of Council house tenants who paid full rent, the Head of Central Services advised that at the mid year position, 52% of Council house tenants were on benefits.

The motion was then put to the vote resulting in 17 votes in favour and 7 against. The motion was therefore carried.

RESOLVED: That the Committee approve an average rent increase of 4.63% for Council dwellings for 2014-15 with effect from 31 March 2014 and that when a property is re-let the rent continues to be brought into line with the Governments formula rent.

(Councillor Gordon returned to the meeting at 7.04pm)

[The Mayor in the Chair]

CO62. QUESTIONS FROM MEMBERS

In accordance with Procedure Rules 10.3 and 10.5, a Member may ask the Mayor, Leader, or the Chairman of any committee or sub-committee, a question on any matter in relation to which the Council has powers or duties or which affects the Melton Borough.

There were no questions received to be considered.

CO63. MOTIONS ON NOTICE

No motions were submitted in accordance with Procedure Rule 11.1

CO64. CAPITAL PROGRAMME 2014-15

Members had before them a report prepared by the Head of Central Services in which she sought approval for the Council's Capital Programme for 2014/15 for all funds and the sources from which that funding would be taken as recommended by the Strategic Planning Away Day at its meeting held on 16 January 2014.

The Leader moved the adoption Capital Programme for 2014-15 as set out in the report and stated that:

- The Capital Programme for 2014/15 totalled £796K as shown in Appendix A to the report. The details had been carefully appraised and could be funded from capital reserves;
- The Special Expenses capital programme was contained in Appendix B and showed a gross requirement for £480K, more than could be funded from the Special Expense capital reserve. However, it was expected that external

fund raising would contribute to the repair programme for the skate park. If that did not prove to be sufficient, Members would have to consider other sources of funding in Appendix C showed a significant outgoing investment in our housing stock including much needed refurbishment of Beckmill Court and Granby House. All these would be funded from the reserves and revenues in the HRA;

- The remaining Appendices D to F showed the ongoing programmes through to 2017/18 in so far as they could be anticipated at this time.

The motion was seconded by Councillor Posnett.

Councillor O'Callaghan stated that the Labour Group would not vote for the motion but would abstain. Councillor Moncrieff added that he did not oppose the motion although he was concerned about the cattle market. As the Labour Group was not represented on the strategic planning away day, he would abstain from voting.

Councillor Cumbers asked the Chairman of the CSA Committee a question about the conversion of electric storage heaters. Councillor Wright replied that not all had gone but they would be replaced.

The motion was put to the vote resulting in 20 votes in favour, none against and 5 abstentions.

RESOLVED: that

- (1) funding for capital schemes in respect of General and Special Expenses and the sources that funding will be taken from, be as set out in Appendices A and B subject to the changes recommended at the Strategic Planning Away Day outlined in the report;
- (2) the Community Facilities Small Grants Scheme and Community Facilities Large Grants scheme be merged into the Community Facilities Grants Scheme as discussed at the away day and noted in the report;
- (3) funding for capital schemes in respect of the Housing Revenue Account (HRA) and the sources that funding will be taken from be as set out in Appendix C subject to paragraph 3.3 in the report;
- (4) the Special Expenses proposed cemetery chapel works be brought forward into 2013/14 from 2014/15.

CO65. REVENUE BUDGET 2014-15 AND MEDIUM TERM FINANCIAL STRATEGY

Members had before them a report by the Head of Central Services which provided information on the budget issues facing the Council in 2014-15 and beyond, sought a decision on the level of the budget and agreement of the level Council Tax for Borough Council purposes (copies of which had previously been circulated to Members).

The Leader, Councillor Rhodes, moved the recommendations contained in the

report with the exception of an amendment to part (viii) to read: *“that Members create a Waterfield Leisure Centre Reserve with an initial contribution of £125K and that the contribution to the NHB Reserve as set out in the papers be adjusted accordingly;”*

The motion was seconded by Councillor Posnett.

In support of the motion, Councillor Rhodes:

- Stated that this was the first time the MTFs had been presented at the same time as the budget. The two went together with the budget being the first year in a 4 year cycle which would in future be updated each year. This was in accordance with the Council’s strategic approach to financial management and reflected best practice. This also fits with the general approach to managing the Council’s affairs in a sustainable way;
- Referred Members to Appendix B, Summary of Committee Estimates, where the budget and plan was laid out in a spreadsheet: line 4, the Net Cost of Services, showed that committee controlled spending remained at a consistent level of about £7M pa over the whole period. There were savings to be made within those totals but they were funding new expenditure for services to the people of Melton. This was possible because although the Government Revenue Support Grant (at line 19) steadily reduces by £1.1M over the period, there was an increase from Council Tax receipts and other revenues if the plan was adopted;
- Stated that Council tax was proposed to stay the same as the previous year by taking the Secretary of State’s offer of a 1% freeze grant for 2014/15 which would be consolidated into the settlement in future years. The difference between that the freeze grant and increasing council tax by 1.5% in 2014/15 was less than £10K which could easily be found from the underspend of £116K this year;
- Explained that since Melton BC was a Conservative Council, we were not in the business of levying unnecessary tax increases on the hard pressed householders unlike some Councils led by left wing party administrations. From 2016/17 however, council tax increases would be inevitable. Year on year increases of 1.5% were proposed. This meant that the Council would be levying the same council tax rate in 2014/15 as it did in 2010/11 – the 5th year in a row that it had been £150.48 for a Band D property;
- Advised that the Special Expenses rate for Melton Mowbray residents would also not change this year. This was in contrast to most of the Parish Councils, some of whom had levied very significant increases over the years and continued to do so;
- Pointed out that the Council was passing on significant sums to the parishes in the form of compensation for loss of income due to the implementation of the council tax support scheme. This should mean that Parish Councils reduce their precepts to avoid increases in the overall level of council tax in their villages, but few had done so;
- Explained that over the plan it would be possible to continue to build the New Homes Bonus (NHB) reserve for housing and infrastructure developments. £324K would be set aside in 2014/15 following on from £244K this year;
- Drew Members’ attention to the question of risk, highlighting the following factors: (1) inflation: to be countered by holding a contingency of £100K for price increases centrally. A tough discipline would be applied whereby individual departmental budgets stay the same and budget holders would

have to apply for and justify any cost increases. (2) NHB may be reduced or discontinued: any grant can be reduced which is why this Council supports the concept of a new local government funding system which was sustainable and independent of short term Government priorities. (3) Business rates: last year this Council decided to pool future rise in business rates with our partner Councils in Leicestershire in order to retain more of the receipts in the county than would have been the case. The risk was that we would be responsible for all liabilities arising from appeals by businesses against their assessments. The Government now wants to clear up the backlog of claims by next year so since we could find that the liabilities might exceed the benefits, it has been decided to dissolve the pool until the backlog is removed. A new pooling arrangement may be set up next year.

Councillor Rhodes then drew Members' attention to a letter he had received from Brandon Lewis MP, the Minister for Local Government in which he referred to the Government's expectation that at this year's budget meetings, all councils would adopt the practice of recorded votes on any decision relating to the budget or council tax. To facilitate this, the Government last week made The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 making it mandatory for councils as soon as is practicable after the Regulations were in force, to amend their Standing Orders so as to include provisions requiring recorded votes at budget meetings. In advance of these Regulations coming into force and councils formally amending their Standing Orders, there was nothing preventing a resolution to hold a recorded vote.

Councillor O'Callaghan began the debate by referring to the severe pressure that Local Government was under. He was of the opinion that we have the worst Minister for Local Government since the war; he has torn up the pact between central and local government in order to advance his own career and has decimated our services at district and county level. This had been a challenging financial settlement but Councillor O'Callaghan stated he could point to a list of Conservative led councils who had increased the council tax levy. Whilst he agreed with the MTFS he felt it was a late move and would welcome the Government giving an indication of a 4 year settlement.

Councillor O'Callaghan asserted that the budget as presented was not balanced; it was supported by income from other streams which penalised the general tax payer over than the council tax payer. The NHB was not designed to plug gaps in local government funding; the budget was not therefore in his view what it seemed and was not down to a hard working council keeping the tax levy down although this would look good on paper ahead of the 2015 borough elections. It was, he suggested, 'smoke and mirrors' supported by central government. He concluded that whilst he agreed with a recorded vote on the budget, he opposed a change in the Council's standing orders by dictat.

Councillor Graham whilst agreeing with Councillor O'Callaghan on his comments about the Minister, pointed out that he had not been found to be dishonest as some had been over their expenses claims. He went on to challenge the assertions made by Councillor O'Callaghan about the balanced budget, referring to the decisions which had been made by this Council in relation to the new council offices and the sale of land to Sainsburys. These were the main contributing factors towards this council being able to balance its budget. Councillor Orson referred to other decisions made by this Council such as the green waste collection service which

had supported the balanced budget position and stated he was happy to support a well run Council. Surveys had shown that people did believe that councils were getting more efficient.

Councillor Freer-Jones referred to Appendix A to the report which showed a saving of 0.5FTE staff time for Regulatory Services. She sought clarification on whether this meant a process saving or whether a member of staff would be put to part time. The Head of Central Services stated that this represented a saving on the establishment and would be taken in the round as part of the resources in that team. The Chief Executive added that the service was undergoing a variety of changes in procedures and as these were introduced, savings would accrue in time. This would enable more flexibility over the management of regulatory arrangements. She assured the Member that correct HR procedures would be followed at the relevant times.

After Councillor Moncrieff had indicated his agreement to the recorded vote, Councillor Twitney questioned the rationale behind the Minister’s involvement in how councils conducted their meetings.

In closing the debate, to answer Councillor Twitney’s question, Councillor Rhodes quoted from the Minister’s letter:

“We are very clear that any serious commitment to transparency and democratic accountability, which I am confident we all share, demands nothing less in today’s circumstances. I know that the practice of recorded votes is already being followed in a range of circumstances across councils.. If local people are to continue to have confidence in their councils and their elected representatives, then the practice of recorded votes needs to be followed everywhere on this year’s budget decisions.”

Councillor Rhodes replied to Councillor O’Callaghan congratulating him on his speech, noting that he would have expected this from a prospective parliamentary candidate. However, he did share his views on central government 4 year funding plans which the LGA supported. Regarding the comments about the council tax freeze grants, Councillor Rhodes stated that all grants came in the end from the tax payer. He also endorsed the comments made by Councillors Graham and Orson, emphasising that the reasons why this Council was in a good position was because it had taken positive decisions to tackle costs and tackle issues of excess staff in order to reduce employment costs.

A recorded vote was then taken:

| No. | Councillor | For | Against | Abstain | Absent |
|-----|------------|-----|---------|---------|--------|
| 1. | Baguley | √ | | | |
| 2. | Barnes | √ | | | |
| 3. | Botterill | √ | | | |
| 4. | Bush | | | √ | |
| 5. | Chandler | √ | | | |
| 6. | Cumbers | √ | | | |

| No. | Councillor | For | Against | Abstain | Absent |
|-----|---------------|-----------|---------|----------|----------|
| 7. | Douglas | √ | | | |
| 8. | Freer-Jones | √ | | | |
| 9. | Gordon | √ | | | |
| 10. | Graham | √ | | | |
| 11. | Holmes | √ | | | |
| 12. | Horton | | | √ | |
| 13. | Hutchison | √ | | | |
| 14. | Illingworth | √ | | | |
| 15. | Lumley | | | | √ |
| 16. | Manderson | √ | | | |
| 17. | Moncrieff | | | √ | |
| 18. | J. Moulding | | | √ | |
| 19. | O'Callaghan | | | √ | |
| 20. | Orson | √ | | | |
| 21. | Posnett | √ | | | |
| 22. | Rhodes | √ | | | |
| 23. | Sheldon | | | | √ |
| 24. | Simpson | √ | | | |
| 25. | Slater | | | | √ |
| 26. | Twitney | √ | | | |
| 27. | Wright | √ | | | |
| 28. | Wyatt | √ | | | |
| | Totals | 20 | | 5 | 3 |

The motion was accordingly carried.

RESOLVED: that

(1) any increase or shortfall against the target working balance on General and Special Expenses Melton Mowbray at 31 March 2014 be adjusted by transfers to/from the Corporate Priorities Reserve and the Special Expenses Reserve respectively;

(2) the proposals for General Expenses as set out in Appendix A be approved for

- inclusion in the 2014/15 budget resulting in the estimates set out in Appendix B;
- (3) the revenue budget for 2014/15 for General and Special Expenses as set out in Appendix B be approved resulting in the council tax levels summarised in para 3.5.4;
 - (4) delegated authority be given to the Head of Central Services to amend the estimates to account for any changes to Formula Funding over the provisional figure by adjusting the contribution to the New Homes Bonus Reserve;
 - (5) delegated authority be given to the Head of Communications in consultation with the Chief Executive to make any changes necessary to the employee establishment as a result of the saving proposal set out in Appendix A;
 - (6) members note the changes made to the risk categorisation of budgets as set out in para 3.6.3 and Appendix D;
 - (7) the Special Expenses Cemetery Drains Repair and Renewal Reserve be closed and the balance at 31st March 2014 be transferred to the General Reserve Special Expenses;
 - (8) Members create a Waterfield Leisure Centre Reserve with an initial contribution of £125k and that the contribution to the NHB Reserve as set out in the papers be adjusted accordingly;
 - (9) Members note the unanimous decision taken to dissolve the Leicester and Leicestershire Business Rates Pool by all pool members for 2015/16 and that any redistributed contingency be set aside to transfer back to the pool should it be re-established in future years;
 - (10) delegated authority be given to the Head of Central Services in consultation with the Management Team to utilise any of the redistributed contingency to support expenditure required to progress the reinstatement of the pool.

CO66. PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT STRATEGY

The Head of Central Services submitted a report (copies of which had previously circulated) which outlined the Council's prudential indicators for 2014/15-2016/17 and set out the expected treasury operations for this period.

The Leader, Councillor Rhodes, moved the recommendations contained within the report and drew Members' attention to the fact that this time the report showed all the information for the whole period of the MTFs. The policy which the Council proposes to follow was set out in Appendix A. Appendix B was the analysis of the counterparties the Council may use for the investment of its reserve funds with their credit ratings.

Councillor Posnett seconded the motion.

Councillor O'Callaghan asked who wrote Appendix 2 to Appendix to which the Head of Central Services replied that this information had been prepared by the Council's

Treasury Management Advisors.

Councillor O'Callaghan put forward the following points:

- The report was an interesting document and he welcomed the independent assessment confirming the financial pressures being felt by many;
- The dependence of economic growth on consumer spending and recovery in the housing market – he questioned the “cost” of the help to buy scheme which could create a bubble in the housing market. Rising house prices would lead people to spend more on credit cards and increasing debt;
- The so called economic recovery was very flimsy in nature;
- CPI recovery was unstable;
- The impact of the US Federal Reserve winding up quantitative easing would have upon developing countries who would see their growth reverse;
- He hoped the economy would continue to recover but feared it was weak and there was the risk it would be reversed.

Councillor Moncrieff endorsed the points made by Councillor O'Callaghan.

Councillor Orson stated that the significant reduction in unemployment had not been mentioned and this was a trend in which the East Midlands was leading the way.

Councillor Rhodes responded to the points made by Councillor O'Callaghan. He reminded the Member that the Bank crash had been caused by the failure of the Labour Government to regulate the financial sector and the credit industry. He further suggested that the present Chancellor would go down in history as getting the country out of this mess; he would rather there be a weak recovery than no recovery at all and sustainable growth appeared stronger all the time. A succession of Conservative Governments would aid greater economic recovery.

A vote was taken on the motion and it was unanimously

RESOLVED:

- (1) The prudential indicators and limits be adopted and approved;
- (2) The Treasury Management Strategy and treasury management prudential indicators be adopted and approved;
- (3) The Minimum Revenue Provision (MRP) Statement which sets out the Council's policy on MRP be approved;
- (4) The counterparty list as set out in Appendix B and the use of the creditworthiness service provided by the treasury consultants be adopted and approved.

The meeting, which commenced at 6.30 p.m., closed at 7.50 p.m.

Mayor