

Minute of Meeting



Midlothian Council

Date	Time	Venue
8 March 2016	10am	Council Chambers, Midlothian House, Buccleuch Street, Dalkeith

Present:

Provost Wallace	Depute Provost Coventry
Councillor Johnstone – Leader of the Council	Councillor Constable – Depute Leader of the Council
Councillor Baxter	Councillor Beattie
Councillor Bennett	Councillor Bryant
Councillor de Vink	Councillor Imrie
Councillor Milligan	Councillor Montgomery
Councillor Muirhead	Councillor Parry
Councillor Pottinger	Councillor Rosie
Councillor Russell	Councillor Young

Religious Representatives (Non-voting observers for Education Business):

Rev. R. Halley	Mr V. Bourne

In attendance:

1. Apologies

- 1.1 It was noted that this was a special meeting of Midlothian Council.
- 1.2 It was noted that no apologies had been received from Elected Members.

2. Order of Business

- 2.1 The order of business was confirmed as outlined in the agenda that had been circulated.

3. Declarations of interest

- 3.1 The Provost requested that any Elected Member who had to declare an interest in a particular item to do so as the item arose.

4. Minutes of Previous Meetings

- 4.1 No previous minutes were submitted for approval to this special meeting of the Council.

5. Reports

Agenda No.	Report Title	Presented by:
5.1	Financial Strategy 2016/17 to 2020/21	Head of Finance and Integrated Service Support

Outline of report and summary of discussion

The Council heard from the Head of Finance and Integrated Service Support who presented the report which provided the Council with a further update on the Financial Strategy 2016/17 to 2020/21 and which would allow the Council to determine its 2016/17 budget.

Councillor Parry commented that the budget proposals represented a sensible approach given the financial challenges facing Local Authorities. Further Councillor Parry moved that the recommendations contained within the report were accepted with the following amendments:

- Accept recommendations (a) and (b);
- Accept recommendation (c) subject to the following:
 - Item 7 of the proposals - Members Environmental Projects – reinstate £180,000 per annum back into the General Services Capital Plan;
 - Item 13 of the proposals – School meals charges increase – delete this recommendation;
- Accept recommendation (d) subject to the amendment to the proposals as moved; and

- Accept recommendation (e) subject to the amendment to the proposals as moved.

Councillor Johnstone seconded Councillor Parry's motion.

Councillor Milligan moved that the Council should take a more cautious approach to the recommended savings package citing that the level of reserves that the Council has built up are in excess of the level of reserves recommended by Audit Scotland. Further, Councillor Milligan recommended utilising these reserves to alleviate the budget pressures would still leave the reserves in a favourable position. Councillor Milligan further raised concerns in respect of the proposal to cut the number of Police Officers in Midlothian; the further pressures that would result as a consequence of the proposals to cut the Devolved School Management budgets; the potential impact on the poorest communities as result of charging for bulky uplifts; and the potential impact of cutting the winter maintenance budget. Following this Councillor Milligan circulated the Labour Group's budget proposal which amounted to utilising further reserves and leaving £11.98m in the reserve. Further Councillor Milligan moved that this should be accepted by the Council.

Councillor Muirhead seconded Councillor Milligan's proposals. Councillor Muirhead was heard airing his concerns in relation to cutting education funding and the potential impact to the quality of teaching. Further Councillor Muirhead cited the potential impact to communities should the proposals to reduce the Community Action Team be approved.

The Council then heard from Councillor Baxter after expressing his views in relation to the proposals moved a single amendment to the Administration's budget to remove Item 4 from the proposals (the removal of the Community Action Team) and to fund this from reserves pending further investigation.

No Councillor seconded Councillor Baxter's motion and therefore it failed.

There followed a lengthy and at times heated debate in relation to the proposals and the impact of these.

At the end of the debate, the Provost requested that Councillors Parry and Milligan summed up their motions and following this asked the Chamber to vote in respect of the motions.

8 Members voted in favour of the Labour Group amendment to the budget proposals and 9 Members voted against it.

9 Members voted in favour of the Administration recommendations and no Members voted against it.

Decision

Therefore Council agreed to:-

- Approve the allocation of £37.086 million to the Midlothian Integrated Joint Board for 2016/17 in respect of delegated services;
- Note the additional operational savings summarised in appendix 1;

- c) Approve the savings proposals as set out in appendix 2 and 3 with the exception of the proposal to increase school meal charges and amending the proposal in respect of the Members Environmental Projects to reinstate £180,000 per annum back into the General Services Capital Plan;
- d) Approve the utilisation of £2.668 million of reserves in 2016/17 to balance the budget; and
- e) Subject to the changes which were required in respect of item (c) approve the 2016/17 service budget analysis as set out in appendix 4.

Action

Head of Finance and Integrated Service Support

Report No.	Report Title	Presented by:
5.2	Midlothian Integration Joint Board Financial Assurance Update	Head of Finance and Integrated Service Support

Outline of report and summary of discussion

The Head of Finance and Integrated Service support spoke to the report dated 1 March 2016 which provided the Council a further update on the work undertaken in relation to financial assurance in respect of the delegation of resources to the Midlothian Integration Joint Board from 1 April 2016.

Councillor Johnstone proposed that the recommendations contained within the report were accepted and commented that there were opportunities to be harnessed as a result of the Integration Joint Board in spite of the financial challenges.

Decision

The Council agreed to:-

- a) Note the update on the ongoing financial assurance process in relation to the delegation of financial resources to Midlothian Integration Joint Board.
- b) Note the ongoing work in relation to the finalisation of the delegated budgets, the issuing of formal propositions to the Board, the issuing of directions by the Board and the consideration of risk sharing arrangements between IJBs.
- c) Note that the Adult and Social Care budget which it is proposed be delegated to the Board amounts to £37.086m and is being considered as part of the latest Financial Strategy report.
- d) Receive a further update in June 2016.

Action
Head of Finance and Integrated Service Support

Report No.	Report Title	Presented by:
5.3	General Services Capital Plan 2015/16 to 2020/21	Head of Finance and Integrated Service Support

Outline of report and summary of discussion
<p>The Council heard from the Head of Finance and Integrated Service Support who provided the Council with:</p> <ul style="list-style-type: none"> • An update on the General Services Capital Plan reflecting changes approved since the previous report to Council on 22 September 2015; • Information on additions to the Capital Plan for approval since the last monitoring report to Council on 9 February 2016; and • Updated forecasts of expenditure and income for the General Services Capital Plan for 2015/16 through to 2020/21 <p>The Head of Finance and Integrated Service Support confirmed that the recommendations would need to be amended in line with the Council's decision in item 5.1 of this meeting and further noted that recommendation 'c' should relate to appendices 1 and 2.</p> <p>Councillor Parry moved that the Council agree the recommendation contained within the report as amended by the Head of Finance and Integrated Service Support (above).</p>

Decision
<p>The Council agreed to:</p> <ul style="list-style-type: none"> a) Approve the additions to the Capital Plan as outlined in Section 2.3; b) Subject to the amendment as a consequence of the Council's decision in respect of item 5.1 approve the revised expenditure and funding forecasts in the General Services Capital Plan, as shown in Section 2.7 and the appendices to the report ; c) Note the unallocated amounts in the General Services Capital Plan 2015/16 to 2020/21 (as shown in Appendices 1 and 2).

Action
Head of Finance and Integrated Service Support

Report No.	Report Title	Presented by:
5.4	Treasury Management and Investment Strategy 2016/17 and Prudential Indicators	Head of Finance and Integrated Service Support

Outline of report and summary of discussion
--

<p>The Council heard from the Head of Finance and Integrated Service Support who presented the report seeking agreement of the Council to the Treasury Management and Annual Investment Strategies for 2016/17 and the Prudential and Treasury indicators contained therein.</p> <p>Councillor Parry moved that the recommendations contained within the report were agreed by the Council.</p>

Decision

<p>The Council agreed to:</p>

- | |
|--|
| <ul style="list-style-type: none"> a) Approve the Treasury Management and Investment Strategy for the 2016/17 financial year, as summarised in Section 2 of this report and as detailed in the in-depth main report that is attached as Appendix 3; b) Approve the list of Permitted Investments outlined in Appendix 1; c) Adopt the Prudential Indicators contained in Appendix 2 of this report; d) Approve an adjustment to the Authorised Limit for Borrowing to £334.261 million (as shown in Section 3) if market conditions indicate that this is prudent. |
|--|

Action

<p>Head of Finance and Integrated Service Support</p>

