



Local Government Act 1972

I Hereby Give You Notice that an **Ordinary Meeting** of the **Durham County Council** will be held in the **The Main Hall at Spennymoor Leisure Centre** on **Wednesday 22 September 2021** at **10.00 a.m.** to transact the following business:-

1. To confirm the minutes of the meeting held on 14 July 2021 (Pages 5 - 22)
2. To receive any declarations of interest from Members
3. Chair's Announcements
4. Leader's Report
5. Questions from the Public
6. Petitions
7. Report from the Cabinet (Pages 23 - 32)
8. Appointment of Chief Executive - Report of the Chief Officer Appointments Committee (Pages 33 - 36)
9. Motions on Notice

Councillor J Miller to Move

In 2020, during the COVID-19 pandemic, it was highlighted that many school children go hungry during school holidays, with the campaign for central Government to fund free school meals. However, what was missed is that school holidays take place every year, and not just during pandemics. This means that children are at risk of hunger every year-round. And it is not just children that are at risk of hunger, as many parents across the County are

struggling with being able to afford the household necessities, with food being just one example. Some adults are working multiple jobs but are still struggling with this issue. And when the pandemic is finally over, and the impact on family finances truly comes to light, this problem will become bigger and harder.

A Food Action Plan would be able to highlight the areas across the County that are most affected by this crisis, and enable a local response, by empowering community groups, AAPs and local councillors to become involved in supporting those that need the Council's help.

Therefore, this Council resolves to:

1. Request the lead Member for Food Poverty within Cabinet, to work across all parties within the Council, to create a consistent and inclusive Food Action Plan that reflects and addresses the needs of all families across County Durham.

Councillor S Deinali to Move

Teachers are key workers and professionals and have all contributed significantly during the pandemic – keeping schools open to vulnerable children and those of key workers whilst planning and delivering a remote curriculum to those children who have stayed at home. Although the government pledged to raise teacher's starting salaries to £30,000 by 2023 in their manifesto, they are now planning to impose a pay freeze.

Despite the School Teachers' Review Body recommending a pay rise of 3.5% for all teachers, the Government has only given early career teachers the 3.5% rise, while more experienced teachers were given a 2% rise and those on the leadership pay scale were given only 1.5%. According to the independent Institute for Fiscal Studies this will leave around 60% of teachers receiving a below inflation pay rise, meaning their pay will fall in real terms.

The pay freeze will come after a decade of real terms pay cuts to teachers pay – which has left the teaching profession with major recruitment and retention issues.

The Department for Education has admitted that teachers are over £4000 a year worse off in real terms since 2010.

Therefore, the Council resolves to:

1. Work with the education unions to understand the impact of the real term pay freeze over the past decade and develop actions to increase the level of retention and recruitment in County Durham.
2. Write to the Government to highlight the impact of a real terms cut to teachers' pay, ask for the introduction of a pay increase for all teachers in line with inflation and ask the Government to deliver on their pledge by increasing teachers' starting salaries to £30,000 by 2023.
3. Report back to Full Council on the outcome of resolution 1 and 2.

Councillor A Surtees to Move

This Council condemns the decision by government to remove the Universal Credit £20 Uplift.

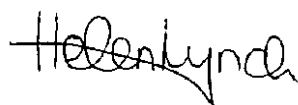
Councillor F Tinsley to Move

This Council condemns the changes made by the Conservative government to the way Adult Social Care is funded in England. This includes the introduction of an 'Adult Social Care Cap' of £86K and increases to National Insurance contributions which will have a disproportionate financial impact on younger members of society and small businesses recovering from the Covid 19 pandemic. The changes will have an unfair impact on residents of County Durham because the Adult Social Care Cap is a much higher proportion of the average value of houses in County Durham than in many other parts of the country.

10. Questions from Members

And pursuant to the provisions of the above-named act, **I Hereby Summon You** to attend the said meeting

Dated this 14th day of September 2021



Helen Lynch
Head of Legal and Democratic Services

To: All Members of the County Council

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DURHAM COUNTY COUNCIL

At an **Ordinary Meeting** of the County Council held in the **The Main Hall - Spennymoor Leisure Centre** on **Wednesday 14 July 2021** at **10.00 am**

Present:

Councillor W Stelling in the Chair

Councillors M Abley, E Adam, R Adcock-Forster, V Andrews, J Atkinson, P Atkinson, B Avery, B Bainbridge (Vice-Chair), A Batey, A Bell, C Bell, R Bell, G Binney, J Blakey, D Brown, J Cairns, J Chaplow, J Cosslett, B Coult, R Crute, S Deinali, T Duffy, J Elmer, L Fenwick, C Fletcher, D Freeman, J Griffiths, O Gunn, D Hall, D Haney, A Hanson, P Heaviside, T Henderson, S Henig, J Higgins, L Holmes, C Hood, A Hopgood, L Hovvels, J Howey, C Hunt, G Hutchinson, A Jackson, N Jones, P Jopling, L Kennedy, C Lines, L Maddison, R Manchester, C Martin, E Mavin, S McDonnell, M McGaun, D McKenna, M McKeon, I McLean, S McMahan, J Miller, B Moist, P Molloy, D Nicholls, J Nicholson, D Oliver, R Ormerod, E Peeke, R Potts, P Pringle, J Purvis, J Quinn, S Quinn, A Reed, G Richardson, M Roberts, K Robson, K Rooney, J Rowlandson, A Savory, E Scott, K Shaw, A Shield, J Shuttleworth, A Simpson, M Stead, A Sterling, D Stoker, T Stubbs, A Surtees, D Sutton-Lloyd, F Tinsley, S Townsend, C Varty, E Waldock, A Watson, M Wilkes, M Wilson, D Wood and S Zair

Apologies for absence were received from Councillors K Batey, L Brown, J Charlton, I Cochrane, K Earley, K Fantarrow, C Hampson, K Hawley, D Howarth, M Johnson, C Marshall, L Mavin, B McAloon, D Mulholland, I Roberts, S Robinson, P Sexton, M Simmons, T Smith, P Taylor, M Walton, S Wilson and R Yorke

Prior to the commencement of the meeting the Chair reported with regret the passing of the following:

- former Durham County Councillor and Alderman Clive Robson who represented the Consett North Electoral Division for 16 years from 1997 to 2013. Clive was a former Cabinet member and was awarded a British Empire Medal for services to the community in 2014.
- former Easington District Councillor and Alderman Alan Lockyear. Alan was a well-known Seaham Councillor and former Chair of Easington District Council who served on the District Council from 1973 to 1999 until being seriously injured in the infamous Southall rail crash on 1997.
- former City of Durham Councillor and Alderman Joe Anderson. Joe represented the Croxdale Ward on the City of Durham Council from

1973 to 2003 and was twice Mayor of the City of Durham in 1980/81 and 1996/97.

Members gave a moments reflection out of respect to Clive, Alan and Joe.

1 Minutes

The minutes of the meeting held on 23 June 2021 were confirmed by the Council as a correct record and signed by the Chair.

2 Declarations of Interest

Councillor F Tinsley declared a personal interest in the Motion put forward by Councillor K Shaw at Agenda Item No. 14 and would leave the meeting during debate on the Motion.

Councillor A Hanson declared an interest in the Motion put forward by Councillor K Shaw at Agenda Item No. 14 and would leave the meeting during debate on the Motion.

3 Chair's Announcements

The Chair informed Council that he had no announcements to make.

4 Leader's Report

The Council noted a report from the Leader of the Council as follows:

Covid infection rates continued to increase across the country. However, the Council had been working closely with partners to provide targeted communications in specific communities where rates were highest, reminding people to follow public health guidance and encouraging them to take up the offer of both doses of the vaccine. Pop-up vaccination clinics offering first and second doses had also taken place.

As part of the LA7 group of local authorities, the Council had launched the 'Keep the North East Open' campaign. Featuring businesses from across the North East, the campaign urged people to continue to do all they could to keep the virus at bay so that the region could remain open. The initiative was backed by Northumbria and County Durham Local Resilience Forums which included councils, third sector organisations, the NHS, blue light services and public transport bodies.

Cabinet had approved the latest update to the authority's Medium-Term Financial Plan. The Medium-Term Financial Plan, which set out the council's long-term funding outlook and cost pressures, revealed that significant on-

going financial uncertainty was making it extremely difficult for the authority to plan ahead.

By approving the Medium-Term Financial Plan, Cabinet also agreed to continue the council's Local Council Tax Reduction Scheme, which for the past eight years had offered eligible residents a discount of up to 100 per cent on their council tax charge. Durham was the only authority in the north east, and one of just a handful nationally, to have maintained the scheme in line with the old council tax benefit system despite funding being reduced. More than 57,000 residents in the country currently benefitted from this support, including 36,000 working age claimants and 21,000 pensioners. The Leader reported that the Scheme had always received cross-party support and hoped it would continue to do so.

The Council had been successful in its application for a grant of £1.2million from the National Heritage Lottery Fund to support countywide activities and temporary exhibitions linked to the new history centre. The money would be used to support an innovative digital programme, including a dedicated website and the digitisation and cataloguing of thousands of photographs, objects, maps and other historic documents.

Aycliffe Secure Unit in Newton Aycliffe had retained its Outstanding status following a recent Ofsted inspection. The home provided specialist accommodation for vulnerable young people aged between 10 and 18, many of whom had complex problems and needed intensive support to help them turn their lives around. The Leader thanked the Team at the Unit for securing this rating.

The past month had seen the reopening of more Council venues and facilities. Binchester Roman Fort reopened on 1 July and live shows were returning to the Gala Theatre in Durham and Empire Theatre in Consett, with outdoor performances also set to take place in Council parks.

Measures put in place to control traffic at Household Waste Recycling Centres at the beginning of the coronavirus pandemic had now been removed. Traffic management systems set up in May last year to support the safe reopening of Household Waste Recycling Centres during the coronavirus pandemic were no longer in place at most centres.

The Council's Community Action Team was currently working in the South Moor area, as part of its latest 11-week scheme to identify and tackle the community issues that mattered most to residents. Teams from across the council were working with representatives from partners including police officers, firefighters, housing associations, Groundwork North East and Cumbria, Stanley Town Council and elected members as well as local community groups and residents.

The Council had welcomed a parliamentary debate on raising awareness of the need to be safe around water. MPs had this week called for an increase in curriculum content about water safety as part of swimming lessons. The Council had previously pushed for water safety to be taught to children in schools, and was currently running the 'Dying to Be Cool' campaign across County Durham schools.

The Council had been working with Durham University, Durham Constabulary and County Durham Furniture Help Scheme to encourage students to think of the planet and their local communities as they moved out of accommodation this summer. Under the award-winning 'Green Move Out' scheme, at the end of the academic year students' unwanted belongings were collected and donated to local charities.

Last month, Council staff and elected members honoured civilian and uniformed personnel on Armed Forces Day by raising the official armed forces flag at County Hall. Armed Forces Day was an annual opportunity for the UK to celebrate the work of its Armed Forces and the Armed Forces community from currently serving troops to service families, veterans and cadets.

The Council also celebrated the work of its registry office staff on National Registrars' Day. The team had worked incredibly hard throughout the pandemic to make sure weddings could go ahead, and that births and deaths were properly recorded, being there for residents as they have navigated life events during the coronavirus pandemic.

On Monday, The Council would officially submit its bid for County Durham to be named City of Culture 2025. Gaining such status would clearly have untold benefits for the county, and the wider region, giving a platform from which to demonstrate all that was great about the area, from fabulous landscapes and rich and diverse heritage to optimism, innovation and economic ambition. Uniquely, the bid would focus not just on the city, but on the county as a whole. The Council was working at pace to pull the bid together in time for the deadline for submissions but, County Durham had such a such a lot to shout about that the Leader was confident the Council would be able to present an incredibly robust and persuasive case. The Leader would be providing members with an update on the submission within the coming days and, in the meantime, asked all Members to do all they could to back the bid for City of Culture, which was a unique opportunity to showcase the rich and varied county on a national level.

Next month would see the return of Seaham Food Festival which would take place on Saturday 7 and Sunday, 8 August. The Festival would feature top TV chefs, around 100 traders and producers and some family-friendly fun.

The inaugural festival in 2019 saw more than 15,000 visitors flock to the seaside event. Similar footfall this year would mean a major boost for businesses working hard to recover from the impact of the pandemic.

The Council was also planning for Lumiere a little later in the year and had launched an appeal for Festival Makers to help welcome visitors to the city, direct people to installations and be the face of the festival. Those who were aged 18 and over who had a friendly personality and a passion for the festival, as well as different skills and life experiences were being sought. The Council was working with event organisers to ensure any coronavirus guidance that was in place was followed.

With the advent of the start of the school holidays next week the Leader outlined activities for young people. Young people could make a splash with free swimming sessions at Council leisure centres, designed to encourage children and young people to have fun and be more active. To provide extra support for families some sessions would include healthy food as part of the Council's 'Fun and Food' campaign. More than 100 free activities with healthy food were lined up for the school holidays as part of the wider programme.

5 Questions from the Public

A question was submitted by Mr Cunningham as follows:

In June 2015, I asked the Council :- As the profit made by the Durham Crematorium operation came to a third of a million pounds, after all reserves were deducted; should the Council not advise the Crematorium Committee to slash the cost of cremations from £610.00 to a more justifiable figure? As usual from the last Labour-dominated Council, all I received in reply was a verbal brush-off, stating that whatever money was generated over and above the costs of running and maintaining the Crematoria plant and facilities would be spent on other activities.

I would therefore ask the new Joint Administration to look again, with the Central Durham Crematorium Joint Committee, at the truly enormous profits: profits, not reserves or whatever term is used to disguise the fact that the Council is making over £900,000 profit from cremating the dead, from profiting off the grief of County Durham residents; as they continue to run the Crematoria as a business, and not as a service?

Councillor M Wilkes, Cabinet Portfolio Holder for Neighbourhoods and Climate Change thanked Mr Cunningham for his question and gave the following response:

I know that you are aware that Durham Crematoria is owned and operated jointly with Spennymoor Town Council. Each year the joint committee reviews the fees and charges considering a range of factors including the future investment needed through to the prices of other crematoria in the region.

We know that the cost of a funerals can be difficult for families and considering this the prices have been consistently set as the lowest in the North East Region and well below local private crematoria.

In recognition of the challenge's families have, the committee have also introduced reduced prices for some services each day as well offering families a direct cremation at a reduced cost.

There has been ongoing investment at the Crematoria over several years which is now close to £4 million to improve the facilities and a need to develop reserves for future changes and improvements to be made.

There is a surplus that is created each year and distributed to the Town Council and County Council by the joint committee. For the County Council this helps protect services and supports the rest of Bereavement Services which covers cemeteries and closed churchyards.

I appreciate the question raised by Mr Cunningham and believe the charges at the Crematorium are fair, being that they are the lowest in the region, and a wider range of prices have been introduced to help families, with any surpluses going back into the community.

However, in light of your concerns, I will ensure that your question is raised at the next meeting of the Crematoria Committee for their further consideration as this is a decision for the Joint Committee, and I hope that they will take into account your views when looking at their pricing structure going forward, something I will also be monitoring.

6 Petitions

The Council received a petition from Mrs Taylor who represented the SPL Community Action Group which sought to implement restrictions on HGV's travelling through the villages of Pitlington, Littleton, Sherburn and Sherburn Hill.

The Chair thanked Mrs Taylor for presenting the petition which would be forwarded to the appropriate service for a response as part of the County Council's Petitions Scheme.

7 Report from the Cabinet

The Council noted that the report from the Cabinet which provided information on issues considered by the Cabinet at its meeting held on 16 June 2021 (for copy see file of Minutes).

8 Initial proposals for new Parliamentary Constituency Boundaries

The Council considered a report of the Interim Corporate Director of Resources regarding proposals of the Boundary Commission for England for new Parliamentary constituency boundaries in England (for copy see file of Minutes).

Moved by Councillor Hopgood, **Seconded** by Councillor R Bell and

Resolved:

- (a) That the Constitution Working Group seek to agree any principles of common ground which could be submitted by way of a letter to the Boundary Commission by 2 August 2021;
- (b) If such a letter was agreed, it be circulated to all Members of the Council.

9 Appointment of Independent Persons to the Standards Committee

The Council considered a joint report of the Interim Corporate Director of Resources and Head of Legal and Democratic Services regarding the appointment of two new Independent Persons to the Standards Committee (for copy see file of Minutes).

In **Moving** the report, Councillor J Nicholson stressed the importance of the role of Independent Person on the Standards Committee and thanked John Dixon-Dawson and Peter Jackson for their service. **Seconded** by Councillor F Tinsley

Resolved:

That the Council

- (a) formally record its thanks to John Dixon Dawson and Peter Jackson for their service as Independent Persons to the Standards Committee since their appointment in 2016;
- (b) appoint Alan Fletcher and Kayleigh Louise Wilkinson as Independent Persons to the Standards Committee with effect from 22 September 2021 for a term of two years;
- (c) delegate authority to the Standards Committee to consider whether to extend the appointment of the Independent Persons for a further two years in 2023 and any such extension be reported to Council as part of the annual report of the Standards Committee.

10 Appointments to the Business Durham Advisory Board

The Council considered a report of the Corporate Director of Regeneration, Economy and Growth regarding appointments to the Business Durham Advisory Board (for copy see file of Minutes)

Moved by Councillor Hopgood, **Seconded** by Councillor R Bell

Resolved:

That

- (a) The Chair of the Council, the Leader of the Council, the Deputy Leader of the Council and the Cabinet Portfolio Holder for Economy and Partnerships and the portfolio holder for Housing and Assets be appointed to the Business Durham Advisory Board for the municipal year 2021/22;
- (b) The Cabinet member for Neighbourhoods and Climate to support on the wider and strategic linkages between climate change and business be appointed to the Business Durham Advisory Board for the municipal year 2021/22;
- (c) The leader of the Labour Group be appointed to the Business Durham Advisory Board for the municipal year 2021/22 and a provision be included for an official named deputy if the Leader of the Labour Group was not available.

11 County Durham Youth Justice Plan 2021 - 2022

The Council noted a report of the Corporate Director of Children and Young People's Services which presented the Youth Justice Plan 2021/22 (for copy see file of Minutes).

12 Overview and Scrutiny Annual Report 2020/21

The Council noted the Overview and Scrutiny Annual Report 2020/21 (for copy see file of Minutes).

Councillor C Martin, Chair of the Corporate Overview and Scrutiny Management Board informed the Council that the report covered the period of the former Chair of the Corporate Overview and Scrutiny Board and thanked Councillors R Crute and A Batey and all previous Chairs of Scrutiny Committees for their service.

Councillor R Crute, former Chair of the Corporate Overview and Scrutiny Management Board presented the report to Council.

The report covered a very difficult year for County Durham's communities due to the global pandemic, which paused the work programme for scrutiny

until emergency legislation was introduced to allow remote meetings to be held. As a result, the scrutiny work programmes needed to be re-prioritised with a reduced timetable of meetings and shortened agendas. Despite this some good quality scrutiny work had been undertaken and this work was reflected in the Annual Report to Council.

Councillor Crute provided Council with details of some of the work covered during the year in the thematic committees as follows:

- The Safer and Stronger Communities Overview and Scrutiny Committee had reviewed the development of a new road safety strategy. The Committee had also provided comment on the Safe Durham Partnership Plan and the County Durham and Darlington Fire and Rescue Service's Community Risk Management Plan.
- The Adults, Wellbeing and Health Overview and Scrutiny Committee concluded its review examining the extent of GP coverage across County Durham and the range of services offered by GP practices. The Committee had also engaged in a number of statutory consultations on proposed changes to the delivery of health services and had overseen the Local Outbreak Management Plan for the pandemic.
- The Corporate Overview and Scrutiny Management Board scrutinised the Cabinet's Medium Term Financial Plan proposals with its comments included in the final Budget report to Council. In times of continuing austerity and increasing financial uncertainty this was a significant role and responsibility. The Board also focussed on service improvements such as workplace transformation and smarter working.
- The Children and Young People's Overview and Scrutiny Committee carried out a review of elective home education and prior to lockdown had continued its engagement with young people in a meeting held in Durham Johnston School.
- The Economy and Enterprise Overview and Scrutiny Committee monitored and commented upon the proposed Selective Licensing Scheme for County Durham, considered the continued development of key strategic employment sites and continued to monitor the progress of the County Durham Plan and the Housing Strategy for County Durham.
- The Environment and Sustainable Communities Overview and Scrutiny Committee undertook a review of the County Council's proposed future Allotment Policy. The Committee provided a comprehensive response to the Climate Emergency consultation and would continue to monitor progress on the Climate Emergency Response Plan and the County Council's Carbon Management Plan.

All thematic Committees had received detailed information on the impact of Covid on the various service groupings and heard plans for recovery.

Councillor Crute placed on record his thanks to the Members of the Overview and Scrutiny Committees, the Co-optees, the Chairs and Vice Chairs and the Scrutiny Team for their work during 2020/21.

13 Annual Report of the Standards Committee

The Council noted the Annual Report of the Standards Committee which provided an overview of the work of the Committee during 2020/21 and set out the future direction which the Committee intended to take during 2021/22 (for copy see file of Minutes).

Councillor J Nicholson, Chair of the Standards Committee informed the Council that the Standards Committee had continued to promote the principles and values of good governance within the Council and across the County. The Members of the Standards Committee were committed and dedicated to ensuring that high standards of conduct were maintained by all local elected Members.

Councillors Nicholson and Tinsley, Chair and Vice Chair thanked the previous Chair of the Standards Committee, Councillor Kellett and the previous Vice Chair former Councillor Huntington, and thanked the Monitoring Officer, staff and Independent Persons for their support during the year.

14 Motions on Notice

Councillor Wilkes, Cabinet Portfolio Holder for Neighbourhoods and Climate Change informed Council that the four Leaders of the Joint Administration had agreed to write to government to maintain the uplift on universal credit. Councillor Wilkes withdrew his Motion.

Moved by Councillor R Crute, **Seconded** by Councillor O Gunn:

Last week (Wednesday 7 July 2021) Cabinet considered a report on MTFP (12) which highlighted the 'significant financial uncertainty' facing the local authority as a result of a number of contributory factors, including persistent delays to the government's Fair Funding Review, Business Rates Retention Scheme and its proposed funding model for Social Care.

The constant delays to these government initiatives are having a direct impact on this council by restricting its ability to properly plan ahead. The delays have also resulted in the 'significant financial uncertainty' facing this council as outlined in last week's Cabinet report.

To compound matters, figures published by the LGA illustrate the impact austerity and government funding cuts are having on the people of County Durham, with spending power reductions of £343 (or 16%) per household since 2011/12. This compares with spending power increases in other local authority areas such as Wokingham and Surrey.

Consequently, this council resolves to:

Write to the prime minister and call on the government to:

- demonstrate its commitment to 'levelling-up' by assuring this local authority that it will not lose out financially as a result of the government's ongoing Fair Funding Review, Business Rates Retention Scheme and forthcoming Comprehensive Spending Review
- and also commit to resolving the funding crisis in Adults and Childrens Social Care and the uncertainty, potential risk and financial burden it creates for this council and the people of County Durham

An Amendment was **Moved** by Councillor R Bell, Deputy Leader and Cabinet Portfolio Holder for Finance, **Seconded** by Councillor J Shuttleworth, Cabinet Portfolio Holder for Rural Communities and Highways:

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To compound matters, figures published by the LGA illustrate the impact austerity and government funding cuts are having on the people of County Durham, with spending power reductions of £343 (or 16%) per household since 2011/12. This compares with spending power increases in other local authority areas such as Wokingham and Surrey.

Consequently, this council resolves to: Write to the Prime Minister, *and the Secretary of State for Housing, Communities and Local Government*, and *calls on the government to:*

- demonstrate its commitment to 'levelling-up' by assuring this local authority that it will not lose out financially as a result of the

government's ongoing Fair Funding Review, Business Rates Retention Scheme and forthcoming Comprehensive Spending Review

- and also commit to ~~resolving the funding crisis working with Local Government to find sustainable long term funding solutions for~~ Adults and Children's Social Care and ~~address the uncertainty, potential risk and financial burden it creates for~~ *faced* by this council and the people of County Durham

And this council resolves to work with the County's MPs, Local Government Association and County Councils Network and to make our case to Government.

Councillor R Crute **Moved** to suspend Standing Order 10.7 to allow sufficient time to debate the Motions on Notice. **Seconded** by Councillor A Surtees. Council agreed the suspension of Standing Order 10.7.

Councillor O Gunn requested a named vote on the Amendment.

For the Amendment

Councillors Abley, Avery, Bainbridge, A Bell, C Bell, R Bell, Blakey, D Brown, Cairns, Cosslett, Coult, Duffy, Elmer, Freeman, Haney, Heaviside, Henderson, Holmes, Hood, Hopgood, Howey, Hunt, Jackson, Jones, Jopling, Lines, Maddison, Martin, E Mavin, McDonnell, McGaun, Moist, Molloy, Nicholson, Oliver, Ormerod, Peeke, Potts, J Quinn, Reed, Richardson, M I Roberts, Robson, Rooney, Rowlandson, Savory, Scott, Shield, Shuttleworth, Simpson, Stead, Stelling, Sterling, Stoker, Stubbs, Sutton-Lloyd, Varty, Watson, Wilkes and Zair.

Against the Amendment

Councillors Adam, Adcock-Forster, Andrews, J Atkinson, P Atkinson, A Batey, Binney, Chaplow, Crute, Deinali, Fenwick, Fletcher, Griffiths, Gunn, Hall, Hanson, Henig, Higgins, Hovvells, Hutchinson, Kennedy, Manchester, McKenna, McKeon, McLean, McMahan, Miller, Nicholls, Pringle, Purvis, S Quinn, Shaw, Surtees, Tinsley, Townsend, Waldock, M Wilson, and Wood.

The Amendment was **carried** and therefore became the Substantive Motion.

Councillor M Wilkes, Cabinet Portfolio Holder for Neighbourhoods and Climate Change requested a named vote on the Substantive Motion.

For the Motion

Councillors Abley, Adam, Adcock-Forster, Andrews, J Atkinson, P Atkinson, Avery, Bainbridge, A Batey, A Bell, C Bell, R Bell, Binney, Blakey, D Brown, Cairns, Chaplow, Cosslett, Coult, Crute, Deinali, Duffy, Elmer, Fenwick, Fletcher, Freeman, Griffiths, Gunn, Hall, Haney, Hanson, Heaviside, Henig, Higgins, Holmes, Hood, Hopgood, Hovvels, Howey, Hunt, Hutchinson, Jackson, Jones, Jopling, Kennedy, Lines, Maddison, Manchester, Martin, E Mavin, McDonnell, McGaun, McKenna, McKeon, McLean, McMahon, Miller, Moist, Molloy, Nicholls, Nicholson, Oliver, Ormerod, Peeke, Potts, Pringle, Purvis, J Quinn, S Quinn, Reed, Richardson, M I Roberts, Rooney, Rowlandson, Savory, Scott, Shaw, Shield, Shuttleworth, Simpson, Stead, Stelling, Sterling, Stoker, Stubbs, Surtees, Sutton-Lloyd, Tinsley, Townsend, Varty, Waldock, Watson, Wilkes, M Wilson, Wood, and Zair.

Against the Motion

Councillors Henderson and Robson.

The Substantive Motion was **carried**.

Moved by Councillor K Shaw, **Seconded** by Councillor A Surtees:

On Monday 10th February 2020, the Council received a planning application to demolish the former Hassockfield Secure Training Centre and build 127 new dwellings, including 25 for social housing, with over £900,000 for Section 106 funding.

However, in January 2021 the Ministry of Justice revealed plans to develop the site into a Category 3 style prison for refugee women. As the Northern Echo reported, the MoJ did not pursue a Certificate of Lawfulness, thus depriving local residents of the chance to scrutinise plans through Durham County Council's planning portal. The proposed detention centre would deny 127 local Consett family's access to high quality housing, including 25 families the ability to access social housing. According to Durham Insight, 3.5% of Consett's population live in areas in the top 10% most deprived nationally. Following the financial pressures caused by the COVID-19 pandemic, the need for social housing in this area is now more important than ever. Rather than give the community of Consett and Medomsley a clean break from the site's history of human rights abuses, the MoJ seeks to build on a toxic legacy. Human rights groups have raised concerns about the treatment of women in similar detention facilities, including Yarl's Wood in Bedford, which is now expanding into a larger detention centre for men. Detainees at Yarl's Wood have spoken of racial abuse, poor hygiene facilities and experiences of sexual abuse. Local activists started the 'No To Hassockfield' campaign, which is supported by faith groups, the Police and

Crime Commissioner and Health North East, to highlight their concerns that such abuses could take place in County Durham.

Human rights abuses do not take place in every prison-style facility, but given the history of the Hassockfield site, it is proposed that the site should be an alternative development, to move away from its shameful past.

Resolves:

1. To oppose the loss of the much-needed social housing in the Consett area, for the sake of another controversial detention facility.
2. To write to the Secretary of State for Justice and Lord Chancellor, to demand greater transparency and dialogue over future uses of the site.

Councillor A Shield, Cabinet Portfolio Holder for Equality and Inclusion **Moved** the following amendment, **Seconded** by Councillor J Rowlandson, Cabinet Portfolio Holder for Resources, Investment and Assets:

Durham County Council Planning Dept approved under Officer delegated powers On Monday 10th February 2020, the Council received a planning application to demolish the former Hassockfield Secure Training Centre and to build 127 new dwellings, including 25 proposed for social housing, and with over £900,000 allocated for Section 106 funding. This development was on the existing footprint of Hassockfield and an adjoining green field and in our view was considered as a predominantly unsustainable rural location.

However, in January 2021 the Ministry of Justice revealed plans to develop the site into a Category 3 style *immigration removal centre (IRC) for a maximum of 84 female detainees' prison for refugee women*. As the Northern Echo reported, the MoJ did not pursue a Certificate of Lawfulness, *however there was no obligation for the MOJ to do so as there was no change of use from the previous Hassockfield Secure Training Centre/Medomsley Detention Centre and given that the location is considered as Crown Land, DCC had no jurisdiction at all to affect the intentions of this Govt dept. thus depriving local residents of the chance to scrutinise plans through Durham County Council's planning portal. The proposed detention centre would deny 127 local Consett family's access to high quality housing, including 25 families the ability to access social housing. According to Durham Insight, 3.5% of Consett's population live in areas in the top 10% most deprived nationally. Following the financial pressures caused by the COVID-19 pandemic, the need for social housing in this area is now more important than ever.*

Rather than give the community of Consett and Medomsley a clean break from the site's history of human rights abuses, the MoJ seeks to build on a toxic legacy. Human rights groups have raised concerns about the treatment of women in similar detention facilities, including Yarl's Wood in Bedford,

~~which is now expanding into a larger detention centre for men. Detainees at Yarl's Wood have spoken of racial abuse, poor hygiene facilities and experiences of sexual abuse. Local activists started the 'No to Hassockfield' campaign, which is supported by faith groups, the Police and Crime Commissioner and Health North East, to highlight their concerns that such abuses could take place in County Durham.~~

~~Human rights abuses do not take place in every prison-style facility, but given the history of the Hassockfield site, it is proposed that the site should be an alternative development, to move away from its shameful past.~~

It is acknowledged that most detainees in this type of facility are not criminals and that 86% of women detained in 2018 secured their freedom and now contribute positively to our society

This Council resolves:

- 1. To write to the to the Secretary of State for Justice and Lord Chancellor, to confirm that Durham County Council does not believe that the use of Hassockfield as an Immigration Removal Centre is an acceptable use of this site and requests that a new planning application be submitted so that a smaller housing development be built on the existing footprint of Hassockfield, providing a development predominantly for elderly residents but also including some aspect of social housing as per the requirements of the County Durham Plan.*
- 2. In the event that we are unable to prevent the opening of the Immigration Removal Centre, local members to maintain the engagement with the Director of Immigration, Removal and Escorting Services to ensure security on site, the welfare of detainees, and the potential cost impact on local police, fire service, health and other services budgets which may be used by the IRC are closely monitored and controlled.*

Councillor M McKeon requested a named vote

For the Amendment

Councillors Abley, Avery, Bainbridge, A Bell, C Bell, R Bell, Blakey, D Brown, Cairns, Cosslett, Coult, Duffy, Elmer, Freeman, Haney, Heaviside, Henderson, Holmes, Hood, Hopgood, Howey, Hunt, Hutchinson, Jackson, Jones, Jopling, Lines, Maddison, Martin, E Mavin, McDonnell, McGaun, Moist, Molloy, Nicholson, Oliver, Ormerod, Peeke, Potts, J Quinn, Reed, Richardson, M I Roberts, Robson, Rooney, Rowlandson, Savory, Scott, Shield, Shuttleworth, Simpson, Stead, Stelling, Sterling, Stoker, Stubbs, Sutton-Lloyd, Watson, Wilkes, and Zair.

Against the Amendment

Councillors Adam, Adcock-Forster, Andrews, J Atkinson, P Atkinson, A Batey, Binney, Chaplow, Crute, Deinali, Fenwick, Fletcher, Griffiths, Gunn, Hall, Henig, Higgins, Hovvels, Kennedy, Manchester, McKenna, McKeon, McLean, McMahon, Miller, Nicholls, Pringle, Purvis, S Quinn, Shaw, Surtees, Townsend, Varty, Waldock, M Wilson, and Wood.

The Amendment was **carried** and therefore became the Substantive Motion.

Upon a vote being taken the Substantive Motion was **carried**.

15 Questions from Members

Councillor C Martin asked the following question:

All train operators are beginning a consultation on new timetables that run across the North East. Can Cabinet assure the Council that they use all avenues available to them to lobby operators for more services and the best possible timetable? In particular, to improve the current poor service for Chester-le-Street railway station.

Councillor E Scott, Cabinet Portfolio Holder for Economy and Partnerships thanked Councillor Martin for his question and provided the following response:

The government have set out that the purpose of the East Coast Main Line consultation is to try and deliver benefits from the current round of investment such as the infrastructure work in Peterborough and London Kings Cross, and the new higher performance IEP Azuma fleet built at Heighington. However, despite this investment it is acknowledged there still remains severe capacity constraints on the line, particularly north of Northallerton, which has a negative impact on the North East.

The proposals currently being put forward by the train operators led by LNER for County Durham are mixed with an hourly service at Chester-le-Street provided by Trans Pennine Express, rather than the current one train every two hours, something long called for by local residents.

By contrast there are disbenefits in Durham City which will see a reduction of 8 trains per day with some services bunched together leaving larger timetable gaps for passengers. The changes would also potentially undermine the long-term future of the links from the East Coast main line to Bishop Auckland.

We also recognise that many other locations across the region are seeing a reduction in services.

We remain committed to working at a regional level and support the calls from the Joint Transport Committee for a Taskforce to be established to examine capacity constraints and put forward options to solve both short and long term issues. We also support the request from the Joint Transport Committee that such a taskforce should plan to introduce timetable changes slowly, aligned with capacity growth, and with no detriment to existing connectivity.

You can be assured that throughout this process we will be seeking to deliver improvements both at a regional and County level and I have made my views clear on this through the regional Joint Transport Committee.

Councillor Martin thanked Councillor E Scott for her response and asked whether, in the event that the regionwide response to the consultations did not serve the best interests of County Durham, Councillor Scott would ensure she gave a firm voice against the Joint Transport Committee proposals and provide a clear pro-County Durham response. Councillor Scott confirmed she would do this adding that she had highlighted to the Joint Transport Committee how pleased Durham County Council was about the suggestions for Chester le Street while stressing the need to balance the wider needs of County Durham.

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Report of Cabinet

Electoral division(s) affected:

All

Purpose of the Report

- 1 To provide information to the Council on issues considered by the Cabinet at the meeting held on 7 July 2021 to enable Members to ask related questions.

Contents

Item 1 - Medium Term Financial Plan(12), 2022/23 - 2025/26 and Review of the Local Council Tax Reduction Scheme

[Key Decision: CORP/R/21/02]

Item 2 - 2020/21 Final Outturn for the General Fund and Collection Fund

- 1. Medium Term Financial Plan(12), 2022/23 - 2025/26 and Review of the Local Council Tax Reduction Scheme**
[Key Decision: CORP/R/21/02]
Cabinet Portfolio Holders – Councillors Richard Bell, and Amanda Hopgood
Contacts: Jeff Garfoot 03000 261946, Mary Readman 03000 268161, Andy Palmer 03000 268551 and Gordon Elliott 03000 263603

We considered a report of the Interim Corporate Director of Resources which provided an update on the development of the 2022/23 budget and the Medium Term Financial Plan (MTFP(12)) covering the period 2022/23 to

2025/26. The report also considered a review of the Local Council Tax Reduction Scheme for 2022/23.

The joint administration is committed to strong financial governance and getting value for money for public money whilst ensuring that any council tax increases are justified and affordable. Having been appointed in May 2021, the new joint administration has embarked on a series of reviews of the programmes and projects it inherited. It is in the process of determining investment and disinvestment priorities for 2022/23 and beyond and is determined to ensure those priorities are based on meaningful engagement with all partners and stakeholders.

Local Government is operating in a period of significant financial uncertainty due to the ongoing impact of the pandemic, inherent low tax raising capacity due to the low tax base and significant budget pressures in social care and waste services alongside other unfunded pressures arising from pay and price inflation. The financial outlook for the Council would continue to be extremely challenging for the foreseeable future.

There continued to be significant uncertainty in terms of future financial settlements for local government and how available funding would be shared between local authorities. The government is expected to publish a Comprehensive Spending Review (CSR) in autumn 2021 covering a three-year period. The uncertainty around the CSR is driven by lack of clarity on the outcome of the pandemic and the ongoing impact of Brexit upon the public finances. The forecast national deficit for 2020/21 is circa £300 million and it is forecast that this deficit will not have reduced below £100 million until at least 2025/26.

It is expected that the implementation of the findings from the Fair Funding Review (FFR), including any move to 75% Business Rate Retention, may now be delayed until at least 2023/24. There have been no further consultation documents released relating to the FFR, which indicates that it is unlikely to be implemented in 2022/23. In addition, the government is presently reviewing Business Rates, which could impact on the utilisation of business rates as a funding mechanism for local government.

The lack of clarity in relation to the CSR and FFR are exacerbated by uncertainties in relation to future council tax referendum levels, the Improved Better Care Fund, the national review of Social Care, short term funding provided to local authorities for adult and children social care pressures and the ongoing impact of the pandemic upon council services and especially council income.

The levels of uncertainty were making financial planning difficult. This requires the council to be flexible and adaptable in its financial planning. In this regard

the strong financial position of the council would ensure that the council is well placed to react effectively to any outcome.

At this stage, the Council is prudently planning on the basis that the council will lose £16 million of funding over the next five years due to the impact of the outcome of the FFR but also from the forecast impact of further government funding reductions for local government to contribute to the recovery required to the national finances. It is forecast that the FFR will result in a loss of £10 million over a five-year transition period with a £6 million loss due to austerity introduced over a three year period. The concern as regards the FFR continues to relate to the expected utilisation of the Advisory Council for Resource Allocation (ACRA) methodology for apportioning Public Health Grant which would result in a loss of £18 million of funding for the council, which is partially offset by gains the council would make due to other FFR formula changes.

As the council begins to consider the budget plans for 2022/23, in line with previous practice, the MTFP model had been reviewed and the financial forecasts for the next four years updated. The latest forecasts indicated a funding gap/savings requirement of £45.2 million, required to balance the budget over the 2022/23 to 2025/26 period.

Savings are forecast to be required in all years of MTFP(12) as budget pressures and the impact of funding reductions outstrip the Council's ability to generate additional income from business rates and council tax. The forecasts assume the Council will apply the permitted maximum increases in Council Tax across each of the next four years, in line with government guidance.

The achievement of an additional £45.2 million of savings over the next four years would be extremely challenging – more so given the savings that the council had been required to achieve in the last ten years. The emphasis since 2011/12 has been to minimise savings from front line services by protecting them wherever possible whilst maximising savings in management and support functions. This had become much more difficult however as the scope for further savings in managerial and back office efficiencies was becoming exhausted following the delivery of £247 million of savings up to 31 March 2022.

The total savings required at this stage for 2022/23 to balance the budget amounted to £7.9 million, although it had to be recognised that this figure could change significantly depending on the outcomes of the CSR, the 2022/23 local government finance settlement and any ongoing financial impact from the pandemic into next year.

Savings of £2.452 million for 2022/23 were approved in MTFP(11), however, this had been revised down to £1.5 million resulting in a savings shortfall of

£6.4 million. The MTFP(12) forecasts assume that there will be a 3.99% council tax increase in 2022/23, line with MTFP(11) planning and 1.99% increases per annum thereafter. The 3.99% increase next year includes an assumed 1.99% council tax referendum limit increase and 2% for the adult social care precept delayed from 2021/22. The £6.4 million savings shortfall is also based upon all short term investments included in the 2021/22 budget ending in line with MTFP(11) planning expectations.

A much more challenging position is forecast for the council in 2023/24, where the savings required to balance the budget in that year are forecast to be £17.7 million. The budget in 2022/23 is protected by the withdrawal of funding for all short-term investments that were factored into the 2020/21 and 2021/22 revenue budgets. The budget position for 2023/24 is likely to be the norm in the future for all local authorities like ourselves with low tax bases, where increasing base budget pressures, especially in social care and waste, cannot be financed from increases in council tax and business rate yields.

Savings plans will need to be developed for consideration for 2022/23 but especially for 2023/24. Having plans in place will enable the council to react to the outcome of the 2022/23 local government finance settlement which is expected to be announced in December 2021.

If required, the council will be able to utilise the Budget Support Reserve (BSR) to balance the budget in 2022/23 as required. The current available balance in the BSR, as reported to Council on 24 February 2021, is £12.6 million.

The council is now the only local authority in the North East to have retained entitlement levels for Council Tax support within the Local Council Tax Reduction Scheme (LCTRS) in line with that which applied under the national Council Tax Benefit regime prior to 2013/14. This policy has protected vulnerable residents at a time when welfare reform changes have had a significant adverse impact. This report recommended that the current LCTRS is again retained and remains unaltered for a further year into 2022/23.

Decision

We noted:

- (a) the requirement to identify additional savings of £45.2 million for the period 2022/23 to 2025/26;
- (b) the £1.5 million of savings (as revised) for 2022/23 which were previously agreed in MTFP(11);

- (c) a forecasted £43.7 million savings shortfall across the MTFP(12) planning period, but also noted that the forecast could change significantly based upon outcomes of the Comprehensive Spending Review, the Fair Funding Review and the ongoing impact of the pandemic upon council services and income;
- (d) that at this stage a forecast £6.4 million of savings would be required to balance the 2022/23 budget;

We agreed:

- (e) the high level MTFP(12) and 2022/23 budget setting timetable contained in the report;
- (f) the approach outlined for consultation on the 2022/23 budget and MTFP(12);
- (g) the proposals to build equalities considerations into decision making; and
- (h) to recommend to Full Council that the Local Council Tax Reduction Scheme should remain unchanged for 2022/23.

2. 2020/21 Final Outturn for the General Fund and Collection Fund
Cabinet Portfolio Holder – Councillor Richard Bell
Contact: Jeff Garfoot 03000 261946

We considered a report of the Interim Corporate Director of Resources which provided information on:

- (a) the final revenue and capital outturn for the General Fund for 2020/21;
- (b) the final outturn for the Council's Council Tax and Business Rates Collection Fund for 2020/21;
- (c) the use of and contributions to earmarked, cash limit and general reserves in year and at year end together with the closing position regarding balances held at 31 March 2021; and
- (d) the achievement of Medium Term Financial Plan (MTFP) (10) savings targets in 2020/21.

Since the outbreak of the COVID-19 pandemic, the council, its partners, local businesses and local communities have been working tirelessly to respond to the pandemic putting plans in place for the restoration and recovery of services post-pandemic. The financial impact of COVID-19 in 2020/21 is significant and complex, which, throughout the year, made forecasting the council's outturn position even more challenging than usual.

The long term impact of the pandemic on the council's finances beyond 2020/21 remains unclear, which adds to the uncertainty faced in terms of the council's longer term financial outlook, as set out in the MTFP(11) and 2021/22 to 2024/25 Budget Report to County Council on 24 February 2021 and in the updated MTFP(12) forecasts.

In the last year, the council had to implement national support schemes at short notice such as the various Business Rates Grants Support Schemes; the Council Tax Hardship Support Schemes; Test and Trace Payments; the Winter Support Payments Scheme; Infection Control Schemes and Contain Outbreak Management schemes, as well as dealing with, and implementing, a range of supplier relief schemes. The council also addressed increased demand for support to vulnerable households, whilst trying to accommodate new ways of working in response to the pandemic.

In 2020/21 service grouping budgets overspent by a net £24.928 million. This overspend position included net additional expenditure and loss of income associated with the COVID-19 outbreak of £50.911 million. COVID-19 related underspends of £20.119 million were also achieved in year relating to the closure of facilities and disruption to normal activity as a result of the pandemic.

Non COVID-19 related cash limit underspends totalled £5.806 million, with a further £58,000 related to underspends against corporate budgets.

In year collection of Council Tax and Business Rates was significantly below budgeted levels in 2020/21 essentially through a combination of increased incidence of Council Tax Reduction and reduced payments as residents and businesses struggled to cope with the economic shocks caused by the pandemic. Formal recovery action was suspended for ten months on the year and full recovery action was not in place at all in 2020/21.

The government provided a range of specific grant funding streams in relation to the pandemic. In addition, government provided four non ringfenced tranches of funding to local authorities for additional costs incurred as a result of COVID-19. This funding was allocated based upon formulae determined by the government and the council received £45.7 million. Of this, £1.1 million was utilised to cover costs incurred in 2019/20, which left £44.6 million of funding available to be applied in 2020/21.

The council submitted returns for support under the government's Income Guarantee Scheme, which required councils to bear the first 5% of any qualifying income loss after which the government provided a grant for 75% of subsequent losses. The council had been able to claim £8.890 million from the scheme for 2020/21, which included the impact of the reintroduction and extension of the national lockdowns in quarter four.

In total, across the four tranches of non-ring fenced grant funding the council received £53.490 million grant support for the additional costs incurred as a result of COVID-19 and claims under the Income Guarantee Scheme. The additional net expenditure and loss of income associated with the COVID-19 outbreak actual outturn was £50.911 million.

The government introduced regulations so that the financial impact of any 2020/21 in-year Collection Fund deficit for council tax and business rates be spread over three years. Across the three years 2021/22 to 2023/24, the government is providing 75% grant support for the 2020/21 in year deficit position, although the assessment of loss for council tax does not provide coverage for non-collection below the council's 99% overall forecast collection rate. The COVID-19 pandemic impacted significantly on normal business as usual expenditure last year. There was delayed recruitment, savings against mileage and other costs as a result of large proportions of staff working from home and savings in operational building costs amongst other areas. In addition, care costs linked to hospital discharges during the period March 2020 to August 2020 were met by the Durham Clinical Commissioning Group under temporary national funding arrangements via NHS England.

These cases were treated as Continuing Health Care under the Discharge to Assess regime until such time as they are properly assessed so costs that would otherwise be normally met by the council are being recovered from the CCG. In reality, many of these cases continued to be funded by NHS England up to 31 March 2021.

Throughout the year it has been difficult to forecast the outturn position for 2020/21 and a wide range of assumptions had to be applied in formulating the quarterly forecast reports in relation to expenditure and income due to the uncertainty that existed regarding the impact of COVID-19 restrictions last year.

This uncertainty extends into 2021/22, where the council will face further challenges and budget pressures in relation to the continuing response to the pandemic and the restoration of services and supporting the post-pandemic recovery.

Government funding has been made available in 2021/22 to help with these challenges, but it is not certain whether this will be sufficient at this stage. There will potentially be a range of interventions required by the council and

ongoing impacts post pandemic that will have an, as yet unquantified financial pressure. The Cash Limit and General Reserves will potentially be required to meet any shortfalls in the funding that will be available this year.

The final revenue outturn position for 2020/21 is a net service grouping cash limit underspend of £5.806 million plus an overachievement of core government grant and underspend on all other budgets of £21.550 million, which includes COVID-19 related underspends excluded from the cash limit outturn position for service groupings of £20.119 million. The total net underspend is £27.356 million which represents 6.25% of the revised net expenditure budget of £437.355 million.

The end of year position detailed above has enabled the creation / replenishment of £19.9 million of earmarked reserves. Total general, earmarked and cash limit reserves (excluding school reserves) increased by £43.037 million in 2020/21, from £228.647 million at 31 March 2020 to £271.684 million at 31 March 2021. The end of year reserves position is significantly inflated due to the carry forward into 2021/22 of specific COVID-19 related grants received in 2020/21 but not defrayed last year, alongside the carry forward of short-term investment budgets included in the 2020/21 budget but not invested due to the impact of COVID-19.

The most significant COVID-19 related grant funding carried forward in earmarked reserves is the £24.863 million Section 31 grant income the council received to cover the loss of business rate income in 2020/21. Businesses were able to access significant business rate reductions linked to COVID-19, which impacted on the councils business rates yield. This loss of income was reimbursed to the council via a Section 31 grant. This sum however has to be carried forward as an earmarked reserve for application in the next three years in line with Collection Fund regulations.

The final capital outturn position for 2020/21 was an underspend of £20.427 million, which is 14.64% of the revised capital budget of £139.511 million agreed by Cabinet in March 2021.

The final outturn for the Council Tax Collection Fund is a deficit of £10.316 million. Durham County Council's share of the deficit is £8.707 million.

The final outturn for the Business Rates Collection Fund is a net deficit of £35.331 million of which Durham County Council's share (49%) is £17.312 million.

The council's share of the in year business rates deficit of £21.346 million, excluding the surplus brought forward from 2019/20 of £4.034 million, is offset in the General Fund by the receipt of additional Section 31 grants of £24.863 million, leaving a net in year surplus of £3.517 million at year end, mainly due to the surplus brought forward from 2019/20.

The government has indicated that the financial impact of any 2020/21 in year Collection Fund deficit for council tax and business rates must be spread over three years. Across the three years 2021/22 to 2023/24, the government will provide 75% grant support for the 2020/21 in year deficit position, although the assessment of loss for council tax does not provide coverage for non-collection below the council 99% forecast collection rate.

In 2020/21 the council has delivered MTFP(10) savings totalling £7.760 million, which was 97% of the £8.010 million target for the year. As at 31 March 2021, since 2011, the council has delivered over £241 million in savings / budget reductions to balance its budgets.

Decision

We noted:

- (a) the final revenue outturn underspend of £27.356 million which represents 6.25% of the revised net expenditure budget of £437.355 million;
- (b) the increase in the Cash Limit Reserves of £4.013 million during 2020/21, with closing Cash Limit Reserves of £15.772 million. These sums will continue to be held as Earmarked Reserves and be available for Service Groupings to manage their budgets effectively;
- (c) the closing General Reserve balance of £26.150 million;
- (d) the closing balance on General Fund Earmarked Reserves (excluding Cash Limit Reserves) is £229.762 million, which includes the creation / replenishment of £19.9 million of earmarked reserves at year end;
- (e) the closing balance on Schools Reserves is £35.298 million;
- (f) the outturn position for the Collection Funds in respect of Council Tax and Business Rates.
- (g) the amount of savings delivered during 2020/21 of the MTFP(10) period.

We approved:

- (a) that the capital budget underspend of £24.326 million be carried forward into 2021/22;

- (b) that service groupings continue to regularly review capital profiles throughout 2021/22, reporting revisions to Cabinet as necessary.

Councillor A Hopgood
Leader of the Council

14 September 2021

22 September 2021

Appointment of Chief Executive



Report of Chief Officer Appointments Committee

Councillor Amanda Hopgood, Leader of the Council

Purpose of the Report

- 1 To outline for the County Council the recruitment arrangements which were made for the purpose of recruiting to the post of Chief Executive Officer and to make a recommendation in relation to the permanent appointment following the completion of the recruitment process.

Executive Summary

- 2 As a result of the announcement by the former Chief Executive, Terry Collins of his intention to retire in December 2020, the Chief Officer Appointments Committee (COAC) considered a report on 30 September 2020 relating to the options for appointing to the role of Chief Executive.
- 3 The COAC considered a number of options and agreed to fill the post on an interim basis for a period of 12 months using an internal recruitment exercise, inviting expressions of interest from the Corporate Management Team. As a result of this John Hewitt, Corporate Director of Resources, was appointed to the interim role.
- 4 The COAC considered a further report on 13 July 2021 setting out the options for recruitment to the permanent post of Chief Executive. This resulted in an advertisement being placed on the North East Jobs Portal, restricted to Durham County Council employees for which one application from John Hewitt was received and considered by the COAC at interview on 29 July 2021.
- 5 Following the performance at interview, the COAC concluded to offer John Hewitt the permanent post of Chief Executive, subject to Full Council approval on 22 September 2021.

Recommendation(s)

- 6 The COAC recommends that John Hewitt be appointed to the post of Chief Executive Officer with immediate effect.

Background

- 7 Terry Collins, the previous Chief Executive indicated in September 2020 that it was his intention to retire in December 2020. In line with due process, he subsequently submitted his resignation as the Chief Executive Officer (CEO).
- 8 It was therefore necessary for the Council to implement plans in relation to the appointment of a successor and a report was considered by the COAC on 30 September 2020 which set out a number of options including filling the post on an interim, internal basis, which was the preferred option selected by the COAC.
- 9 This option was considered as the most appropriate as it would ensure continued stability within the organisation at a time when the organisation was in the response phase of the COVID pandemic. The interim post was subsequently advertised at the existing salary, with no changes to the role profile, internally for applications from the Corporate Management Team and two applications were received, with both candidates being interviewed
- 10 On completion of the interviews, the COAC concluded that John Hewitt, Corporate Director of Resources, be appointed as Interim Chief Executive for a period of 12 months, with a review in advance of this period. The interim appointment was then subsequently approved by Full Council on 16 December 2020.
- 11 On 13 July 2021, the COAC then received a report setting out the options for recruiting to the permanent post of Chief Executive and having considered all the options, concluded that the post was to be advertised internally.
- 12 An advert was placed on the North East Jobs Portal and one application was received from John Hewitt, Interim Chief Executive, who was subsequently interviewed by the COAC on 29 July 2021.
- 13 Following the performance at interview, the COAC concluded to offer the permanent post of Chief Executive, subject to Full Council approval to John Hewitt.
- 14 As required by the Officer Employment Procedure Rules, the Head of Legal and Democratic Services gave notice of the COACs decision to the Cabinet on the 29 July 2021 and no objections were received.

Author(s)

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Appendix 1: Implications

Legal Implications

Rule 3.4 of the Officer Employment Procedure Rules states that the County Council must approve any appointment to the post of Chief Executive. The Chief Executive is the Council's Head of Paid Service pursuant to s4 of the Local Government and Housing Act 1989.

Finance

The funding for the post is in place therefore there are no finance implications arising from this appointment.

Consultation

None.

Equality and Diversity / Public Sector Equality Duty

The appointment process complied with Equalities Legislation.

Climate Change

N/A.

Human Rights

None.

Crime and Disorder

None.

Staffing

The recruitment and appointment to the post of Chief Executive is undertaken via the COAC. Appointments are subject to the approval of Full Council.

Accommodation

None.

Risk

None.

Procurement

None