

DURHAM COUNTY COUNCIL

At a Meeting of **Corporate Overview and Scrutiny Management Board** held in Council Chamber, County Hall, Durham on **Friday 21 January 2022 at 9.30 am**

Present:

Councillor C Martin (Chair)

Members of the Committee:

Councillors E Adam, A Batey, J Charlton, J Cosslett, B Coult, R Crute, J Elmer, D Freeman, O Gunn, P Heaviside, C Hood, L Hovvels, J Howey, A Jackson, P Jopling, C Lines (Vice-Chair), R Manchester, C Marshall, K Shaw, M Stead, A Surtees and M Wilson

1 Apologies for Absence

Apologies of absence were received from Councillors Charlton-Lainé and Moist.

2 Substitute Members

There were no substitute members present.

3 Minutes

The minutes of the meeting held on 3 December 2021 were agreed as a correct record and were signed by the Chair.

4 Declarations of Interest

There were no declarations of interest.

5 MTFP (12) Update on the development of MTFP (12) including analysis of CSR and MTFP (12) Details of Provisional Settlement

The Board considered a report of the Corporate Director of Resources which provided with two reports on the development of the MTFP (12). Firstly, a report (Appendix 2) which provided an overview of the Comprehensive Spending Review announcements on 27 October 2021 and the impact on the development of the 2022/23 budget and the MTFP (12) 2022/23 to 2025/26. The second report (Appendix 3) provided an update on the MTFP (12)

2022/23 to 2025/26 and on the development of the 2022/23 revenue budget in the light of the provisional local government settlement published on 16 December 2021 (for copy see file of Minutes).

The Head of Corporate Finance and Commercial Services provided a detailed update to the Board which provided information regarding ongoing budget pressures and uncertainty regarding government short term funding settlements. Details were also reported in respect of additional pressures budget pressures that would need to be accommodated next year, including the ongoing impact of the COVID-19 pandemic on waste budgets.

He went on to highlight the period of significant financial uncertainty that local government was operating in, brought about by a series of one year financial settlements, significant budget pressures in social care, special educational needs, disability services and other unfunded pressures arising from demographic and pay and price inflation. Forecasting the continuing impact of COVID-19 on the council's expenditure, income and government funding adds further uncertainty and complexity.

The second report highlighted that local government had received a provisional one year settlement with an update on financial forecasts including a range of new investments and additional budget pressures.

Councillor Crute welcomed the increase in some funding streams but expressed his concerns about the amount received for the Council, and the one year settlement causing huge levels of uncertainty and continuing budget pressures. In setting the budget and narrowing the gap he asked what we would need to deliver services and reduce that pressure on the budget. He went on to comment about the core spending power and his concerns over the comparison between what we had in Durham to the rest of the country and that this needs to be addressed. He asked if we had funding from the settlement to cover the increase in the National Living Wage, and what the risks were associated with that.

In response the Head of Corporate Finance and Commercial Services advised that the authority had responded to the Local Government Finance Settlement, stating that we were happy with some parts of it but were concerned about the one-off nature from some funding streams and that the fair funding review was based on uncertainty. Comparisons of the Core Spending Power and deprivation needed to be clarified as population and deprivation were major drivers for local government. The Fair Funding Review was being closely monitored but it was expected that the final settlement may not change. The shortfall for MTFP 12 had reduced from £45 million to closer to £30 million, so the position had improved but there was still so much uncertainty going forward. Next year we were hoping for a

two to three year settlement but the major concerns were our own base budget pressures including the Council Tax increase.

Councillor Crute asked that COSMB be allowed the opportunity to respond to the review. This was agreed by the Chair as it was important to allow more scrutiny of the budget to deliver the best outcomes possible.

Councillor Coult expressed concerns about the reference in the report about struggling to recruit staff for the roles on offer. She asked if this was for a specific sector or across the board and was there anything we could do to help. She was pleased to see improvements in reducing waiting times when dealing with pest control and reducing the waiting lists for allotments, as they played a key part in sustainable living and health and wellbeing. Councillor Coult referred to County Durham's woodlands as a massive asset and an area that the new officer could help drive forward and maintain, she asked that Cabinet cover the shortfall for tree maintenance.

The Head of Corporate Finance and Commercial Services responded that the main area of concern for recruitment was social care. He advised that HR colleagues had been working hard to address this and had used the apprenticeship strategy and were looking at a graduate strategy to alleviate the pressure. He added that there were workforce pressures throughout the authority but that this was being addressed through a workforce plan and was high on the agenda in terms of priorities.

Councillor Jackson commented that these were difficult times in which to balance a budget and was pleased to see areas such as pest control and neighbourhood wardens increasing staff. He was concerned about the continued levels of waste and asked if we could contact vendors about producing less waste. He also asked about the Free After 2 parking scheme and when the review would be completed and rolled out to the rest of the county.

In response the Head of Corporate Finance and Commercial Services would report back to the head of service in terms of reviewing investments for waste management. He would also circulate information regarding the car parking review.

Councillor Howey asked about where money could be saved. In terms of waste, she said that some people were still not sure about recycling and there was still a lot of contamination in recycling bins.

The Head of Corporate Finance and Commercial Services explained about the challenges the authority faced and the challenges ahead, with a shortfall of £16.6 million for 2023/24. He added that savings would be required to manage that shortfall and said that if any members had any ideas on

potential savings or investments that they should speak to Resources Finance or the appropriate head of service.

In response to a further question about procurement from Councillor Howey, the Head of Corporate Finance and Commercial Services explained that the major focus was value for money, balanced with quality. The Chair added that it was his intention to bring a piece of work on procurement through scrutiny going forward.

Councillor Gunn expressed her concerns about home to school transport and the reduction in budget from £3 million to £2.6 million. She said that this had always been a pressure for the Council and the statutory service that the Council provided in terms of looked after children.

In response the Head of Corporate Finance and Commercial Services stated that the £3 million pressure had been forecast in the summer, however the number of school bus passes had not materialised. He recognised that there had been many pressures which had seen an increase in the last four years as the budget doubled from £9 – 17 million, due to the pandemic, inflation costs, bus providers having to introduce safety measures, HGV driver shortage and fuel costs. In terms of looked after children this budget area had doubled to £20 million as both the numbers of children within the system and the complexity of cases was increasing. There was an increasing demand for external placements which was the reason it was important to re-open children's homes in the county and help keep children closer to their families.

Councillor Jopling commented that the joint administration were using the budget in an economic way. She was pleased to see investment in the budgets for allotments and pest control and added she had received positive feedback on road repairs. In terms of pest control she asked what would happen if a family could not afford to pay for the service. As chair of the Adults, Wellbeing and Health OSC, she noted that as the service continued to grow, she supported the transfer of any surplus money from this service to where it was needed such as children's services. She was pleased to see the uplift in wages for care home staff and that things were moving in the right direction.

In terms of road repairs the Head of Corporate Finance and Commercial Services explained that this was an area that had always been protected through the highways maintenance budget. Further details of the capital budget including investments would be available in the February budget report.

Referring to the pest control service the Head of Transactional Services advised that a scheme had been developed with Neighbourhood Services

that reduced the barrier for people to receive help through the welfare assistance scheme.

Councillor Surtees pointed out that conversations about changes to the pest control service had been taking place over the last two years. She commented that there was not enough funding for statutory services and that we must lobby as much as possible to get better investments, rather than one-off funding. She also expressed concerns about staffing and the inability to fill posts based on one year recruitment opportunities. Councillor Surtees commented that the pressures on the budget were due to disinvestments over the last ten years from £250 million of budget cuts and over 3000 jobs lost. Overall she believed that this was a positive budget but asked how it could be sustained going forward.

In response the Head of Corporate Finance and Commercial Services assured members that all new investments were recurrent and not one-offs. The commitment was to promote the workforce and bring in trainees which would eventually cover the aging workforce issue. The increase in the aging workforce from 55-60 years olds was costing an extra £1.3 million over the next two to three years. He confirmed that there would be no short term contracts for staff.

Councillor Adam recognised the continued pressures on the budget and the investments in ecology. He was concerned that there was no significant investment to reducing carbon emissions or footprint in the budget and believed that we should invest to save.

The Head of Corporate Finance and Commercial Services explained that the £1.5 million one-off funding for Climate Change in 2021 and the same figure for 2021/22 meant that £3 million would be carried forward with an increase in posts in the Low Carbon team. 2025/26 would see significant budget pressures for the vehicle fleet. For the last two to three years the smaller vehicles had been replaced by electric vehicles and had been cost neutral to the Council. From 2025/26 to 2030 the larger vehicles would need replacing with a cost impact of £1.3 million. This was the right way to go in terms of the environment but would have a huge cost. He added that carbon emissions was also looked at in terms of buildings and it was recognised that replacing boilers in schools would be another huge cost in the capital budget.

Councillor Marshall was pleased to see the books in a really good place and the potential the Council had to invest to save in terms of the Climate Emergency Plan and Ecology Emergency Plan, Poverty Action Plan and recognised that a lot of good work had been going on. He stated that the loss of jobs since 2010 had been significant and he believed to be as high as 6000, with £250 million of cuts and very difficult decisions being made. He welcomed additional funding but had concerns about the increases in the

adult social care tax increase. He believed that the reason there were massive pressures on both children's and adult's social care budgets was due to cuts to school budgets and the police which all have a direct impact on poverty. Budgets would continue to go up if we don't tackle the cause of the problem. Council tax levels sought to address deficits and invest to save has had a massive effect with community renewal funding. Had the country still been part of the EU, County Durham would have been one of the most deprived areas in Europe and received additional resources. He referred to the promise made by government that we would not receive less under the new Shared Prosperity Fund. He asked about the comparisons between similar authorities in the percentage of government grant received.

In response the Head of Corporate Finance and Commercial Services confirmed that 3000 jobs had been lost at the Council. Investments had been made in house to appoint extra staff which would see the workforce start to increase. He advised that a number of bids were being put forward to government to apply for grants in energy. An example of this would appear in the capital budget as Teesdale Leisure Centre which has been successful. He went on to say that with financial planning there has been a number of years assumed in the MTFP where the council would be losers due to one-off payments and major savings having to be met. In terms of comparisons between other authorities this would depend on what we were to compare. However with core spending power there was a clear line between deprivation and spending power per authority. The core spending power did not reflect deprivation. He added that we would have to lobby heavily with government should we not receive a fair deal through the levelling up bid.

Referring to a point from Councillor Marshall about the number of job losses, the Head of Corporate Finance and Commercial Services confirmed that the 3000 figure did not include schools.

Councillor Elmer was pleased to see the developments for the Climate Emergency response with the appointment of a new officer. With the increase in energy costs he asked if the Council could lobby for additional funding to better insulate buildings. He commented that he would like to see the Ecological Emergency running parallel with the Climate Emergency Response Plan.

The Head of Corporate Finance and Commercial Services advised that £120 million of capital investment was required to meet the targets and expectations of the climate emergency response and with 170 maintained schools, the Council had an enormous investment to make to replace boilers and heat pumps. Fleet management was another area requiring huge investment. The long term funding to meet targets would be balanced against the monthly carbon targets.

Resolved:

That the December 2021 and January 2022 Cabinet reports on the MTFP (12) 2022/23 to 2025/26 be noted and comments form the response from the Corporate Overview and Scrutiny Management Board to the budget.

6 Quarter Two, 2021/22 Performance Management

The Board considered a report of the Corporate Director Resources (Interim) which presented an overview of progress towards achieving the key outcomes of the council's corporate performance framework and highlighted key messages to inform strategic priorities and work programmes for Quarter 2, July to September 2021 (for copy see file of Minutes).

The Corporate Scrutiny and Strategy Manager advised that performance had already been reported via the thematic committees, except Safer and Stronger Communities, however the report provided details of performance relating to:

- More and Better Jobs
- Long and Independent Lives
- Connected Communities
- An Excellent Council and;
- The impact of COVID-19

The report further provided details of the overall position and direction of travel in relation to quarter two performance and the actions being taken in service areas to address areas of underperformance including the significant economic and well-being changes because of the pandemic.

Councillor Elmer said that in coming out of the pandemic and the effect on people's lives, would the Council be pushing to retain the current ways of working, which reduced traffic and helped with climate carbon. He added that there had been a decrease in the use of public transport, and an increase in waste and that more people wanted incineration rather than recycling. He suggested that education activities around recycling to encourage positive patterns and behaviour could be introduced and that the public needed re-assurance around public transport.

In response, the Corporate Scrutiny & Strategy Manager said that it was important to influence and re-educate people's behaviours and added that people were not necessarily eating out as much, increasing the amount of waste we currently had. The hybrid model of working would be the way of working going forward which would result in less transport required. Teams would continue to encourage news ways of working such as remote meetings and carrying out telephone assessments rather than face to face.

Councillor Freeman commented on free school meals, waste to landfill, bus services and retailers moving out of Bishop Auckland. The Corporate Scrutiny and Strategy Manager reported that there was still a stigma attached to the take up of free school meals and steps were being introduced to reassure parents about any concerns over access to financial information. Children often wanted to follow their peers and having free school meals was a matter of personal choice. The increase in refuse to landfill was a national problem, and there was the issue with plant maintenance for incineration. Town centre occupancy remained an issue as online shopping continued after lockdown ended. With bus usage, he added that people were still reticent to use public transport.

Despite the report showing a decrease in numbers, Councillor Coult was concerned that a number of ASB incidents were not being reported.

At 11.30 a.m. there was a fire alarm and the meeting was adjourned.

Meeting re-convened at 11.40 a.m.

Councillors Crute, Marshall, Shaw and Wilson did not return to the meeting.

Councillor Coult continued with her point about ASB and said that we needed to be clear with the definition and believed that it was being under reported.

The Corporate Scrutiny and Strategy Manager advised that data was compiled as part a crime survey for England and Wales and included incidents reported by the Police. People were often afraid of repercussions and he suggested that people could report anti-social behaviour anonymously.

Referring to recycling, Councillor Gunn asked if any support was offered to schools in terms of the materials they used. She commented that our Youth Council was a crucial way of involving young people in education about recycling. She also commented that cycling proficiency testing was carried out in schools and that it was a real asset. She went on to discuss ASB and that as youth projects were closed down due to lack of funding this had a significant impact on higher levels of anti-social behaviours. In terms of working with the Youth Council about recycling in schools, this would be reported back to the service.

Councillor Hovvels also commented about the lack of targeted funding to combat anti-social behaviour.

Still on the subject of ASB, Councillor Batey said that it depended on what constituted the level of ASB as to who responded, either the Police or the

involvement of Community Wardens. She believed that people opened up more at PACT meetings rather than picking up a phone or e-mail to report an issue. She felt that COVID had impacted strongly on the behaviour of young people with a raft of problems requiring a targeted approach.

Councillor Charlton, as Chair of Safer and Stronger Communities OSC, said that all members were welcome to attend and take part in those meetings as ASB was discussed as it was a complex issue.

Resolved:

That the content of the report be noted.

7 Poverty Issues

The Board received a report from the Corporate Director of Resources that provided an update on Poverty Issues including the most recent welfare, economic and poverty indicators for the county; expenditure which specifically supported poverty related activities; funded by both central government and from council budgets, enabling support to be delivered to vulnerable households by the council and key partners, and; the progress of the council and partners in addressing and alleviating poverty, including the response to the negative financial impacts arising from the COVID-19 pandemic (for copy see file of Minutes).

The Head of Transactional Services provided a detailed and comprehensive report and she highlighted that this was a huge piece of work across the Council looking at issues that come about through poverty and making sure that funding and investment was in place to have a positive impact on residents.

Councillor Surtees left the meeting at 12 p.m.

Councillor Batey asked a question on behalf of Councillor Surtees regarding the links to deprivation and hardships through COVID. Referring to paragraphs 77 to 87 of the report she asked if there would be a deeper dive into more local data.

The Head of Transactional Services explained that a recent piece of research from Neighbourhood Services had obtained a number of different data sets and this was being analysed, mapping out data across the whole county. There was a need for more targeted support in some areas. This would be reported through Cabinet and the Chair agreed that the refreshed Poverty Action Plan would also come back to the Board.

Councillor Gunn said that we needed to look at the impact of poverty across food, fuel, clothing and mental health needs. She was concerned of the affects this had on the educational needs of young people. She commended the service and officers on this area of work, and the voluntary organisations and committed volunteers.

The Head of Transactional Services said that an area of work being looked at was free school meals eligibility and the take up of vouchers, where they were used and where the gaps were to determine a more targeted approach.

Referring to housing, Councillor Elmer said that the COVID crisis had had a real impact on living costs and the affordability of mortgages and rent. He was concerned that with the return of landlords being able to evict tenants this would lead to additional poverty. He was concerned at the level of 'expensive' housing in the county and asked what we could do in terms of being robust in terms of housing planning.

In response, the Head of Transactional Services said that she would feedback those concerns to the Planning team. She agreed that that there had been a huge impact to households through COVID and that it was important that people knew where to find the support and help needed if they were in any financial difficulty.

Councillor Batey referred to the selective licensing scheme for landlords in areas of deprivation and would appreciate feedback in future years on how this has worked.

Councillor Freeman commented on the levels of work poverty and the job vacancies both nationally and locally and asked what could be done to get people into work.

The Head of Transactional Services said that Regeneration, Economy and Growth were looking at employment schemes to identify the skills required from employers to get people into the right jobs. Work was also carried out with the individual seeking employment.

Adding to that Councillor Lines asked if this was fed into the development of the economic strategy and was advised that this was looked at by the Corporate Management Team to ensure strategic approaches were aligned.

Resolved:

That the report be noted.

8 County Durham Partnership Update

The Board received a report of the Director of Neighbourhood Services and Climate Change which provided an update on issues being addressed by the County Durham Partnership (CDP). The report also includes updates on other key initiatives being carried out in partnership across the county (for copy see file of minutes).

Councillors Charlton and Gunn left the meeting at 12.25 p.m.

Referring to paragraph 55 in the report about Storm Arwen and the devastating affects to our residents, Councillor Batey mentioned the call for a public enquiry. She believed that this was fundamental going forward in understanding the Council's response as storms, flooding and associated risks with the climate would become more prevalent. She formally requested that the report come back to this board.

The Chair said that he would have conversations about the request but felt that Safer and Stronger Communities was the most appropriate Overview and Scrutiny Committee for the report .

Councillor Adam echoed the request for a report to come back to the Board as it involved other organisations, partners and scrutiny committees, and the different aspects should be discussed.

Councillor Hovvels also requested that the report was brought back to the Board.

Resolved:

That the report be noted.

9 Notice of Key Decisions

The Board considered a report of the Head of Legal and Democratic Services which listed key decisions which were scheduled to be considered by the Executive.

The Head Transformation, Planning and Performance advised that new to the plan were the following:

- Medium Term Financial Plan 2022/23 to 2025/26 and Revenue and Capital Budget 2022/23
- School Admission Arrangements - Academic Year 2023/24

Resolved:

That the content of the report be noted.

10 Information Update from the Chairs of the Overview and Scrutiny Committees

The Board considered a report of the Corporate Director Resources which presented for information an update on overview and scrutiny activity from December 2021 – January 2022 (for copy see file of Minutes).

Resolved:

That the content of the report be noted.