

DURHAM COUNTY COUNCIL

At an **Ordinary Meeting** of the County Council held in the **Council Chamber, County Hall, Durham** on **Wednesday 22 February 2023** at **10.00 am**

Present:

Councillor J Nicholson (Chair) in the Chair

Councillors M Abley, E Adam, R Adcock-Forster, V Andrews, J Atkinson, P Atkinson, A Batey, K Batey, R Bell, G Binney, J Blakey, D Boyes, D Brown, L Brown, J Cairns, R Charlton-Lainé, J Charlton, I Cochrane, J Cosslett, B Coult, R Crute, M Currah, S Deinali, T Duffy, K Earley, J Elmer, L Fenwick, C Fletcher, D Freeman, J Griffiths, O Gunn, D Hall, C Hampson, A Hanson, K Hawley, P Heaviside, T Henderson, S Henig, J Higgins, L A Holmes, C Hood, A Hopgood, L Hovvels, J Howey, C Hunt, G Hutchinson, A Jackson, M Johnson, N Jones, P Jopling, C Kay, B Kellett, L Kennedy, C Lines, L Maddison, R Manchester, C Marshall, C Martin, E Mavin, L Mavin, B McAloon, S McDonnell, D McKenna, M McKeon, I McLean, S McMahan, J Miller, P Molloy, D Mulholland, D Nicholls, D Oliver, R Ormerod, E Peeke, R Potts, P Pringle, J Purvis, J Quinn, S Quinn, A Reed, G Richardson, S Robinson, K Robson, K Rooney, J Rowlandson, A Savory, E Scott, P Sexton, K Shaw, A Shield, J Shuttleworth, M Simmons, A Simpson, G Smith, T Smith, M Stead, W Stelling, A Sterling, D Stoker, T Stubbs, A Surtees, D Sutton-Lloyd, P Taylor, F Tinsley, S Townsend, C Varty, E Waldock, M Walton, A Watson, M Wilkes, M Wilson, S Wilson, D Wood, R Yorke and S Zair

Apologies for absence were received from Councillors B Bainbridge, C Bell, J Chaplow, K Fantarrow, D Howarth and M McGaun

Councillor Nicholson announced that she was chairing the meeting as Councillor Beaty Bainbridge was currently experiencing a period of ill health. She asked that the Council join her in sending Councillor Bainbridge our very best wishes.

1 To confirm the minutes

The minutes of the meeting held on 25 January 2023 were confirmed by the Council as a correct record and signed by the Chair.

2 To receive any declarations of interest from Members

There were no declarations of interest in relation to any items of business on the agenda.

3 Chair's Announcements

The Chair informed Council that the main focus of the meeting was to set the budget and council tax and **Moved** a Motion without notice to waive standing orders to allow for the extension of the meeting should it go beyond two and a half hours. The Motion was **Seconded** by Councillor A Shield.

Resolved:

That standing orders be waived to allow for the extension of the meeting should it go beyond two and a half hours.

Moving onto Civic Events and Council achievements, since the last Council meeting the Chair and Vice-Chair had attended

- Holocaust Memorial Day event on 27 January,
- an evening with Seaham Music Academy on 2 February; and
- attendance at the Durham County Scouts Awards on 4 February.

The Chair announced that the Council was one of 75 local authorities to have an application accepted to be part of the Family Hubs and Start for Life programme. The government had also announced that the Council was one of 14 applicants to have been chosen as a trailblazer for the scheme, which would see the authority receive additional funding to fast-track the delivery of the new service. The programme would transform the county's current One Point family centres into Family Hubs, a one-stop shop providing services to families from pregnancy through a child's early years until they reach the age of 19.

The Council had been shortlisted for LGC awards innovation category celebrate councils that used innovations to rethink services for better outcomes for citizens and communities at less cost or to improve outcomes or delivery.

Council was informed that Friday 17 February was Care Day and a number of events were being held to coincide with this national day of awareness which was the world's biggest celebration of children and young people with care experience and an opportunity to celebrate the rights of care experienced children and young people. A drop in event was taking place at County Hall from 11am to 5pm to celebrate care day. Young persons who were 16+, their workers and all care leavers had been invited to attend. Artwork would be displayed that had been put together by the young people. The art depicted what young people felt the words "care experienced" meant to them and would also show the journey of the care leavers HUB from when it first opened.

On a more poignant note Friday, 24 February would mark the first anniversary of the full-scale Russian invasion of Ukraine. The invasion had caused tens of thousands of deaths and instigated Europe's largest refugee crisis since World War II. The Chair also paid tribute to those who had lost their lives in the recent earthquakes in Turkey and Syria and the humanitarian effort that would be urgently required in terms of the search operations, food and other supplies.

A national minute's silence would take place at 11am on Friday 24 February and the Chair asked everyone in attendance to stand for a moments silence to remember those affected by events in Ukraine and to pay tribute to the courage of the Ukrainian people and demonstrate the UK's and County Durham's unwavering solidarity with the country. Also, remembering those in Turkey and Syria who had lost their lives in the recent earthquakes.

4 Leader's Report

Councillor A Hopgood, Leader of the Council thanked everyone in the Chamber for observing the minutes' silence in honour of those affected by events in Ukraine, Turkey and Syria and said that everyone would be aware that the Council had been flying the Ukrainian flag at the front of County Hall for the past year as a show of support for the country and its people. She added that support went much further than the simple flying of a flag. People from across the County had been doing whatever they could to help those in need as a result of the conflict, from donating spare cash to sending lorry-loads of supplies to the Ukrainian border.

Many County Durham residents had also opened up their homes to Ukrainian citizens through the national Homes for Ukraine scheme, which saw 'host' households in the UK offering accommodation to those fleeing the conflict.

Since the outbreak of war, 513 people had arrived in County Durham and been offered a home within communities. Almost 100 people had been able to move on to independent accommodation in the County, while 92 had been provided with homes through Durham Key Options.

The council had provided support by carrying out checks on hosts and their premises before guests arrived, conducting home visits and administering funding. While it was terribly sad that people from Ukraine were having to leave their country, the Leader was not surprised by the show of support from County Durham residents.

County Durham was an incredibly welcoming community, as had been shown through the support for people fleeing adversity and oppression in other parts of the world.

In recent years, County Durham had opened its' doors to those seeking refuge and asylum from Syria, Iran, Sudan and Afghanistan, all with the support of residents and a wide range of partner organisations.

The Leader invited everyone in the chamber will join her in expressing thanks to all those within communities who stepped up to offer their help.

While the Leader was sure all would like to see a day when such support was no longer required, County Durham would always extend a hand of friendship when it is needed.

In response to a question from Councillor Marshall about levelling up consultant fees, the Chair asked him to put this in writing to the Leader as was not part of her report.

Councillor C Marshall referred to the Government's Ukrainian resettlement scheme and the thousands at risk of homelessness due to issues around funding and financial support. Councillor Marshall asked the Leader of the Council what steps the Council were taking in holding the government to account on this failed scheme to support Ukraine refugees which had not been thought through to a proper conclusion.

Councillor Marshall also asked what the council was doing to support families, and the costs involved, in ensuring that those families were not displaced from a safe and secure home once again.

The Leader replied that she would respond in writing to Councillor Marshall following the meeting.

5 Questions from the Public

Three questions had been received for the meeting from Mr Hails, Mr Thorley and Mr Elliott.

Mr Hails was unable to attend the meeting and had requested that the Chair put his question to Council. The Chair put the following question:

"I understand you might be reopening the DLI building.

If so, will you house the full DLI collection and restore full artistic exhibitions to the museums remit and should you decide not to house the full DLI collection or display art exhibitions, can you justify spending what will possibly be a significant amount of the Council taxpayers money, therefore, please inform me of the net running costs".

Councillor Scott, Cabinet Portfolio Holder for Economy and Partnerships thanked Mr Hails for his question and provided the following response.

“In June 2021, following the local elections in May 2021, the Cabinet of Durham County Council agreed to review options to reopen the Durham Light Infantry Museum & Durham Art Gallery.

The outcome of that review was presented to Cabinet in September 2021, which identified a preferred option to bring the building back into use as an exhibition centre, gallery and cafe venue incorporating a dedicated display space for items from the DLI Collection to complement plans for the exhibitions in The Story, acknowledging that The Story, as the county’s new History Centre, would be the permanent home for the full DLI Collection, its storage, care and curation.

While the redevelopment of the site would see a dedicated display of this collection, which held such a significant place in the county’s history, the full DLI Collection would not be on display at the new venue as it was not physically large enough and never was in any event pre-the closure by the previous administration in 2015.

The DLI Collection currently contained over 200,000 archive items and 15,000 objects and continued to grow with donations from members of the public. Given its vast size the entire DLI Collection had never been on display in one location at any one time. Typically, museums around the world display only 5% of their collection.

Alongside the dedicated display space for the DLI Collection there would also be space for changing/ temporary exhibitions. This exhibition space has been designed to meet appropriate British Standards and the requirement of the Government Indemnity Scheme and as such would be the first time Durham City, and indeed the county, would have a large exhibition space able to attract and secure significant loans from national and international galleries and museums, as well as the capacity to show the county’s collections in new ways, and to work with creatives and curators to originate new exhibitions.

The operational business plan for the new venue was expected to attract in the region of 150,000 visitors per year, and was being developed to ensure resilience, sustainability, and value for money for the long term. This business plan was considered alongside the forecast capital costs of bringing the building back into use as outlined in the September 2021 Cabinet report and was agreed by Cabinet in April 2022.

It was currently forecast to have a net cost of £600k per annum to operate the new larger and much improved facility, with permanent free access for all

to the DLI exhibitions and the new public spaces inside and outside the building. Provision for this had been made in the Councils Medium Term Financial Plan from 2024/25.

Importantly like any public infrastructure the Council had invested in a facility that was free at the point of use for all. Last year we saw County Durham short listed for the UK City of Culture 2025, with a vision to build a great future on our proud past and ensuring that key facilities like the DLI and the Story were here for future generations was imperative.

Going forward, officers were continuing to develop the business plan and refine the forecasts and if it was possible to reduce the expected running costs we would, but it was important that Cabinet were aware of the estimated running costs when we made the decision to reopen the facility. This venue was an important commitment as part of our inclusive economic strategy, ensuring that culture, heritage, and creativity were inclusive, rooted and ambitious, building on the proud history of our county. The new exhibition gallery along with the DLI space, sensitively designed extension and the sustainably landscaped grounds and reflective garden will provide a contemporary cultural venue, filling a significant gap in our infrastructure.

The new DLI venue and The Story at Mount Oswald, would together create a significant new draw for visitors and local people alike, contributing to both our visitor economy and to local pride.

The second question was from Mr Thorley:

“Are there any future prospects of council funded CCTV cameras being installed at 'problem areas' in and around the areas of Shildon and Brusselton to deter the issue of flying tipping and other rural crime in the area.

Many councils in England have secured direct grants for CCTV in the last 18 months as the increase in flytipping continues along with other rural crimes.”

Mr Thorley was unable to attend the meeting and would receive a written response to his question following the meeting from the relevant Cabinet Portfolio Holder.

The third question was from Mr Elliott who was in attendance:

“My question relates to the signing of the Devolution deal on behalf of County Durham.

How will the funding be a good thing for County Durham and will full Council have the opportunity to fully debate the devolution deal in the future before any final decision is made?”

In response the Leader of the Council thanked Mr Elliott for his question and reported that on 18 January the Councils Cabinet considered a report which evidenced why that the 'minded to' LA7 devolution deal represented the best option for County Durham residents and businesses and endorsed in principle that the "minded to" devolution deal should be taken forward. A copy of the deal that had been negotiated with government was attached to the report and was available on our website. Members of the public, and any councillors, were able to attend and ask questions at cabinet meetings - and this opportunity was available when the devolution report was considered.

The January Cabinet report also outlined the findings of the governance review that had been undertaken. This review set out that a new mayoral combined authority would improve the exercise of statutory functions across the region. The proposals were being consulted on until the 23 March.

Prior to the January Cabinet meeting, it was also important to note that there was a full debate about devolution at an Extraordinary meeting of the Council on the 7th December 2022 - which resulted in a motion being passed by council that stated - "cabinet secure a devolution deal that is best for County Durham residents and businesses".

The proposed regional deal would see a significant shift of powers, funding and responsibility from central government to our region. Working alongside our colleagues in the other authorities, it would allow us to pursue our ambitions for the growth of our area and the wider region, which would benefit everyone who lived in the north east."

An LA7 deal would give this council access to more funding and additional powers and more opportunity for deeper devolution. By becoming a part of one of the largest devolution deals in the country, we would also have greater influence at a national level.

There would also be more flexibility as to how money could be spent and more opportunity for private investment.

By joining the regional deal, County Durham would have access to £120 million more in funding than it would have through a standalone county deal, while economic estimates suggested that 6,500 new jobs could be created in Durham within a LA7 deal – 2,000 more than in a county deal.

It was also estimated that the LA7 deal would attract £1.34bn private sector investment into the county, some £400m more than that estimated in a county deal.

Following the conclusion of the statutory consultation, the Cabinets of all seven councils would consider the outcome of the consultation and next steps. There was no requirement for a report to be brought to Council.

The Chair announced that that concluded Public Questions for the meeting. All questions and responses would be posted on the Council's website following the meeting.

6 Petitions

There were no petitions for consideration.

7 Report from the Cabinet

The Council noted a report from the Cabinet which provided information on issues considered at its meeting held on 18 January 2023 (for copy see file of Minutes).

8 Budget 2023/24 - Report under Section 25 of Local Government Act 2003

The Council considered a report of the Corporate Director of Resources which provided information on the robustness of the estimates and the adequacy of reserves in the Council's Budget for 2023/24 (for copy see file of Minutes).

Councillor Marshall asked that the process be outlined should Council not approve the budget at this meeting. The Head of Legal and Democratic Services explained that the Council must legally set a budget by 11 March 2023. Should there be objections to the budget the Leader must be informed as to those objections and convene a meeting of the Cabinet to consider if they wished to submit revised proposal to Council. Council would need to meet no later than 8 March 2023.

Councillor Wilkes, Cabinet Portfolio Holder for Neighbourhoods and Climate Change asked whether all political groups had been given the full opportunity to comment on the budget before the Council meeting, and this was confirmed by the Corporate Director of Resources.

Resolved:

That the Council have regard to the statement when approving the budget and the level of Council Tax for 2023/24.

The Chair reminded Council that under Paragraph 14.6 of the Council Procedure Rules a recorded vote was required for each of the budget and council tax items.

Councillor R Bell, Deputy Leader and Portfolio Holder for Finance **Moved** a Motion without Notice that Agenda Item Nos. 9 and 10 be considered together as they were inextricably linked. The Motion was **Seconded** by Councillor A Shield.

The Head of Legal and Democratic Services advised Council that the Council Procedure Rules allowed for such a Motion and that it was appropriate to consider both items together, reminding Members that such arrangements had been made in previous years. Considering the two items together impacted on the length of time Members could speak. The proposer and seconder of the Motion and Group Leaders would have 10 minutes. Councillor R Bell, although a Group Leader, would be seconding the budget in his capacity as Deputy Leader and therefore could speak for 6 minutes. Councillor R Crute as Deputy Leader of the Labour Group and Shadow Portfolio Holder for Finance would respond to the budget and the Chair had agreed that he could speak for 10 minutes with Councillor C Marshall having 3 minutes. All other speakers had 3 minutes and the Leader had a 6 minute right of reply at the end of the debate.

9 Medium Term Financial Plan 2023/24 to 2026/27 and Revenue and Capital Budget 2023/24

10 Council Tax Setting in Order to Meet the County Council's Council Tax Requirement for 2023/24

In **Moving** adoption of the Cabinet reports, Councillor Hopgood made a statement on the budget proposals for 2023/24 and the Medium Term Financial Plan forecasts for the period 2023/24 to 2026/27, as follows:

The proposals were the culmination of months of work and at each stage scrutiny had been involved in the budget setting process. The report included details of the feedback from those meetings and from wider engagement through Area Action Partnerships and through engagement with Business Rate Payers and with Trade Unions, plus other partners and stakeholders.

The budget had been prepared during a period of unprecedented inflationary pressures, significant market volatility and uncertainty and in the context of rising interest rates, the likes of which had not been seen for decades.

The report provided a comprehensive overview of the budget pressures being faced, the announcements made in the Autumn Statement in November last year and the Local Government Finance Settlement which was subsequently published.

The 2023/24 budgets needed to make provision for significant uplifts in many Council budgets to meet inflationary pressures.

These pressures included the impact of CPI and the National Living Wage increases next year, which had a significant bearing on Adult Social Care contracts in particular.

The cost pressures in Adult and Children's Social Care, which were by far the largest budgets the Council had, were enormous.

The cost pressures in these two areas from placements (excluding pay inflation) totalled £30.4 million next year, the additional revenue generated from an Adult Social Care precept and the additional specific grant funding for these areas would fall well short of the cost pressures being faced, in part due to the Council's low tax raising capacity, a matter which had consistently been raised with Government and most recently in the Councils feedback on the Provisional Local Government Finance Settlement.

The Council was also seeing significant and enduring cost pressures in the Home to School Transport Budgets, which would need a budget increase of £8.3 million next year.

Whilst the budget pressures faced from gas and electricity price increases had subsided somewhat over recent months, budgets still needed to accommodate an additional £6m of growth next year, building on the c£4m of growth built into the 2022/23 base budget, meaning energy budgets would need to have more than doubled in the space of 12 months.

The budget included some additional investment in the Council's in-house fostering service (£1.7 million); in Children's Social Care Teams to improve caseload capacity (£0.811 million) and in children's social care prevention services as part of the LAC sufficiency strategy (£0.808 million).

In overall terms, the Council faced spending pressures totalling £78.9 million next year, which included a circa £19.5 million pressure for pay inflation, with £7 million of this relating to the shortfall in the current budget following the local government pay award this year.

Despite the challenging financial position the Council has had to contend with, alongside construction price inflation and increased cost of borrowing, the budget included an ambitious capital programme, with £122 million of new additional investments proposed, including further significant investment in schools, including new builds at Belmont and Greenfield, in highways infrastructure, including a major investment on the A690, in new Children's Homes as part of the Looked After Children Sufficiency Strategy and in Towns and Villages, bringing the total capital programme to £778 million over

the next four years. This was by far the largest level of capital investment the Council had seen.

The uncertainty over funding settlements from 2025/26 onwards casted an ominous shadow over medium term financial planning and there could be significant challenges to come in 2025/26 and beyond.

The savings proposals included in the budget were largely in line with the proposals that were consulted upon across the back end of last year.

The Leader thanked everyone involved in the consultation exercise which had been undertaken and the feedback received had been carefully considered in finalising the savings plans included at Appendix 3.

The total identified savings across the MTFP13 planning period were £18.261 million, with £12.383 million (68%) falling into next year.

The budget proposals included Council Tax increases in line with Government expectations. They took into account and adopted the new Council Tax core referendum limits from next year and the Adult Social Care Precepting powers. The expectation from Government was that these additional flexibilities would be taken and the recommendation from the Council's s151 officer was that these tax raising powers be taken.

While increasing the level of council tax was a decision that should not be taken lightly and the current cost of living squeeze must be recognised, not increasing council tax was simply not a sustainable or prudent strategy to adopt.

Every 1% of council tax increase applied generated around £2.55 million of additional funding for the Council to sustain vital local services. In the absence of additional Government funding being provided there was a binary choice between increasing the Council Tax or increasing the scale of the budget deficit and the savings and efficiencies.

Assuming that Council agreed the Council Tax increases factored into the report and the savings proposals were agreed and delivered, then the budget shortfall next year would be £10.028 million, rising to £23.177 million over the four year planning period.

The Council would continue to be flexible in its approach in terms of planning for the next four financial years so that it could continue to support residents in County Durham in the best way it could.

Work had already started on developing options to address these challenges so that consideration could be given to what further savings would be

required in 2024/25 and beyond and Cabinet would need to consider this in the summer alongside any updated forecasts.

The proposed increase next year represented an increase of around £1.12 to £1.50 per week for the majority of households across the County, with those on low incomes fully protected through the Local Council Tax Reduction scheme.

On 8 February 2023 Cabinet agreed revisions to the Councils Council Tax Discretionary Relief policy, and this provided additional top up support payments to those households, both working age and those of pension age who were in receipt of partial Local Council Tax Reduction Support but were still left with a bill to pay.

As at Quarter 2, earmarked and cash limit reserves were forecast to reduce by £45m and the General Reserve was forecast to reduce to £21.3 million, below the minimum threshold agreed by Council in February 2022 and below the reserves strategy.

There would therefore need to be a transfer to General Reserves at the year end.

It was not sustainable to underpin a budget indefinitely from reserves and as had been done in the past, and the underlying budget position would need to be addressed..

Utilising the MTFP reserve next year would allow time to develop proposals that would minimise as far as possible the impact on front line service delivery.

The report included details of the various Dedicated Schools block funding allocations, where mainstream schools would benefit from an additional net £8.549m of schools block funding next year, alongside an estimated £13m of Mainstream Schools additional grant. There was also an additional £9.4m of High Needs SEND funding being provided next year. The updated school funding formula factors were set out in the report and were in line with the local formula agreed by Cabinet in January.

The recommendations for Item 9 were summarised at section 49, and the Leader confirmed that they satisfied statutory requirements with regards to the budget setting, including the declaration of the forecast deficit on the Collection Fund, the adoption of the Pay Policy, the Capital Strategy and the various Treasury Management Policies and Strategies which included the updated Property Investment Strategy and the updated Prudential Indicators, which had been updated and attached to the report at Appendices 12 and 13.

Item 10 detailed the various statutory Council Tax setting determinations which the Council was required to formally consider and adopt and included a base council tax increase of 2.99% for 2023/24 and a proposed 2% Adult Social Care Precept.

The report included precept information for the County Durham and Darlington Fire and Rescue Authority, the Durham Police, Crime and Victims Commissioner and County Durham's Parish and Town Councils, which were at Appendix 3.

The Leader **Moved** the recommendations of both reports and in doing so placed on record her thanks to the Corporate Director of Resources and his team and budget managers across the Council for the work undertaken to develop the reports and the budget proposals before Council today.

Councillor R Bell, Deputy Leader and Portfolio Holder for Finance **Seconded** the reports and recommendations under Items 9 and 10 and reserved the right to speak until the end of the debate.

Councillor C Martin, Chair of Corporate Overview and Scrutiny Management Board (COSMB) welcomed the opportunity to scrutinise Cabinet's budget proposals for the MTFP 2023/24 – 2026/27 and the revenue and capital budget for 2023/24. It was a priority for the COSMB to scrutinise the MTFP and budget, and he was pleased that this had been done diligently and constructively.

This year scrutiny had increased its role in scrutinising Cabinet's MTFP plans and worked differently. Scrutiny committees who received budgetary information had been asked to consider establishing working groups to take a deeper dive into how the Council resourced key areas, providing recommendations to Cabinet. The results of the task and finish groups were included in the report to Council.

COSMB received four Cabinet reports on the development of the MTFP and budget and had fed back its views to Cabinet.

The Board had a robust challenge and debate over the plans, and Councillor Martin thanked the Head of Financial and Commercial Services for the comprehensive way he had responded to questions.

Councillor Martin welcomed the decision to continue the free after two parking initiative after this had been raised in scrutiny.

All of the points raised by COSMB and the outcomes from the task and finish groups were included in the report to Council starting at paragraph 116 on page 61 of the pack.

The budget utilised reserves to deal with the financial problems the Council faced with the expectation that savings would be worked up over the course of the next financial year.

It was vital that scrutiny was involved in developing these proposals in the coming year to add value to decision making by completely scrutinising any proposals.

Councillor Crute considered that the Council had set out a clear message in that services would be cut whilst fees and charges would be increased. He asked why the Council would not support more people instead of failing them. He had received a number of complaints from people about the proposed increases as people were already angry at the rise in cost of living. Councillor Crute said that the coalition had referenced unavoidable pressures in the budget report and asked what was “unavoidable”. He suggested that this was down to decade of savage austerity cuts experienced since 2010. Mortgage and domestic rises had an impact on everyday lives and he believed it was a deliberate ploy from government and the weak decision making from the leadership at County Hall. In the past 21 months money had been syphoned-off into a high-end, silver service restaurant in the old DLI Museum, the folly of plans to build three new council HQs, the fiasco of the failed Levelling-Up bids, and now the proposed council tax hike of 5%. This at a time when households were suffering from the worst cost-of-living crisis in a generation.

Councillor Crute invited all members of the Council, Liberal Democrat, Independent or Green to join Labour in rejecting this budget. The choice was to vote through a record 5% Council Tax hike or join Labour in standing up for the residents of County Durham and come up with something better to protect and not punish residents.

Councillors Gunn, Hovvels, Andrews, Adams, Surtees, Tinsley, McKeon, Shaw spoke against the budget proposals.

Councillors Howey, Duffy, Lines, Hood, Coult, Blakey, Elmer, Scott, Wilkes, Rowlandson, Shuttleworth, Potts, Shield and Sutton-Lloyd spoke in favour of the budget proposals.

Councillor Marshall felt that the budget was farcical and showed the non-delivery of a capital programme and the failure to identify savings. He did not understand why Council Tax was going up when the current leadership had argued against this for a decade. He believed the leadership had failed to

deliver any savings, failed with levelling up bids, failed with the City of Culture bid, failed Aykley Heads and failed to build an economic strategy.

When asked why the Labour Group had not put an alternative budget forward Councillor Marshall argued that it was not the job of the Labour Group to do so adding that a rise in Council Tax would put more of a burden on the hard working families in County Durham and he would not support the proposals.

Councillor R Bell thanked all of the officers for the comprehensive and thorough report. The budget was facing inflationary pressures and it was hoped that the Adult Social Care pressures would be paid forward. He added that there was no choice but to increase Council Tax as the alternative would be cuts to services or unsustainable use of reserves. While he understood the pressures faced by some residents he stressed that there was additional support available through various schemes. Councillor Bell supported the recommendations.

Councillor Hopgood was disappointed that some information which had been included in a Part B report about the new headquarters had been referred to as this was confidential information. She was surprised that there was a mention of capital being used to fund revenue, which could not be done. She was not aware of any member of staff wanting to move into the HQ building in Durham and was surprised that no alternative had been put forward from the Labour Group. She was aware that when opportunities were presented in scrutiny meetings for members to discuss the budget Labour members had walked out and did not take part. This was no way to run a Council and Councillor Hopgood supported the budget.

Votes were then taken on the main Motions which were the recommendations contained within the reports.

Medium Term Financial Plan 2023/24 to 2026/27 and Revenue and Capital Budget 2023/24

For the Motion

Councillors M Abley, R Bell, J Blakey, D Brown, L Brown, J Cairns, J Charlton, J Cosslett, B Coult, M Currah, T Duffy, J Elmer, D Freeman, P Heaviside, T Henderson, L Holmes, C Hood, A Hopgood, J Howey, C Hunt, G Hutchinson, A Jackson, N Jones, P Jopling, C Lines, L Maddison, C Martin, E Mavin, L Mavin, B McAloon, S McDonnell, P Molloy, J Nicholson, D Oliver, R Ormerod, E Peeke, R Potts, J Quinn, A Reed, G Richardson, S Robinson, K Robson, K Rooney, J Rowlandson, A Savory, E Scott, A Shield, J Shuttleworth, M Simmons, A Simpson, M Stead, W Stelling, A Sterling, D Stoker, T Stubbs, D Sutton-Lloyd, M Walton, A Watson, M Wilkes and S Zair.

Against the Motion

Councillors E Adam, R Adcock-Forster, V Andrews, J Atkinson, P Atkinson, A Batey, K Batey, G Binney, D Boyes, R Charlton-Lainé, I Cochrane, R Crute, S Deinali, K Earley, L Fenwick, C Fletcher, J Griffiths, O Gunn, D Hall, C Hampson, A Hanson, K Hawley, S Henig, J Higgins, L Hovvels, M Johnson, C Kay, B Kellett, L Kennedy, R Manchester, C Marshall, D McKenna, M McKeon, I McLean, S McMahon, J Miller, D Mulholland, D Nicholls, P Pringle, J Purvis, S Quinn, P Sexton, K Shaw, G Smith, T Smith, A Surtees, P Taylor, F Tinsley, S Townsend, C Varty, E Waldock, M Wilson, S Wilson, D Wood and R Yorke.

Abstentions

None

Resolved:

That the report and its recommendations be adopted in full.

Council Tax Setting in Order to Meet the County Council's Council Tax Requirement for 2023/24

For the Motion

Councillors M Abley, R Bell, J Blakey, D Brown, L Brown, J Cairns, J Charlton, J Cosslett, B Coult, M Currah, T Duffy, J Elmer, D Freeman, P Heaviside, T Henderson, L Holmes, C Hood, A Hopgood, J Howey, C Hunt, G Hutchinson, A Jackson, N Jones, P Jopling, C Lines, L Maddison, C Martin, E Mavin, L Mavin, B McAloon, S McDonnell, P Molloy, J Nicholson, D Oliver, R Ormerod, E Peeke, R Potts, J Quinn, A Reed, G Richardson, S Robinson, K Robson, K Rooney, J Rowlandson, A Savory, E Scott, A Shield, J Shuttleworth, M Simmons, A Simpson, M Stead, W Stelling, A Sterling, D Stoker, T Stubbs, D Sutton-Lloyd, M Walton, A Watson, M Wilkes and S Zair.

Against the Motion

Councillors E Adam, R Adcock-Forster, V Andrews, J Atkinson, P Atkinson, A Batey, K Batey, G Binney, D Boyes, R Charlton-Lainé, I Cochrane, R Crute, S Deinali, K Earley, L Fenwick, C Fletcher, J Griffiths, O Gunn, D Hall, C Hampson, A Hanson, K Hawley, S Henig, J Higgins, L Hovvels, M Johnson, C Kay, B Kellett, L Kennedy, R Manchester, C Marshall, D McKenna, M McKeon, I McLean, S McMahon, J Miller, D Mulholland, D Nicholls, P Pringle, J Purvis, S Quinn, P Sexton, K Shaw, G Smith, T Smith, A Surtees, P Taylor, F Tinsley, S Townsend, C Varty, E Waldock, M Wilson, S Wilson, D Wood and R Yorke.

Abstentions

None

Resolved:

That the following be adopted:

- (a) It be noted that the council tax base 2023/24 for:
 - (i) the whole council area is 145,675.9 Band D equivalent properties [Item T in the formula in Section 31B of the Local Government Finance Act 1992 (as amended)] and
 - (ii) dwellings in those parts of its area to which a parish precept relates is set out in the attached Appendix 3.
- (b) The Council Tax Requirement for the Council's own purposes for 2023/24 (excluding Parish precepts and the Charter Trustees for the City of Durham precept) is £268,371,427.
- (c) Agree the following amounts in accordance with Sections 30 to 36 of the Act being the:
 - (i) aggregate of the gross expenditure which the council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by parish councils is £1,436,888,069
 - (ii) aggregate of the gross income which the council estimates for the items set out in Section 31A(3) of the Act is £1,153,373,193
 - (iii) amount by which the aggregate at (c) i) above exceeds the aggregate at (c) ii) above in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year [Item R in the formula in Section 31B of the Act] is £283,514,876
 - (iv) amount at (c) iii) above (Item R), all divided by Item T ((a) i) above), in accordance with Section 31B of the Act as the basic amount of its council tax at Band D for the year (including parish precepts) is £1,946.20.
 - (v) aggregate amount of all special items referred to in Section 34 (1) of the Act: (total of all parish precepts including Charter Trustees) is £15,143,449.

(vi) amount at (c) iv) above less the result given by dividing the amount at (c) v) above by Item T ((a) i) above), in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax at Band D for the year for dwellings in those parts of its area to which no Parish precept relates is £1,842.25

(d) It be noted that for 2023/24, the County Durham and Darlington Fire and Rescue Authority has recommended the following amounts be in the precept issued to the County Council, in accordance with Section 40 of the Act, as shown in the table below:

COUNTY DURHAM AND DARLINGTON FIRE AND RESCUE AUTHORITY

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
76.46	89.20	101.95	114.69	140.18	165.66	191.15	229.38

(e) It be noted that for 2023/24, the Durham Police, Crime and Victims' Commissioner has recommended that the following amounts be in the precept issued to the County Council, in accordance with Section 40 of the Act, as shown in the following table:

DURHAM POLICE, CRIME AND VICTIMS' COMMISSIONER

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
170.16	198.52	226.88	255.24	311.96	368.68	425.40	510.48

(f) That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992 (as amended) hereby sets the set the aggregate amounts shown in the tables below as the amounts of council tax for 2023/24 for each part of its area and for each of the categories of dwellings:

DURHAM COUNTY COUNCIL

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1,062.73	1,239.86	1,416.98	1,594.10	1,948.34	2,302.59	2,656.83	3,188.20

DURHAM COUNTY COUNCIL – ADULT SOCIAL CARE

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
165.43	193.01	220.58	248.15	303.29	358.44	413.58	496.30

AGGREGATE OF COUNCIL TAX REQUIREMENTS (excluding Parish, Town Council and Charter Trustees)

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1,474.78	1,720.59	1,966.39	2,212.18	2,703.77	3,195.37	3,686.96	4,424.36

- (g) The Council has determined that its relevant basic amount of council tax for 2023/24 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992 (as amended) and that the increase in council tax is not excessive in accordance with the principles approved under Section 52ZC Local Government Finance Act 1992 (as amended).
- (h) As a billing authority the Council has not been notified by County Durham and Darlington Fire and Rescue Authority and Durham Police, Crime and Victims' Commissioner, as major precepting authorities, that their relevant basic amount of council tax for 2023/24 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK Local Government Finance Act 1992 (as amended).
- (i) The Council set a 0% discount for Second and Empty Furnished Homes, in accordance with Section 11A (3) of the Act.
- (j) The Council set a 0% discount for dwellings defined in classes C or D, in accordance with Section 11A (4A) of the Act.
- (k) The Council set premium charges for long term empty homes, in accordance with Section 11B (1b) of the Act: 100% premium for properties which have been empty between two and five years and 200% premium for properties empty for longer than five years.

- (l) The Chief Executive be instructed to publish a notice in accordance with Section 38 (2) of the Act, relating to the amounts of council tax set.
- (m) The Chief Executive be instructed to publish a notice in accordance with Section 11A (6) and 11B (6) of the Act, relating to the discount set.

11 Council Plan 2023-24 to 2026-27 Refresh

The Council considered a report of the Chief Executive which sought approval of the Council Plan 2023-24 to 26-27 Refresh (for copy see file of Minutes)

In **Moving** the report Councillor Hopgood, Leader of the Council thanked the Head of Corporate Affairs for the report, his team and all the officers involved in updating the Council Plan.

The Council was responsible for a wide range of public services and had a significant role to play in improving the lives of everyone who lived in, visited or worked in County Durham. County Durham had both opportunities and issues that needed to be addressed. Many of the issues facing residents could not be solved by the council alone so it was important that the Council worked in partnership with others across the public, private, voluntary and community sectors, that collectively we acknowledged and understood the challenges our communities faced, that we were ambitious in our approach, that we took difficult decisions to tackle difficult issues and that we demonstrated clear community leadership. It was vital to listen to communities and to partners to ensure that we built collective understanding and community cohesion and focused on the things that mattered the most to residents and to local businesses.

The report set out details of the updated Council Plan, covering the period 2023 to 2027. The Plan set out the Council's ambitions, its desired outcomes and its actions to deliver on these alongside a range of performance measures to track the performance of the council's services. It was an important document as it set the Council's priorities and directed resources. In June last year, Council agreed an updated and refreshed Council Plan and agreed to refresh and update it on an annual basis going forward, presented to County Council alongside the MTFP and budget setting reports in February.

The Leader went on to highlight what the report covered:

The overall style and tone of the document was in line with the Plan agreed in June last year and was fully aligned with and complimented the MTFP.

The Council Plan ensured that resources were used in a transparent and effective way, by setting out priorities to support the economy, environment and communities, and to further improve the efficiency and effectiveness of the council for everyone's benefit. Over the last year the council had been focusing on the development of an inclusive economy, culminating in Cabinet agreeing the Inclusive Economic Strategy in December last year, a document which would provide a platform to shape economic development for years to come.

The council had also provided a greater focus on the environment, as demonstrated by the declaration of an Ecological Emergency last year and the more stretching carbon reduction targets which had been agreed as part of the updated Climate Emergency Response Plan.

In the last year the council had sold the building on The Sands in Durham City and agreed an alternative strategy for the location of the council's headquarters functions.

The reopening of the former DLI building as a cultural venue had been progressed and significant strides forward made in terms of turning the redevelopment of Aykley Heads from a concept into reality through meaningful market engagement and more detailed options appraisal.

Moving forward there was a need to maintain sound management of resources in delivering on ambitions and priorities, seeking to maximise the talents of people and use technology to provide the best services possible within the resources available. Councillor Hopgood **Moved** that the Council accept the report and the recommendations set out at paragraph 9.

In **Seconding** the report Councillor R Bell, Deputy Leader and Cabinet Portfolio Holder for Finance informed Council that it was important to have a Plan which reflected the Council's wider partnership vision and focussed on what the Council would do over the coming years to improve the lives of people in County Durham.

Resolved:

That the Council Plan 2023-2027 be approved.

12 Election of Chair of Economy and Enterprise Overview and Scrutiny Committee

Moved by Councillor A Shield, **Seconded** by Councillor C Hood that Councillor K Robson be elected Chairman of Economy and Enterprise Overview and Scrutiny Committee.

Moved by Councillor M McKeon, **Seconded** by Councillor J Miller that Councillor R Manchester be elected Chairman of Economy and Enterprise Overview and Scrutiny Committee.

A named vote was requested and results were as follows:

For Cllr K Robson

Councillors M Abley, R Bell, J Blakey, D Brown, L Brown, J Cairns, J Charlton, J Cosslett, B Coult, M Currah, T Duffy, J Elmer, D Freeman, P Heaviside, T Henderson, L Holmes, C Hood, A Hopgood, J Howey, C Hunt, G Hutchinson, A Jackson, N Jones, P Jopling, C Lines, C Martin, E Mavin, L Mavin, S McDonnell, P Molloy, J Nicholson, D Oliver, R Ormerod, E Peeke, R Potts, J Quinn, A Reed, G Richardson, S Robinson, K Robson, K Rooney, J Rowlandson, A Savory, E Scott, P Sexton, A Shield, J Shuttleworth, M Simmons, A Simpson, M Stead, W Stelling, D Stoker, T Stubbs, D Sutton-Lloyd, M Walton, A Watson, M Wilkes and S Zair.

For Cllr R Manchester

Councillors E Adam, R Adcock-Forster, V Andrews, J Atkinson, P Atkinson, A Batey, K Batey, G Binney, D Boyes, R Charlton-Lainé, I Cochrane, R Crute, S Deinali, K Earley, L Fenwick, C Fletcher, J Griffiths, O Gunn, D Hall, C Hampson, A Hanson, K Hawley, S Henig, J Higgins, L Hovvels, M Johnson, C Kay, B Kellett, L Kennedy, R Manchester, C Marshall, D McKenna, M McKeon, I McLean, S McMahan, J Miller, D Mulholland, D Nicholls, P Pringle, J Purvis, S Quinn, K Shaw, G Smith, T Smith, A Surtees, P Taylor, F Tinsley, S Townsend, C Varty, E Waldock, M Wilson, D Wood and R Yorke.

Abstentions

None

Resolved:

That Councillor K Robson be elected Chairman of Economy and Enterprise Overview and Scrutiny Committee.

13 Request for Dispensation

The Council considered a report of the Head of Legal and Democratic Services which sought approval to grant a dispensation under section 85(1) of the Local Government Act 1972, Vacation of office by failure to attend meetings (for copy see file of Minutes).

Moved by Councillor McKeon, **Seconded** by Councillor Shield and

Resolved:

That Councillor Chaplow's request for a dispensation under section 85(1) of the Local Government Act 1972 be approved.

14 Questions from Members

There were no questions from Members.