



Local Government Act 1972

I Hereby Give You Notice that an **Ordinary Meeting** of the **Durham County Council** will be held in the **Council Chamber, County Hall, Durham** on **Wednesday 22 February 2023** at **10.00 am** to transact the following business:-

1. To confirm the minutes of the meeting held on 25 January 2023 (Pages 3 - 12)
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 13 - 18)
8. Budget 2023/24 - Report under Section 25 of Local Government Act 2003 - Report of Corporate Director of Resources (Pages 19 - 28)
9. Medium Term Financial Plan 2023/24 to 2026/27 and Revenue and Capital Budget 2023/24 - Report of Cabinet (Pages 29 - 274)
10. Council Tax Setting in Order to Meet the County Council's Council Tax Requirement for 2023/24 - Report of Corporate Director of Resources (Pages 275 - 298)

11. Council Plan 2023-24 to 2026-27 Refresh - Report of Chief Executive (Pages 299 - 380)
12. Election of Chair of Economy and Enterprise Overview and Scrutiny Committee
13. Request for Dispensation (Pages 381 - 384)
14. 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 February 2023

A handwritten signature in black ink that reads "Helen Lynch". The signature is written in a cursive style with a large initial 'H' and a long, sweeping underline.

Helen Lynch
Head of Legal and Democratic Services

To: All Members of the County Council

DURHAM COUNTY COUNCIL

At an **Ordinary Meeting** of the County Council held in the **Council Chamber, County Hall, Durham** on **Wednesday 25 January 2023** at **10.00 am**

Present:

Councillor B Bainbridge in the Chair

Councillors M Abley, E Adam, R Adcock-Forster, V Andrews, J Atkinson, P Atkinson, A Batey, K Batey, C Bell, R Bell, C Bihari, G Binney, J Blakey, D Brown, L Brown, 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, D Haney, A Hanson, P Heaviside, T Henderson, L A Holmes, C Hood, A Hopgood, L Hovvells, C Hunt, G Hutchinson, A Jackson, M Johnson, N Jones, P Jopling, B Kellett, C Lines, L Maddison, R Manchester, C Marshall, C Martin, B McAloon, S McDonnell, M McGaun, D McKenna, M McKeon, I McLean, S McMahan, J Miller, D Mulholland, D Nicholls, J Nicholson (Vice-Chair), 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, K Shaw, A Shield, J Shuttleworth, M Simmons, A Simpson, G Smith, T Smith, M Stead, W Stelling, A Sterling, D Stoker, 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 K Hawley, S Henig, J Higgins, D Howarth, J Howey, P Molloy and T Stubbs

Prior to the commencement of the meeting the Chair announced with great sadness two deaths, former Councillor and Alderman Mary Hawgood and former Councillor Ronnie Meir.

Mary represented the Newton Hall Electoral Division on the County Council from 1993 and 1997 and the Framwellgate Ward on Durham City Council between 1991 and 2003 and the Crossgate and Framwellgate Ward on the City Council between 2003 and 2007. Mary was also Mayor of Durham in 2004/05.

Ronnie represented the Seaham Electoral Division on Durham County Council between 2005 and 2008 and also served on Seaham Town Council.

Members stood for a moments silence out of respect to Mary and Ronnie.

1 Minutes

The minutes of the Ordinary and Extraordinary meetings held on 7 December 2022 were confirmed by the Council as a correct record and signed by the Chair.

2 Declarations of Interest

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

3 Chair's Announcements

The Chair reminded Council that Holocaust Memorial Day was the day for everyone in the UK to remember the millions of people murdered in the Holocaust, under Nazi persecution, and in the genocides which followed in Cambodia, Rwanda, Bosnia, and Darfur.

It was commemorated annually on 27 January, which coincided with the anniversary of the liberation of Auschwitz-Birkenau, the largest Nazi concentration and extermination camp.

To mark Holocaust Memorial Day the Council was holding a free event on Friday 27 January at the Gala Theatre in Durham City, where Professor Marek Szablewski would share the story of his family's life in occupied Poland during World War II.

Durham County Hall would be lit purple on the evening and Durham Cathedral was also marking the day by hosting a display of artwork by St Leonard's and Belmont schools to reflect the Holocaust Memorial Day theme for 2023, 'Ordinary People'.

It was essential that people continued to reflect on these harrowing events, which demonstrated what could happen when discrimination and prejudice took hold. It was also a stark reminder of why it was so important to promote tolerance and equality, and to work together to eradicate hate crime.

The Chair informed Council that since the last Council meeting she had attended several events, including the County Council staff awards on 7 December and the Seaham Sea Cadets awards night on 15 December. She had also attended some beautiful Carol services at Shildon, Stanley and Ferryhill and watched the Mencap Nativity on 17 December.

Moving on to some recent Council successes the Chair was pleased to report that Durham was recognised for its efforts to reduce and recycle waste at the National Recycling Awards.

Durham won the Campaign of the Year for its Waste Electrical and Electronic Equipment recycling project which gave small electrical and battery operated items the chance to become something new.

The Councils Shared Lives Service, which supported almost 100 people across County Durham and Hartlepool had been rated as outstanding by the Care Quality Commission.

Durham County Council had once again been awarded Disability Confident Leader Level 3 status by the Department for Work and Pensions. Since the initial accreditation three years ago, Durham had established a staff disability and allies' network, which continued to grow and provided support for disabled staff as well as acting as a voice as to how improvements could be made.

Finally, the County Council and some local care homes it worked with had won two accolades at the national Reminiscence Interactive Therapy Activities (RITA) awards.

The council and homes piloting RITA were presented with the silver award in the RITA Star Award category, and Redworth House Care Home in Shildon won the bronze award for Best Use of RITA to Prevent Falls.

The RITA equipment had been trialled in 12 care homes in the county where user-friendly interactive screens and tablets were used to assist residents, particularly those with memory impairments, through listening to music, watching news reports of significant historical events, listening to war-time speeches, playing games, watching films, and karaoke.

The Chair and Council congratulated all staff involved in the achievement of the awards.

4 Leader's Report

The Council noted a report from Councillor A Hopgood, Leader of the Council as follows:

Just after Christmas the government announced it was minded to agree a devolution deal for the north east and last week Cabinet endorsed the proposal.

If it progressed, the deal would bring £4.2 billion of investment to the north east, including £48 million a year to support inclusive economic growth and support regeneration priorities, and £900 million for transport.

This, in addition to an indicative budget of £60 million a year for adult education and skills, and £69 million of investment in housing and regeneration.

This significant investment and the devolution of powers to our region was all the more important given last week's announcement on levelling up funding.

A public consultation on how devolution would work will begin next week, with details of how to get involved available on the County Council's website. Councillor Hopgood encouraged all Members to share the link with residents and businesses in their wards to ensure everyone had the opportunity to have their say.

The Joint Administration remained hugely ambitious for County Durham and would not let last week's news deter it from its plans to build County Durham's economy and further develop communities.

Councillor C Marshall expressed disappointment that the Council's five levelling up bids, which cost £2m had been unsuccessful and asked the Leader of the Council what she considered levelling up was to the residents of County Durham. The Leader of the Council replied that the Joint Administration had demonstrated its ambition for County Durham, adding the criteria for bids for levelling up were changed after the Council had submitted its bids so that any Council which received funding in the first round would not receive funding in the second round. The Joint Administration was taking this up with Government.

5 Questions from the Public

There were no questions from the public.

6 Petitions

The Council received a petition from Councillor Danny Wood, Chair of Pelton Parish Council which related to a play/recreation area at The Wynd at Pelton.

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

7 Report from the Cabinet

The Council noted a report from the Cabinet which provided information on issues considered at its meeting held on 14 December 2022 (for copy see file of Minutes).

8 Updated Local Code of Corporate Governance

The Council considered a report of the Corporate Director of Resources which provided the updated Local Code of Corporate Governance, which was considered and approved by the Audit Committee on 28 November 2022 (for copy see file of Minutes).

Resolved:

That the updated Local Code of Corporate Governance be received.

9 Local Government Boundary Commission Review

The Council noted a report of the Corporate Director of Resources which detailed the next steps in relation to the Local Government Boundary Commission England in respect of future electoral divisions (for copy see file of Minutes).

Councillors C Marshall and A Hopgood thanked officers for their work on the Local Government Boundary Commission Review.

10 Overview and Scrutiny - Six Monthly Update

The Council noted a six-monthly update report from Overview and Scrutiny (for copy see file of Minutes).

Councillor C Martin, Chair of the Corporate Overview and Scrutiny Management Board presented the Overview and Scrutiny update which set out some of the activity undertaken in the past six months.

Councillor Martin informed Council that the six-month period had again been a very busy period for scrutiny, which continued to encourage inclusiveness and transparency in its work and aimed to increase its input into policy development.

It continued to implement the scrutiny process in accordance with the four principles of effective scrutiny:

- To provide a constructive critical friend challenge
- To amplify the voices and concerns of the public
- To be led by independent minded people who take responsibility for their role
- To drive improvement in public services

Councillor Martin then provided some brief examples of the work covered to date.

The Corporate Overview and Scrutiny Management Board had again contributed to the budget process through consideration and scrutiny of the MTFP.

The Board had also scrutinised the revised County Durham Poverty Strategy and Action Plan. As the cost of living crisis impacted communities this strategy and action plan played an important role in the response by the council and its partners. The Board had welcomed the opportunity to comment on the strategy and had forwarded comments to government on concerns around the causes and effects of poverty in County Durham. The Board would continue to keep a close eye on progress of the strategy.

The Adults, Wellbeing and Health Overview and Scrutiny Committee had examined proposals for structural change in commissioning arrangements, responsibilities and collaborative working between the NHS and local government social care.

Children and Young People Overview and Scrutiny Committee welcomed the opportunity to comment on the Growing Up in County Durham draft strategy.

The Economy and Enterprise Overview and Scrutiny Committee considered the emerging Inclusive Economic Strategy. Comments from members had helped shape the final strategy.

The Environment and Sustainable Communities Overview and Scrutiny Committee considered an update of resources and waste management services in County Durham. To assist with their understanding of the subject members undertook a visit to various recycling and waste plants.

The Safer and Stronger Communities Overview and Scrutiny Committee held a focused briefing session and a special committee meeting to consider the draft anti-social behaviour strategy. Their views formed part of the consultation response to the Safer Durham Partnership.

Councillor Martin thanked officers that supported the work of Scrutiny, the chairs and vice chairs who lead the work programs they formulated and all Members who had taken part in the Committees.

11 Local Government Association "Debate Not Hate" Campaign

The Council considered a report of the Head of Legal and Democratic Services which provided details of the Local Government Association's

'Debate Not Hate: The Impact of Abuse on Local Democracy' report (for copy see file of Minutes).

Councillors S Townsend, C Fletcher, M McKeon, O Gunn, E Scott, A Hopgood, C Varty, M Walton, C Hunt, P Jopling, A Shield, D Sutton-Lloyd all spoke in support of the Campaign and some gave personal examples of intimidation and abuse they had been subjected to.

Moved by Councillor J Nicholson, **Seconded** by Councillor S Townsend.

Resolved:

That

- (a) the Debate Not Hate Campaign had been added to the Standards Committee Work Programme to ensure that the Council remained up to date with the campaign be noted.
- (b) the Leader of the Council sign the Debate Not Hate Public Statement on behalf of the County Council.

The Head of Legal and Democratic Services informed Council that she would circulate the link to the Debate Not Hate Public Statement to all Members should they wish to sign individually.

Councillor R Bell **Moved** a Motion without Notice that Standing Order 10.7 be suspended to extend the time for debating Motions on Notice but not to suspend Standing Order 4.2 to extend the length of the meeting. **Seconded** by Councillor S McDonnell.

The Council agreed the suspension of Standing Order 10.7 which related to the time allowed for the discussion of Motions.

12 **Motions on Notice**

Moved by Councillor R Crute, **Seconded** by Councillor K Shaw

The current Council Tax system is iniquitous and remains unfit for purpose, even more so at a time when many households across County Durham are struggling to make ends meet under the persistent pressures of the ongoing cost of living crisis. A motion adopted by this council in 2021 to consider options in introducing a fairer system to replace Council Tax has failed to deliver any discernible benefit to the residents of County Durham. Therefore this council agrees to pursue every available opportunity to consider the benefits and feasibility of introducing a Proportional Property Tax to replace the current Council Tax regime in County Durham.

Councillor Adcock-Forster spoke in support of the Motion.

An Amendment was **Moved** by Councillor R Bell, Deputy Leader and Portfolio Holder for Finance, **Seconded** by Councillor A Shield, Cabinet Portfolio Holder for Equality and Inclusion:

The current Council Tax system is iniquitous and remains unfit for purpose, even more so at a time when many households across County Durham are struggling to make ends meet under the persistent pressures of the ongoing cost of living crisis.

A motion adopted by this council in 2021 to consider options in introducing a fairer system to replace Council Tax has failed to deliver any discernible benefit to the residents of County Durham.

Therefore this council agrees to pursue every available opportunity to consider the benefits and feasibility of introducing a *fairer system* ~~Proportional Property Tax~~ to replace the current Council Tax regime in County Durham *including a fairer way of distributing support from Central Government*.

Councillors C Marshall, O Gunn, M McKeon, D Wood, D Mulholland, A Surtees and F Tinsley all spoke against the Amendment. Councillors J Elmer, M Wilkes, S McDonnell, A Jackson and D Sutton-Lloyd spoke in support of the Amendment.

A named vote on the Amendment was requested.

For the Amendment

Councillors M Abley, B Bainbridge, C Bell, R Bell, J Blakey, D Brown, L Brown, J Charlton, J Cosslett, B Coult, M Currah, T Duffy, J Elmer, D Freeman, D Haney, P Heaviside, T Henderson, L Holmes, C Hood, A Hopgood, C Hunt, G Hutchinson, A Jackson, N Jones, P Jopling, C Lines, L Maddison, C Martin, S McDonnell, M McGaun, 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, D Sutton-Lloyd, F Tinsley, M Walton, A Watson, M Wilkes and S Zair.

Against the Amendment:

Councillors E Adam, R Adcock-Forster, V Andrews, J Atkinson, P Atkinson, A Batey, K Batey, C Bihari, G Binney, R Crute, S Deinali, K Earley, L Fenwick, C Fletcher, J Griffiths, O Gunn, D Hall, C Hampson, A Hanson, L Hovvells, M Johnson, B Kellett, R Manchester, C Marshall, B McAloon, 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, S Townsend, C Varty, E Waldock, M Wilson, S Wilson, D Wood and R Yorke.

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

A named vote on the Substantive Motion was requested.

For the Substantive Motion

Councillors M Abley, E Adam, R Adcock-Forster, V Andrews, J Atkinson, P Atkinson, B Bainbridge, A Batey, K Batey, C Bell, R Bell, C Bihari, G Binney, J Blakey, D Brown, L Brown, J Charlton, 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, D Haney, A Hanson, P Heaviside, T Henderson, L Holmes, C Hood, A Hopgood, L Hovvells, C Hunt, G Hutchinson, A Jackson, M Johnson, N Jones, P Jopling, C Lines, L Maddison, R Manchester, C Marshall, C Martin, B McAloon, S McDonnell, M McGaun, D McKenna, M McKeon, S McMahan, J Miller, D Mulholland, D Nicholls, J Nicholson, 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, K Shaw, A Shield, J Shuttleworth, M Simmons, A Simpson, G Smith, T Smith, M Stead, W Stelling, A Sterling, D Stoker, A Surtees, D Sutton-Lloyd, F Tinsley, S Townsend, E Waldock, M Walton, A Watson, M Wilkes, M Wilson, S Wilson, D Wood, R Yorke and S Zair.

Against the Substantive Motion:

Councillors B Kellett, I McLean, P Taylor and C Varty.

The Substantive Motion was **carried**.

Moved by Councillor A Surtees, **Seconded** by Councillor J Miller

This council resolves to write to local Members of Parliament, and to the Secretary of State for Work and Pensions to outline the effects of the injustice to 1950s women on the communities in County Durham and to seek their support for an immediate compensation package.

Councillors M Wilkes, L Brown, C Varty, J Charlton, C Hunt, A Shield, and C Hood all spoke in support of the Motion.

A named vote on the Motion was requested.

For the Motion:

Councillors M Abley, E Adam, R Adcock-Forster, V Andrews, J Atkinson, P Atkinson, B Bainbridge, A Batey, K Batey, C Bell, R Bell, C Bihari, G Binney, J Blakey, D Brown, L Brown, J Charlton, 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, D Haney, A Hanson, P Heaviside, T Henderson, L Holmes, C Hood, A Hopgood, L Hovvells, C Hunt, G Hutchinson, A Jackson, M Johnson, N Jones, P Jopling, B Kellett, C Lines, L Maddison, R Manchester, C Marshall, C Martin, B McAloon, S McDonnell, M McGaun, D McKenna, M McKeon, I McLean, S McMahan, J Miller, D Mulholland, D Nicholls, J Nicholson, 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, K Shaw, A Shield, J Shuttleworth, M Simmons, A Simpson, G Smith, T Smith, M Stead, W Stelling, A Sterling, D Stoker, 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.

Against the Motion

None

The Chair informed Council that the outstanding Motion would be carried forward to the March Council meeting.

13 Questions from Members

There were no questions from Members.

Electoral division(s) affected:

All

Purpose of the Report

To provide information to the Council on issues considered by the Cabinet at its meeting held on 18 January 2023 to enable Members to ask related questions by no later than midday 3 working days before the day of the meeting

Contents

Item 1 – Medium Term Financial Plan 2023/24 to 2026/27 and Revenue Budget 2023/24 - Key Decision: CORP/R/22/01

Item 2 - Bus Service Improvement Plan and Enhanced Partnership - Key Decision: REG/01/2023

Item 3 – North East Devolution

Item 4 – Future of County Council Allotments

Item 5 - Sufficiency and Commissioning Strategy for Looked After Children and Care Leavers 2022-2024

Item 6 - Acquisition of property for use as Children’s Homes

Item 7 - Mainstream Primary and Secondary Formula Funding 2023/24

1. Medium Term Financial Plan 2023/24 to 2026/27 and Revenue Budget 2023/24 - Key Decision: CORP/R/22/01 - Cabinet Portfolio Holder - Councillor Richard Bell, Deputy Leader and Portfolio Holder for Finance

We considered a report of the Corporate Director of Resources which provided an update on the development of MTFP(13), covering the period 2023/24 to 2026/27 and on the development of the 2023/24 revenue budget in the light of the Chancellor of the Exchequer’s Autumn Statement in November and the provisional local government finance settlement published on 19 December 2022.

The report included updated financial forecasts, building on the figures previously considered by Cabinet in October 2022, together with the outcome of the MTFP(13) budget consultation process.

Decision

We

- (a) noted the content of the report detailing the content of the Autumn Statement and the provisional local government finance settlement;
- (b) noted that the draft settlement was better than was forecast but that the government had announced that funding settlements for the public sector but especially for unprotected government departments would be challenging for the period 2025/26 to 2027/28;
- (c) noted that proposals for how the additional allocation of £1.440 million from the Council Tax Support fund funding could be used and administered to enhance the current LCTRS would be included as part of the MTFP report to Cabinet in February 2023;
- (d) noted the changes to the MTFP(13) planning assumptions set out in the report, including the proposed council tax increases in line with the government's expectations;
- (e) noted the proposed revisions to savings plans for MTFP(13);
- (f) agreed the transfers of reserves recommended as part of the reserves review;
- (g) noted the budget shortfall for 2023/24 of £12.881 million with a £22.430 million savings shortfall over the four year MTFP(13) period;
- (h) noted the consultation responses on MTFP(13) and consider these when finalising the 2023/24 budget; and
- (i) noted that the 2023/34 revenue and capital budget and MTFP(13) 2023/24 to 2026/27 budget report would be presented to Cabinet on 8 February 2023 and to Council on 22 February 2023.

2. Bus Service Improvement Plan and Enhanced Partnership - Key Decision: REG/01/2023 - Cabinet Portfolio Holder – Councillor Elizabeth Scott, Portfolio Holder for Economy and Partnerships

We considered a report of the Corporate Director of Regeneration, Economy and Growth which outlined provided an update on the region's Bus Service Improvement Plan and Enhanced Partnership Plan and Scheme, provided detail on the required statutory consultation, and sought approval to formally sign the Enhanced Partnership Plan and Scheme.

Decision

We

- (a) noted the contents of the report and appendices;
- (b) noted the workstreams for Durham, a summary of which was at paragraph 17, full details being in the EP Scheme appendix 3;

- (c) agreed that Durham County Council could act as signatory to the EP Plan and Scheme, and agreed delegated authority for the Corporate Director of Regeneration, Economy and Growth, in consultation with the Cabinet Portfolio Holder for Economy and Partnerships, to sign the document on behalf of the County Council;
- (d) agreed delegated authority for the Corporate Director of Regeneration, Economy and Growth, in consultation with Cabinet Portfolio Holder for Economy and Partnerships, to make amendments to the EP Plan and Scheme and associated funding between schemes.

3. North East Devolution – Cabinet Portfolio Holder – Councillor Amanda Hopgood, Leader of the Council

In accordance with paragraph 19(a) of the Overview and Scrutiny Procedure Rules, North East Devolution was exempt from the call-in procedure due to the urgent nature of the decision being made.

We considered a report of the Chief Executive which provided a summary of the discussions with Government and the LA6 Councils relating to devolution in County Durham and information relating the opportunities and impact of a devolution deal on County Durham. This covered consideration of a County devolution deal option and also a devolution deal for the North East Region covering Durham, Gateshead, Northumberland, North Tyneside, Newcastle, South Tyneside and Sunderland local authority areas.

The report also provided details of the ‘minded to’ deal that had been announced by the Secretary of State and explained the legislative process that underpinned the delivery of the LA7 deal, including a Governance Review, Governance Scheme and consultation.

Decision

We:

- (a) agreed that the ‘minded to’ LA7 devolution deal represented the best option for County Durham residents and businesses;
- (b) endorsed in principle the “minded to” devolution deal at Appendix 3;
- (c) agreed with the findings of the governance review at Appendix 4, namely that the proposed creation of a new mayoral combined authority for the North East region to replace the existing combined authorities would improve the exercise of statutory functions across the region;
- (d) agreed that the North East Councils publish a scheme for the delivery of these governance changes, the current draft at Appendix 5;
- (e) agreed that the North East Councils undertake public consultation in connection with the proposals contained in the scheme as described in paragraphs 86 to 89 of the report;

- (f) agreed that the Chief Executive, in consultation with the Leader of Council, be authorised to take all steps necessary to implement the above proposals, including (but not limited to) making amendments to the draft scheme and the consultation exercise;
- (g) noted that a further report would be brought to Cabinet at the end of that consultation exercise

4. Future of County Council Allotments – Cabinet Portfolio Holder - Councillor Rowlandson, Cabinet Portfolio Holder for Resources, Investment and Assets

We considered a report of the Corporate Director of Neighbourhoods and Climate Change which sought approval to consider a range of allotment policy and procedure changes, building on work and recommendations from the Environment and Sustainable Communities Overview and Scrutiny Committee (ESCOSC) in January 2020 and which provided updated countywide policy and tenancy agreements for consideration, setting out transition arrangements which ensured that these measures were focussed on genuine allotments only, allotment associations were encouraged and empowered and that tenants had adequate time to make adjustments if this was required. The report also provided an update on the Durham County Council allotment service including recent investments, which complemented the above changes and re-invigorated service provision

Decision

We agreed to formal acceptance of ESCOSC policy recommendations, that would result in updated policy and tenancy agreements (Appendices 3 & 4)

We noted:

- (a) that safeguards were included which would:
 - (i) exclude those sites, which although managed by the allotment service were currently used detailed in Appendix 7 for other purposes;
 - (ii) provide flexibility for Associations in consultation with the Council to come to bespoke arrangements for their site;
 - iii) provide a transition period for tenants set out in (Appendix 5);
- (b) that allotments held by higher tier authorities should transfer to lower tier authorities set up after 2009 and consistent with this engagement with Town and Parish Councils where this applied;
- (c) recent investments in allotments, and infrastructure capital grant scheme for which budgetary provision already existed.

5. Sufficiency and Commissioning Strategy for Looked After Children and Care Leavers 2022-2024 – Cabinet Portfolio Holder - Councillor Ted Henderson, Cabinet Portfolio Holder for Children and Young People’s Services

We considered a report of the Corporate Director of Children and Young People’s Services which provided an Executive Summary in relation to the new Sufficiency and Commissioning Strategy for Children Looked After and Care Leavers 2022-24 (Appendix 2 of the report).

The Strategy outlined the sufficiency position at a point in time, providing local intelligence and data and identified a series of key priorities and actions which would improve the council’s overall sufficiency of placement provision for children and young people who could no longer live with their family.

Decision

We considered and approved the Sufficiency and Commissioning Strategy for Looked After Children and Care Leavers set out in Appendix 2 and the strategic priorities contained within Appendix 3.

6. Acquisition of property for use as Children’s Homes Cabinet Portfolio Holders - Councillor James Rowlandson, Cabinet Portfolio Holder for Resources, Investment and Assets and Councillor Ted Henderson, Cabinet Portfolio Holder for Children and Young People’s Services

We considered a joint report of the Corporate Director of Children and Young People’s Services and Corporate Director of Regeneration and Economic Growth regrading a revised approach to expedite the acquisition process and enable fair competition with other buyers when purchasing properties for use as children’s homes. The report also sought to increase the delegated authority to Officers for acquisition of property for use as children’s homes.

Decision

We

- (a) noted the contents of the report;
- (b) approved the revised approach to acquiring property for the purposes of purchasing children’s homes as attached at Appendix 3;
- (c) delegated authority to the Corporate Director of Regeneration and Economic Growth, in consultation with the Corporate Director of Resources as Section 151 Officer, the Cabinet Portfolio Holder for Resources, Investments and Assets and the Cabinet Portfolio Holder for Finance to approve the acquisition of property up to the value of £500,000 where the property was to be used as a children’s home only;

(d) agreed that as a rarity, the acquisition of new children's homes was deemed a priority so that teams involved in the process could expedite them.

7. Mainstream Primary and Secondary Formula Funding 2023/24 – Cabinet Portfolio Holders - Councillor Ted Henderson, Portfolio Holder for Children and Young People's Services Paul Darby, Corporate Director of Resources Councillor Richard Bell, Deputy Leader and Portfolio Holder for Finance

We considered a joint report of the Corporate Director of Children and Young People's Services and Corporate Director of Resources which provided an overview of the forecast Dedicated Schools Grant School Block and proposed local formula for allocating funding to individual schools in 2023/24, where the proposal was that the council continued to align the local mainstream primary and secondary formula funding in 2023/24 with the National Funding Formula (NFF).

Decision

We agreed that in 2023/24 the local formula continue to be aligned to the National Funding Formula (as updated); and to the adjustment for basic need growth funding for Framwellgate Primary School; and

We noted that the formula factors would be finalised upon receipt of the finance settlement, with the detailed formula included in the MTFP(13) and 2023/24 budget report in February 2023.

Background Papers

Cabinet Agenda and Reports

[Cabinet - Wednesday 18 January 2023](#)

Councillor A Hopgood,
Leader of the Council
14 February 2023

County Council

22 February 2023

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



Report of Paul Darby, Corporate Director of Resources

Councillor Richard Bell, Deputy Leader and Cabinet Portfolio
Holder for Finance

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 To provide members with information on the robustness of the estimates and the adequacy of reserves in the Cabinet's budget proposals for 2023/24. Provision of this information is a legal requirement and ensures that all Members have regard to the professional authoritative advice provided by the authority's Chief Financial Officer when final budget decisions are made at this meeting.

Executive Summary

- 2 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs and to appoint a S151 Officer, also known as a Chief Financial Officer (CFO), to have responsibility for those arrangements.
- 3 Section 25 of the Local Government Act (LGA) 2003 requires that when a local authority is considering its budget and setting its council tax for the forthcoming financial year, its Chief Financial Officer must report to Full Council on:
 - (a) the robustness of the estimates made for the purposes of the council tax requirement calculations;
 - (b) the adequacy of the proposed financial reserves allowed for in the budget proposals.
- 4 Section 25 of the LGA 2003 requires members to have regard to this report in making their decisions in relation to the budget and the setting of council tax for 2023/24.

Recommendation

- 5 That members have regard to this report and the opinions set out in it when considering and approving the budget and the level of Council Tax for 2023/24.

Background

- 6 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs and to appoint a S151 Officer, also known as a Chief Financial Officer (CFO), to have responsibility for those arrangements.
- 7 Local Authorities decide every year how much they are going to raise from Council Tax. Decisions are based on a budget that sets out estimates of what the Council plans to spend on each of its services in the forthcoming year in order to deliver its strategic objectives as set out in the Council Plan.
- 8 The decision on the level of the Council Tax is taken before the financial year begins and it cannot be changed during the year, so allowance for risks and uncertainties that might increase service expenditure above that planned, must be made by:
 - (a) making prudent allowance in the estimates for each of the services;
 - (b) ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient or unexpected events occur that were not anticipated.
- 9 Section 25 of the Local Government Act (LGA) 2003 requires that when a local authority is considering its budget and setting its council tax for the forthcoming financial year, its Chief Financial Officer must report to Full Council on:
 - (a) the robustness of the estimates made for the purposes of the Council Tax requirement calculations;
 - (b) the adequacy of the proposed financial reserves allowed for in the budget proposals.
- 10 Section 25 of the LGA 2003 also requires members to have regard to this report in making their decisions in relation to the budget and the setting of council tax for 2023/24.

Robustness of Estimates

- 11 Service groupings have been building detailed budgets throughout the year. This includes identification of unavoidable service pressures and inflationary / demographic changes that need reflecting in the base budget next year. Reports have been presented to Cabinet and Corporate Overview and Scrutiny Management Board throughout the year as part of the budget planning process.

- 12 The 2023/24 budget proposals are based on extensive analysis and assurances from Corporate Directors and their Service Management Teams plus their finance support staff. Cabinet Members have worked with Corporate Directors throughout the process. Overview and Scrutiny Members have been able to question Service Groupings on budgets, performance and proposals throughout the year. Area Action Partnerships, the County Durham Partnership, Trade Unions, Business Ratepayers and their representatives have also had the opportunity to be consulted on the proposals. The feedback from these consultations, alongside the outcomes from the consultation undertaken with the wider public via an online survey that was made available on our website, is included in the budget report.
- 13 The council has faced significant financial challenges from high inflation levels during 2022/23. This has impacted upon the price of goods and services purchased alongside the 2022/23 pay award averaging 6.6% against a 3.25% allowance in the base budget. These significant budget pressures in 2022/23 resulted in a £14.640 million forecast in year overspend being reported to Cabinet on 16 November 2022 based upon the Quarter 2 forecast. This overspend is being funded via the £10 million Budget Support Reserve set up during the 2021/22 final outturn process for this purpose and agreed by Cabinet on 13 July 2022, with the remaining £4.640 million being funded from the General Reserve.
- 14 The significant inflationary and demand led pressures, particularly in our Adult Social Care and Children's Social Care budgets, have resulted in additional base budget pressures of £78.906 million being included in the 2023/24 budget build process. As part of the local government finance settlement Government have provided £40 million of additional grant funding next year, however, £2.5 million of this is recycled specific grant funding the council was already receiving and £4.3 million of the additional funding comes with new spending requirements. The net additional funding provided next year is therefore £33.2 million.
- 15 Government have provided additional council tax raising powers to local government and expects local authorities to take up these additional tax raising powers to help meet the inflationary and other pressures the sector is facing.
- 16 The base council tax referendum limit has been raised from 1.99% to 2.99% and an additional 2% adult social care precept can be utilised in both 2023/24 and 2024/25. In total therefore the council can increase council tax in 2023/24 by 4.99%, which is 2% higher than the previous forecast maximum increase of 2.99%.
- 17 With a 4.99% council tax increase, having taken into account tax base growth and £12.383 million of budget savings the council will still be

required to utilise £10.028 million of the MTFP Support Reserve to balance the 2023/24 budget. Utilising earmarked reserves to balance budgets at this level for more than the short term is not a unsustainable budget strategy to adopt.

- 18 Every 1% of council tax increase generates circa £2.55 million of additional resources, therefore the additional 2% council tax increase would generate an additional £5.1 million of income to the council during a period of significant base budget pressures. A failure to increase the council tax in line with the proposals set out the budget report would increase the use of the MTFP Support Reserve and make the job of balancing the budget in future years more difficult, resulting in the need for additional cuts and efficiencies to public services.
- 19 During the development of MTFP(13) extensive work has also been carried out to produce an indicative balanced Medium Term Financial Plan (MTFP). A range of broad assumptions have been utilised and robustly challenged as part of the MTFP(13) process.
- 20 The 2023/24 budget and MTFP(13) forecasts are underpinned by a robust Risk Assessment, with full details set out in the report. Of particular concern is the significant uncertainty beyond 2024/25, with more difficult financial settlements widely expected from 2025/26 onwards when the Chancellor of the Exchequer will face some very tough choices over taxation levels and public expenditure restraint given the level of borrowing nationally at this time. If public spending reductions are implemented from 2025/26 and Local Government remains unprotected from these then the forecasts included in the MTFP, which currently include a cash flat position, will need to be revised.
- 21 Further work is needed for years 2024/25 to 2026/27 to identify additional savings, with a forecast savings requirement of £23.177 million across that period, but in my professional view we have taken all reasonable and practical steps to identify and make provision for the County Council's commitments in 2023/24 in order to achieve a balanced budget next year and that the use of £10.028 million of the MTFP Support Reserve to balance the budget is justified. Work will commence immediately on developing strategies to tackle the savings requirements for years 2024/25 to 2026/27 to ensure there is no long term reliance on the use of reserves to balance the budget.

Adequacy of Reserves

- 22 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Local Authority Accounting Panel (LAAP) has a guidance note on Local Authority Reserves and Balances (LAAP Bulletin 77) to assist local

authorities in this process. This guidance is not statutory, but compliance is recommended in CIPFA's Statement on the Role of the Finance Director in Local Government. It is best practice to follow this guidance.

- 23 The guidance however states that no case has yet been made to set a statutory minimum level of reserves, either as an absolute amount or a percentage of the council's budget. Each Local Authority should take advice from its Chief Financial Officer and base its judgement on local circumstances.
- 24 Reserves should be held for three main purposes:
- (a) as a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves;
 - (b) as a contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves;
 - (c) as a means of building up funds known as 'earmarked reserves', to meet known or predicted funding requirements.
- 25 The CIPFA Guidance highlights a range of factors in addition to cash flow requirements that Councils should consider including:
- (a) the treatment of inflation;
 - (b) the treatment of demand led pressures;
 - (c) efficiency savings;
 - (d) partnerships;
 - (e) the general financial climate, including the impact on investment income.
- 26 The guidance also refers to reserves being deployed to fund recurring expenditure and indicates that this is not a long-term or sustainable option.
- 27 The accounting code of practice requires unapplied grants or partnership funds to be carried over at year end in an earmarked reserve. This can often skew the balances held from year to year, particularly where funding for the upcoming years commitments is paid early. It is for this reason that the earmarked reserves held by the Council are categorised as sums held for corporate purposes, sums held on behalf of partner organisations / external grants and other sums

earmarked for specific purposes when reported to Cabinet on a quarterly basis as part of the forecast of outturn reports.

- 28 The risk assessment process has identified a number of key risks which could impact on the Council's resources. The Council continues to face significant uncertainty in relation to the future levels of Government funding – in fact, it is difficult to recall a period in recent times when there is so much uncertainty in relation to local government funding especially in relation to how funding will be distributed.
- 29 The outcome of the Fair Funding Review will not be known until at least 2025/26 and the outcomes from that will dictate how funding will be allocated to individual local authorities. At this stage there remains a significant risk that the outcome of the review may not be favourable to County Durham and the budget proposals identify a loss of Public Health Grant being of particular concern given the previous proposals in this regard. The budget proposals include a prudent assumption that the Council will receive a cash flat financial settlement from government in 2025/26 and 2026/27.
- 30 The council is also continuing to face significant ongoing budget pressures. There are significant and continuing pressures in social care services and in particular Children's social care. In addition, the current high levels of inflation, the large increase in the National Minimum Wage and the requirement to carry out a Fair Cost of Care process for adult care all continue to place significant pressures upon the budget. Whilst the MTFP modelling includes estimates of future cost pressures for these areas, Council needs to be aware that further sustained pressures in these areas remain a significant risk.
- 31 There continues to be other risks associated with the ongoing review of Business Rates and the requirements of the Local Council Tax Reduction Scheme. All these risks are set out in the budget report and have been properly assessed and taken into account.
- 32 With these risks in mind, it is recommended that the County Council adopts a policy for reserves as follows:
 - (a) set aside sufficient sums in earmarked reserves as it considers prudent. The Corporate Director of Resources be authorised to establish such reserves as are required in line with the Council's Strategy, to review them for both adequacy and purpose on a regular basis reporting appropriately to the Cabinet Portfolio Holder for Finance and to Cabinet;
 - (b) aim to maintain General Reserves in the medium term of between 5% and 7.5% of the Net Budget Requirement which in cash terms is between £26 million and £39 million.

- 33 Earmarked reserves have been established to provide resources for specific purposes. Of these reserves, the use of schools' balances is outside of the control of the Council.
- 34 To ensure budgets can be balanced and to provide time to work up proposals to reduce expenditure to address the underlying budget position, a thorough review of all earmarked reserves has been undertaken during the year, with a number of reserves reprioritised and transferred to the corporate MTFP Support Reserve in order to assist with the balancing of budgets in 2023/24 and beyond.
- 35 The reserves review was undertaken in the context of a significant forecast reduction in reserves, as reported in the Quarter 2 forecast of outturn to Cabinet on 17 November 2022, which forecast that total earmarked and cash limit reserves (excluding school reserves) would reduce by £44.915 million in 2022/23, from £235.529 million to £190.614 million.
- 36 The recommended budget for 2023/24 requires the utilisation of £10.028 million of the MTFP Support Reserve to balance the budget.
- 37 In my professional view, if the Council were to accept the Cabinet's recommended Council Tax increase of a 2.99% base council tax increase and a 2% increase for the Adult Social Care Precept, funding for unavoidable service pressures and investments, proposals for savings and for capital investment then the level of risks identified in the budget process, alongside the Authority's financial management arrangements and in light of the review of reserves that was agreed during the year, suggests that the level of reserves is adequate.

Conclusions

- 38 In forming my opinion on the budget proposals put forward by Cabinet I have carefully considered the financial management arrangements and control frameworks that are in place, the underlying budget assumptions, the adequacy of the service planning process, the financial risks facing the Council and the adequacy of the councils reserves.
- 39 Members are advised to have regard to this statement when approving the budget and the level of Council Tax for 2023/24.

Author(s)

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Appendix 1: Implications

Legal Implications

Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs and to appoint a S151 Officer, also known as a Chief Financial Officer (CFO), to have responsibility for those arrangements

Section 25 of the 2003 Local Government Act requires the Authority's Chief Financial Officer to provide assurance upon the robustness of estimates and the adequacy of reserves.

Finance

This report sets out the view of the Council's Section 151 Officer (as identified in the Local Government Act 1972) in relation to the robustness of estimates and the adequacy of reserves determined in the 2023/24 budget build.

Consultation

None.

Equality and Diversity / Public Sector Equality Duty

None.

Climate Change

None.

Human Rights

None.

Crime and Disorder

None.

Staffing

None.

Accommodation

None.

Risk

All relevant risks have been considered by the Section 151 Officer in coming to this view.

Procurement

None.

County Council

22 February 2023


**Medium Term Financial Plan 2023/24 to 2026/27
and Revenue and Capital Budget 2023/24**
Report of Cabinet**Electoral division(s) affected:**

Countywide

Purpose of the Report

- 1 To provide comprehensive financial information to enable Council to agree the 2023/24 balanced revenue budget, an outline Medium Term Financial Plan MTFP(13) 2023/24 to 2026/27 and a fully funded capital programme. The proposals in this report are integral to decisions on the level of Council Tax to be set for 2023/24.

Executive summary

- 2 Cabinet is committed to strong financial governance and getting value for money for public money whilst ensuring that the council sets a sustainable balanced budget with any council tax increases being justified and affordable. The budget and medium term financial plan for the Cabinet seeks to balance the need for both short term and long term investment in front line services with the need for financial prudence and reasonable council tax increases. In summary the budget proposals in this report include:
 - (a) careful consideration of the impacts of the Autumn Statement and the Local Government Finance Settlement announcements in November and December 2022 respectively, which have seen government grant allocations increase by £40.0 million in 2023/24 and by a forecast £23.4 million in 2024/25;
 - (b) provision for £78.9 million of unavoidable base budget pressures in 2023/24, resulting from pay and price inflation (£30.5 million – including £6 million in relation to energy); increased costs of children’s (£13.8 million) and adults’ (£22.9 million) social care; increased transport costs (£9.5 million including £8.3 million in relation to Home to School Transport); increased waste disposal and recycling costs (£1.6 million), expenditure in relation to specific grants (£6.7 million), additional demand pressures in service groupings (£6.8 million

including a £1.738 million investment in foster carers allowances, £0.811 million for additional Children's Social Workers and £0.808 million on Children's Services preventative care strategies) offset by savings resulting from the triennial review of the pension fund resulting in reductions in employers pension contributions (£5.1 million) and a short term forecast increase in investment income for 2023/24 (£7 million);

- (c) new capital investment totalling £121.9 million, taking the approved capital programme to £778.3 million, with additional capital expenditure of £11.8 million proposed for the Belmont Community Arts College and Belmont CE Primary School new build, an additional £10 million investment in the refurbishment of Greenfield School, a £14.8 million investment in highways and a £15 million investment to repair a landslip on the A690, an additional £9.5 million investment in the Town and Villages programme, additional investment of £11 million in NetPark Phase 3, an additional £3 million budget to match fund future Levelling Up bids to government in anticipation of these being successful and an additional £2 million allocation for building investment to enable the council to meet our Net Zero targets alongside the continued investment in Highways (£14.8 million) and the maintenance of our schools (£8.4 million) and other buildings (£5.0 million);
- (d) a range of savings options were presented to Cabinet on 12 October 2022 and subject to consultation which if implemented could help support balancing budgets across the MTFP(13) period. The savings consulted upon amounted to £11.872 million for 2023/24, rising to £17.731 million across the MTFP(13) period. Additional savings were subsequently identified in addition to the savings consulted upon, which were set out in the report to Cabinet on 18 January 2023, resulting in savings of £12.383 million for 2023/24 with £18.261 million across the MTFP(13) period;
- (e) a 2.99% increase in relation to the base council tax referendum limit and a necessary increase in the adult social care precept of 2.0% in 2023/24 to help meet the significant cost pressures in this budget, giving a total overall increase of 4.99% which is expected by government as part of their Core Spending Power calculations and assumptions;
- (f) although savings of £12.383 million are recommended for 2023/24 and a 4.99% council tax increase is proposed, there will still be a requirement to utilise £10.028 million of the MTFP Support Reserve to balance the 2023/24 budget. The use of the MTFP Support Reserve can only be a short term solution to buy time to develop sustainable base budget savings to balance the 2024/25 budget and beyond.

November 2022 Autumn Statement

- 3 On 17 November 2022 the Chancellor of the Exchequer published an Autumn Statement (AS). The timing and content of the AS was vital due to the need to calm financial markets following the fiscal event (mini budget statement) in September 2022, which came at a time of high inflation and led to widespread uncertainty and reductions in the value of the pound followed by rapid increases in interest rates. The AS contained important announcements on future forecasts for government borrowing, taxation, and public sector expenditure, alongside the Office for Budget Responsibility forecasts for inflation, economic growth, and taxation yields
- 4 It was widely expected that the AS would result in funding reductions for the public sector, particularly previously unprotected departments such as the Department for Levelling Up, Housing and Communities, alongside a potential cap on public sector pay increases, due to the significant increases in the forecast of annual national deficits over the coming years - a combination of post Brexit economic challenges, the ongoing impact of the pandemic upon the economy and the poor outlook for the economy in the medium term
- 5 In making the AS, the Chancellor of the Exchequer however deferred decisions on any significant funding reductions in the public sector until the next parliamentary period, with reductions now expected in the period 2025/26 to 2027/28. In the next two years, in recognition of the significant inflationary pressures being faced, additional funding was provided to the health service, education and to local government, as well as local government being provided with additional council tax raising flexibilities.
- 6 The additional funding being provided has resulted in an improved financial outlook for the council in the short term, with budget shortfalls reducing from the levels anticipated before the AS was published, where it was previously forecast that savings required over the next four years (assuming the council maximised its council tax raising powers at that time) would be £52.569 million with £37.389 million of this falling into 2023/24.
- 7 The forecasts included in this report highlight that once the available government funding, taxbase growth, updated base budget pressures, and an assumption that the council raises council tax by the maximum sums available, the savings required over the next four years has reduced to £41.641 million, with £22.614 million of this falling into 2023/24.
- 8 The AS announced additional funding to meet rising demographic and costs pressures in social care (both adult and children social care) with specific grant funding also provided in order to focus investment to facilitate early discharge of patients from hospital into the community. In this regard local government was allocated £400 million as a Market Sustainability and

Improvement Grant in 2023/24, rising to £680 million in 2024/25 to be focussed on early discharge from hospital.

- 9 There was also an increase in the Better Care Fund nationally, with an additional £600 million allocated in 2023/24 rising to £1 billion in 2024/25. This funding is ring-fenced and must be pooled within the Better Care Fund and will be shared 50%/50% between the NHS and Local Authorities, with local investment plans to be agreed with the Integrated Care Board.
- 10 Significantly, the AS also announced the deferral of the planned Adult Social Care Reforms from October 2023 to October 2025 i.e., after the next General Election. These reforms included revised means tests for adult social care charging and the introduction of a £86,000 cost care cap, as well as a requirement for authorities to undertake a review and implement changes which demonstrated that they were moving towards the payment of a fair cost of care to providers.
- 11 Whilst the reforms have been deferred, the funding previously allocated to the Market Sustainability and Fair Cost of Care Grant associated with these new policies is to be retained and repurposed into the Social Care Grant – to help upper tier authorities to meet demographic and costs pressures in social care (both adult and children social care).
- 12 The sums being made available to local government are £1.265 billion in 2023/24 rising to £1.877 billion in 2024/25. The AS announced that this funding would be provided to local authorities via the current Social Care grant distribution methodology, which takes into account council tax raising capacity, and was being made available to assist local authorities to address budget pressures in both children's and adult's social care.
- 13 The AS announced additional council tax flexibilities for local authorities. The current council tax referendum limit is 1.99% but from 2023/24 this will be increased to 2.99%. Upper tier local authorities were also provided with the powers to increase council tax by an additional 2% in 2023/24 and in 2024/25 for an adult social care precept. This means that upper tier local authorities now have the ability to increase council tax by up to 4.99% in both 2023/24 and 2024/25, with a clear expectation from government that these authorities do so in order to help meet the extraordinary inflationary pressures they are facing and to help protect front line services as far as possible. Every 1% of council tax increase generates the council circa £2.55 million of additional income.
- 14 By increasing the council tax by 4.99% instead of the previously forecast / assumed 2.99%, the council will be able to reduce the savings required to balance the budget by circa £5.1 million next year and the year after and by circa £2.6 million in 2025/26 and 2026/27, reducing the cuts / savings required by circa £15.4 million over the MTFP(13) planning period.

- 15 In 2022/23 the council had the flexibility to increase council tax by 1.99% for the referendum limit and by up to 3% for the adult social care precept. After due consideration, the council agreed to limit the 2022/23 council tax increase to 3% for the adult social care precept only and to forgo the 1.99% base council tax increase rather than increasing council tax by the maximum 4.99%, which is what the government expectation was (this is baked into the Core Spending Power calculations) and what the majority of other upper tier councils did. This resulted in the loss of circa £5 million of council tax raising capacity within the base budget.
- 16 In County Durham 83% of all households reside in properties that are in Bands A-C. A 4.99% increase in the council's council tax charge would result in an increase of between £1.12 and £1.50 per week for these residents. The circa 54,000 households on low incomes who qualify for support through the Local Council Tax Reduction Scheme, many of which would qualify for 100% support and pay no council tax, would be protected from any increase either in full or in part.
- 17 The AS confirmed that the National Living Wage would increase by 9.7% from April 2023, higher than the forecast 8.6% that was included in the previous MTFP forecasts adding circa £3.4 million of additional budget pressure into 2023/24 and £0.4 million into 2024/25. It was also confirmed that local authorities would not fall within the energy price cap arrangements post April 2023, exposing local authorities once again to energy price volatility for 2023/24 although clear guidance on this is still awaited.

Local Government Finance Settlement

- 18 The provisional local government settlement was published on 19 December 2022, with the final settlement being published on 6 February 2023. The provisional settlement confirmed the additional funding forthcoming to local government that was announced in the AS and the allocation methodologies for 2023/24. It was a one year settlement again, so whilst the additional sums for 2023/24 were detailed, at this stage there are no approvals for 2024/25. Forecasts have been included as to what the sums forthcoming may be for 2024/25.
- 19 The provisional settlement confirmed the additional allocation for the council from the Better Care Fund of £4.327 million in 2023/24. Although the sum for 2024/25 was not confirmed it is forecast that this sum will increase to circa £7.1 million in 2024/25. This grant is ring fenced and will be pooled with a similar allocation to the NHS to be utilised to facilitate early discharge of patients from hospital. An additional sum of £4.704 million in 2023/24 was confirmed from the renamed (and repurposed) Market Sustainability and Improvement Grant with a forecast additional £3.2 million in 2024/25. After discounting specific grants being transferred into the Social Care Grant from next year, the council will receive an additional sum of £17.066 million in 2023/24, with a forecast additional sum of £7.800 million in 2024/25.

- 20 After the discounting of specific grants being transferred into the Revenue Support Grant from next year the settlement also confirmed a 10.1% Consumer Price Inflation (CPI) uplift in Revenue Support Grant of £2.952 million as well as a CPI uplift in business rate retention funding of £15.1 million in 2023/24.
- 21 Unfortunately, the provisional settlement also announced a reduction in the Services Grant of £3.831 million in 2023/24 with a forecast additional reduction of £0.120 million in 2024/25, partly due to the removal of funding provided to finance the now withdrawn 1.25% employers' national insurance increase but also to facilitate a transfer of this funding to finance increases in Supporting Families funding – which is a specific grant aligned to our Children and Young People's Service. Alongside this reduction, the New Homes Bonus and Lower Services Tier grants have also been reduced by £3.008 million in 2023/24 to provide a guaranteed funding increase in the main for district councils. It is forecast, that the remaining 2023/24 payment of New Homes Bonus of £1.860 million will be fully withdrawn in 2024/25.
- 22 In summary, for 2023/24 Government have provided £40 million of additional grant funding to the Council. £2.5 million of this is recycled specific grant funding the council was already receiving and £4.3 million of the additional funding comes with new spending requirements. The net additional funding provided next year is therefore £33.2 million, with a further £23.4 million also potentially available in 2024/25.
- 23 The provisional settlement also confirmed £100 million of additional funding for local authorities to support the most financially vulnerable households in England in 2023/24 with meeting their council tax costs. The Council Tax Support Fund is aimed at providing further support to those low income vulnerable households already receiving Council Tax Reduction Support. Durham has been allocated £1.440 million, with the government guidance stating that the council should seek to offer further reductions of up to £25 per claimant to those facing financial hardship – targeted at those already in receipt of some element of Local Council Tax Reduction Scheme (LCTRS) award for 2023/24 but still left with a bill to pay.
- 24 In 2020/21 and 2021/22 the government provided Local Council Tax Support Grant funding of £14 million to support communities during the pandemic. The council has utilised this funding to deliver Local Council Tax Reduction Scheme Top Up Payments, which have provided up to an additional £300 of support to working age claimants in both 2020/21 and 2021/22. This support continues to be provided with awards of up to £150 being applied this year and a plan in place to provide awards of up to £75 in 2023/24.
- 25 Updated modelling indicates that the funding remaining as at 31 March 2023 from the pandemic funding will be insufficient to maintain Local Council Tax Reduction Scheme Top Up Payments at £75 next year, with forecasts indicating this would need to reduce to awards of up to £60.

- 26 However, the additional £1.440 million of funding the council will receive next year will allow the council to increase the support to residents with their council tax bills. With the new funding provided, it is proposed, that the council uses it to reduce the bills by up to £50 in 2023/24, for pension age and working age residents who receive Local Council Tax Reduction but still have council tax to pay. It is forecast, that this will benefit 9,000 pension age residents and 18,500 working age residents. This level of support is double the £25 recommended by the government and would be on top of the utilisation of residual Local Council Tax Support Grant funding provided during the pandemic.
- 27 The council is able to offer this higher level of support because its Local Council Tax Reduction scheme already provides 100% reductions for most qualifying residents.
- 28 For working age LCTRS claimants with a bill to pay, factoring in the (as amended) up to £60 awards next year from the remaining pandemic funding, together with the up to £50 of additional support, this will result in up to £110 in additional assistance with their council tax.
- 29 It is of significant concern however, that there is a likelihood of funding reductions for the public sector from 2025/26 onwards. The AS announced that for the period 2025/26 to 2027/28 public sector funding will increase by 1% in real terms. This would intimate that the public sector funding will increase by 1% above inflation. On the basis that health, education and defence are expected to be protected, this will likely lead to some tough grant reductions for that period for unprotected government departments such as the Department for Levelling Up, Housing and Communities. At this stage, for modelling purposes, it is assumed, that grant settlements for the council will be cash flat for the period 2025/26 to 2026/27. This may prove to be an optimistic assumption.
- 30 The final local government settlement mainly confirmed the funding allocations announced in the provisional settlement. The final settlement included additional funding of £19 million nationally for the Services grant with the council receiving an additional £0.203 million over and above the original £4.945 million included in the provisional local government finance settlement. The final settlement also included a £10 million (11.7%) increase in the Rural Services Delivery Grant. The council does not qualify for this grant and as such receives no benefit from the additional allocation.

Savings Plans

- 31 The council constantly strives to identify efficiency savings which can be realised without impacting upon front line service delivery. A range of savings options were detailed in the 12 October 2022 MTFP(13) Cabinet report and were part of the MTFP(13) consultation process between October and December 2022.

- 32 Taking into account the need to balance the 2023/24 budget, to protect front line services and taking on board consultation responses £12.383 million of savings are recommended for 2023/24. In addition, £5.878 million of savings are recommended in the later years of MTFP(13) bringing total savings recommended to £18.261 million across the four years 2023/24 to 2026/27. The vast majority of savings recommended have no impact upon front line service provision.

Capital Investment

- 33 The council continues to prioritise investment in its assets through an ambitious and extensive capital programme. MTFP(13) contains significant additional investment in the capital programme, with new additional schemes totalling £121.9 million included, taking the forecast investment from 2022/23 to 2025/26 to £778.3 million. This is the largest capital programme the council has ever had in development.
- 34 Capital investments in MTFP(13) include an additional £11.8 million to rebuild both Belmont Community Arts College and Belmont CE Primary School on a shared campus bringing total investment to £37 million plus a further £10 million investment in Greenfield School bringing total investment to £20 million.
- 35 The council will invest the £14.8 million Local Transport Plan (LTP) government grant in highways maintenance with a £15 million investment to repair a landslip on the A690. There will be additional £9.2 million investment in the Town and Villages programme, additional investment of £11 million in NetPark Phase 3, an additional £3 million budget to match fund future Levelling Up bids to government in anticipation of a successful award and an additional £2 million allocation for building investment to enable the council to meet our Net Zero targets

Council Tax

- 36 In the setting of council tax levels for 2023/24, careful consideration needs to be given to the significant current and future financial pressures facing the council and the lack of information in relation to future financial settlements beyond next year – particularly from 2025/26 onwards. Consideration also needs to be given to the government's expectations and to the impact of increases in council tax on residents.
- 37 The government has confirmed that the council tax referendum limit for 2022/23 will be 2.99%. The council also has the option to increase council tax by an additional 2% for an adult social care precept. The government published Core Spending Power figures assume all authorities utilise the ability to increase council tax by the maximum possible sum in 2023/24 which for the council would be 4.99%.

- 38 After considering the impact on the council's budget and on local council taxpayers, the most financially vulnerable of which continue to be fully protected by our Local Council Tax Support Scheme, the top up scheme for those left with a bill to pay and support available through the council's welfare assistance programme, this report recommends that the council utilises the full 4.99% council tax increase.
- 39 Costs within Adult Social Care and Health, which are some of the largest budgets the council has, are increasing significantly in 2023/24 especially due to the 9.7% increase in the national living wage and the impact this has upon care fees. On that basis a 2% increase in the adult social care precept will help ensure that the increased costs in adult social care can be funded in 2023/24.
- 40 The overall council tax increase, including the resources generated from the Adult Social Care precept, will generate additional council tax income of around £12.6 million per annum. The total increase would result in a Band D increase of £1.68 per week and an increase of £1.12 per week for the majority of Council Taxpayers in County Durham, 56.6% of who live in the lowest value properties (Band A).
- 41 The council has been able to set a balanced budget for 2023/24 with £12.383 million of savings but also with the utilisation of £10.028 million of the MTFP Support Reserve. It is forecast that significant additional savings could be required over the period 2024/25 to 2026/27 to enable budgets to be balanced in future years. The savings shortfall will be very much influenced by the outcome of any possible restriction in funding for the public sector from 2025/26 onwards, by the outcome of any fair funding review but also by the emergence of any further inflationary and demographic base budget pressures. At this point the forecast savings shortfall for the period 2024/25 to 2026/27 is £23.177 million, with £10.229 million (44%) of this falling into 2024/25.
- 42 Despite this very challenging financial period and the significant base budget pressures faced by the council, this report includes some very positive outcomes for the people of County Durham including:
- (a) continued support to protect the 54,700 working age households in receipt of low incomes through the continuation of the existing Council Tax Reduction Scheme, where 80% of eligible households will continue to be awarded 100% relief against their Council Tax payments and where those left with a bill will receive up to £50 for pensioners and up to £110 for working age claimants of additional support next year;
 - (b) ongoing work with health partners to ensure health and social care funds are maximised for the benefit of vulnerable people through the services we provide;

- (c) significant investment in capital expenditure including investment in school provision, in our town centres and infrastructure, including new transport schemes and maintenance of our highways and pavements. In total, additional capital investment of £121.9 million is recommended in this report.

- 43 As with previous MTFP reports, equality impact assessments are also summarised to inform the consultation and subsequent decision making. Workforce implications arising from proposals for MTFP(13) savings.

Dedicated Schools Grant and Schools Funding Formula

- 44 The School Block allocation for 2023/24 has increased by £19.051 million year on year. This increase includes the effect of incorporating supplementary funding from 2022/23 into the Schools Block for 2023/24. The supplementary funding in 2022/23 was £10.502 million, therefore the net increase is £8.549 million. Further supplementary funding will be provided for mainstream primary and secondary schools in 2023/24 and this is estimated to be £13 million on top of the Schools Block allocation next year.

- 45 The local formula to be applied in 2023/24, which is subject to approval from the DfE, is aligned to the National Funding Formula for Schools and is set out in the report.

- 46 The Central Schools Block funding allocation for 2023/24 is £2.812 million, which is £98,000 lower than 2022/23. An application has been made to DfE to reverse the deduction as it relates to a historic commitment and is used to fund prudential borrowing costs relating to the Building Schools for the Future programme.

- 47 There is an increase of £9.403 million in High Needs DSG funding in 2023/24, a year on year increase of 11.7%.

Other Considerations

- 48 As part of the budget setting process, the council will need to consider and agree updates to the Pay Policy, the Treasury Management Policy and Strategy, including the Prudential Indicators, and the Cash Management Strategy and Reserves Policy. Revised and updated policies and strategies, which will ensure the council continues to fully comply with relevant statutory requirements are set out in the report.

Recommendation(s)

- 49 Detailed below are the recommendations being made by Cabinet to Full Council for approval:

(a) 2023/24 Revenue Budget

- (i) approve the identified base budget pressures included in Table 4;

- (ii) note the revised top up payments to Council Tax Reduction claimants left with a bill to pay to ensure full use of the Government's Council Tax Support Grant allocations to support vulnerable residents experiencing financial difficulty. This will mean making maximum payments of up to £110 for eligible Working Age Council Tax reduction claimants and up to £50 to eligible residents in receipt of Council Tax Reduction who are pensioners in 2023/24;
- (iii) approve the savings plans detailed in Appendix 3, which total £18.261 million: £12.383 million in 2023/24, £2.225 million in 2024/25, £1.873 million in 2025/26 and £1.780 million in 2026/27;
- (iv) approve a 2.99% 2023/24 Council Tax increase and a 2% increase which relates to the Adult Social Care precept, totalling a combined 4.99% overall increase in council tax ;
- (v) approve the 2023/24 Net Budget Requirement of £520.176 million.

(b) MTFP(13)

- (i) agree the forecast MTFP(13) financial position, as set out at Appendix 6;
- (ii) set aside sufficient sums in Earmarked Reserves as are considered prudent. The Corporate Director of Resources should continue to be authorised to establish such reserves as required to review them for both adequacy and purpose on a regular basis reporting appropriately to the Cabinet Portfolio Member for Finance and to Cabinet;
- (iii) aim to maintain General Reserve in the medium term between 5% and 7.5% of the Net Budget Requirement which in cash terms is between £26 million and £39 million.

(c) Capital Budget

- (i) approve the revised 2022/23 Capital Budget of £165.074 million and the 2023/24 Capital Budget of £290.977 million;
- (ii) approve the Capital Strategy at Appendix 8;
- (iii) approve the additional capital schemes detailed at Appendix 9. These schemes will be financed from additional capital grants,

from one off revenue funding, from capital receipts and from prudential borrowing;

- (iv) note the option for the council to utilise capital receipts to finance severance costs utilising available flexibilities in this regard. The utilisation of such flexibility would require the approval of Cabinet;
- (v) approve the MTFP(13) Capital Budget of £778.294 million for 2022/23 to 2025/26 as detailed in Table 13.

(d) Savings Proposals

- (i) note the approach taken by service groupings to develop the required savings.

(e) Equality Impact Assessment

- (i) consider the identified equality impacts and mitigations;
- (ii) note the programme of future work to ensure full impact assessments are included where appropriate at the point of decision once all necessary consultations have been complete.

(f) Pay Policy

- (i) approve the Pay Policy Statement at Appendix 11.

(g) Risk Assessment

- (i) note the risks to be managed over the MTFP(13) period.

(h) Dedicated Schools Grant

- (i) note the position on the Dedicated Schools Grant;
- (ii) approve the local formula for schools set out in Table 15 and authorise the Corporate Director of Resources to approve any amendments required following review by the DfE.

(i) Prudential Code, Treasury Management and Property Investment

- (i) agree the Prudential Indicators and Limits for 2023/24 – 2026/27 contained within Appendix 12 of the report, including the Authorised Limit Prudential Indicator;
- (ii) agree the Minimum Revenue Provision (MRP) Statement contained within Appendix 12, which sets out the council's policy on MRP;

- (iii) agree the Treasury Management Strategy and the Treasury Prudential Indicators contained within Appendix 12
- (iv) agree the Cash Investment Strategy 2023/24 contained in the Treasury Management Strategy at Appendix 12, including the detailed criteria;
- (v) approve the Property Investment Strategy at Appendix 13.

Background

- 50 The council's budget and MTFP(13) are aligned to the council plan, which was agreed by County Council on 22 June 2022 setting out the council's strategic service priorities. The council plan has been refreshed and updated and is being considered separately on the Agenda. The MTFP provides a forecast of spending pressures and the resources required to set a balanced budget which will allow the council to deliver its priorities in the context of local and macro-economic conditions. It also reflects how the council responding to and recovering from the impacts of the coronavirus pandemic.
- 51 Looking back to MTFP(1), the following drivers for the council's financial strategy were agreed by Cabinet on 28 June 2010, which still underpin the council's strategy in MTFP(13):
- (a) to set a balanced budget over the life of the MTFP whilst maintaining modest and sustainable increases in council tax;
 - (b) to fund agreed priorities, ensuring that service and financial planning are fully aligned with council plans;
 - (c) to deliver a programme of planned service reviews designed to keep reductions to front line service to a minimum;
 - (d) to strengthen the council's financial position so that it has sufficient reserves and balances to address any future risks and unforeseen events without jeopardising key services and delivery outcomes; and
 - (e) to ensure the council can continue to demonstrate value for money in the delivery of its priorities.

Local Government Finance Settlement

- 52 The provisional Local Government Finance Settlement was published on 19 December 2022, with the Final Settlement published on 6 February 2023. It confirmed a number of increases in funding for local government mainly as a result of the £2 billion of additional core grant funding for local authorities in 2023/24, increasing to £3 billion in 2024/25 announced in the Autumn Statement (AS) in November. At the same time funding from the Lower Tier Services Grant, New Homes Bonus and the Services Grant has been repurposed to help finance the 10.1% increase in RSG and the 3% funding guarantee (impacting mainly on District Councils). The final settlement is expected to be published in February 2023. The additional funding provided to local authorities together with the provisional allocations to the council are detailed below. Funding allocations for 2023/24 were confirmed but not the allocations for 2024/25, with assumptions being made on the 2024/25 allocations at this stage;

- (a) **Better Care Fund: £600 million in 2023/24 rising to £1 billion in 2024/25** – Local government and the NHS will each receive 50% of this grant, providing additional funding of £300 million in 2023/24 and £500 million in 2024/25. The funding has specific grant conditions with local government and the NHS pooling budgets with the aim of improving the discharge of patients from hospital. The council will receive £4.327 million in 2023/24 and a forecast £7.1 million in 2024/25 equating to 1.44% of the national allocation;
- (b) **Market Sustainability and Improvement Grant increase in grant of £400 million in 2023/24 rising to £680 million in 2024/25** – in 2022/23 the government announced additional funding of £2 billion to enable the implementation of adult social care charging reforms and the outcomes of a fair cost of care review. The first £160 million tranche of this funding was allocated in 2022/23 with the council receiving £1.9 million. This was utilised to part fund the increase in fees to adult social care providers in 2022/23.

In the AS the government announced that the social care reforms would be deferred from October 2023 to October 2025 and that the remaining circa £1.8 billion of funding would be repurposed into a Social Care grant to provide support for both adult and children social care.

The council will continue to receive the £1.9 million it received in 2022/23 in the future but in a repurposed Market Sustainability and Improvement Grant. This grant will rise to £6.609 million in 2023/24 and is forecast to increase by a further £3.2 million in 2024/25 (to £9.809 million).

The additional grant of £4.7 million in 2023/24 is expected to have broad grant conditions requiring that this funding is utilised to support early discharge of patients from hospital;

- (c) **Social Care Grant: additional £1.265 billion in 2023/24 rising to £1.877 billion in 2024/25 after discounting transfer of specific grant (Independent Living Fund)** – this funding is to be utilised to support demographic and cost pressures in both children's and adult's social care. As noted above the funding being made available here is largely the repurposed funding initially announced to help meet the costs of the adult social care charging reforms and the outcomes of a fair cost of care review, which have now been deferred.

This funding is being apportioned to local authorities based upon the Adults Relative Needs Formula (RNF) alongside an element of equalisation to consider that local authorities can raise differing amounts from council tax increases due to varying size of council taxbase. The inclusion of an element of council tax equalisation in the

grant distribution methodology is welcomed due to the council's inherent low tax base and low tax raising capacity.

This funding is only payable to upper tier authorities who provide social care services. Net of the transfer of £1.543 million of Independent Living Fund specific grant funding the council already receives that will be withdrawn and form part of the total, the council will receive an additional £17.066 million in 2023/24 increasing to a forecast £24.866 million in 2024/25, equating to 1.32% of the national allocation, increasing our Social Care Grant to £49.564 million in 2023/24 and to a forecast £57.364 million in 2024/25.

These sums will not however fully address the price inflationary pressures in Children and Adult Social Care alone (excluding pay inflation and energy) of £30.4 million in 2023/24 and £13.4 million in 2024/25;

- (d) **Revenue Support Grant (RSG)** – local authorities will receive an inflation uplift of 10.1% in line with the September 2021 Consumer Price Index (CPI) on their 2022/23 RSG allocations.

The government are transferring three specific grants into RSG from next year, these being the Local Council Tax Administration Grant (allocation currently £0.913 million), the Family Annex Council Tax Discount Grant (allocation currently being £0.013 million) and the Natasha's Law grant (allocation currently being £0.013 million).

After discounting the transfer of these specific grants into RSG the council will receive an additional £2.952 million next year, increasing RSG received to £32.991 million. CPI is forecast to be 6% in September 2023, so a further increase of £1.9 million in 2024/25 has been factored into the MTFP(13) forecasts. RSG is assumed to be cash flat in 2025/26 and beyond in the MTFP(13) forecasts;

- (e) **Reduction in New Homes Bonus (NHB) funding** – it was previously forecast that the NHB may be abolished from 2023/24. The government have however agreed to continue the NHB funding for one more year. The council receives £4.082 million of NHB in 2022/23 which will reduce by £2.222 million to £1.860 million in 2023/24. Nationally, the sum payable via NHB will reduce by £263.9 million in 2023/24 with this sum being diverted to ensure all authorities, but particularly district councils, receive a minimum 3% increase in funding in 2023/24 and also to partially finance the 10.1% increase in RSG. At this stage it is forecast that the £1.860 million of NHB to be received by the council in 2023/24 will be withdrawn in 2024/25;
- (f) **Lower Tier Services Grant** – the council presently has a budget of £0.786 million from this grant but similar to NHB this funding is being

top sliced to ensure all authorities, but particularly district councils, receive a 3% increase in funding in 2023/24 and to help finance the 10.1% increase in RSG. The council has lost 100% of this funding from 2023/24;

- (g) **Services Grant** – the council currently receives £8.776 million from this grant which was introduced in 2022/23 and was specified as a one off grant. In 2023/24 it was initially that the council would £4.945 million, a reduction of £3.831 million on the current funding received.

The grant has been reduced to reflect that the withdrawal of the 1.25% employers' national insurance increase from November 2022 which has produced a saving in the council budget. In addition, the government have top sliced this grant to increase the Supporting Families Grant, which is a specific grant in Children and Young People's Service and to partially cover the 10.1% inflation uplift to RSG and to help fund the 3% funding guarantee;

- (h) **Council Tax Support Fund** - The provisional settlement contained £100 million of additional one off funding for local authorities to support the most financially vulnerable households in England in 2023/24.

The Council Tax Support Fund is aimed at providing further support to low income financially vulnerable households. The council has been allocated £1.440 million, which will help fund further reductions to those still facing financial hardship as part of its Local Council Tax Reduction Scheme (LCTRS) for 2023/24.

The government expects that the grant is used to fund further reductions in the council tax liability of individuals receiving LCTRS support but still left with an outstanding council tax liability, by providing up to £25 of additional support in 2023/24.

Local authorities are also able to use a proportion of their allocations to determine their own local approaches to supporting economically vulnerable households with council tax bills.

In 2020/21 and 2021/22 government provided Local Council Tax Support Grant funding of £14 million to support communities during the pandemic. The council has utilised this funding to deliver Local Council Tax Reduction Scheme Top Up Payments, which have provided up to an additional £300 of support to working age claimants in both 2020/21 and 2021/22. This support continues to be provided with awards of up to £150 being applied this year and a plan in place to provide awards of up to £75 in 2023/24.

Updated modelling would indicate that the funding remaining at 31 March 2023 from the pandemic funding will be insufficient to maintain

Local Council Tax Reduction Scheme Top Up Payments at £75 next year, with forecasts indicating this would need to reduce to awards of up to £60.

However, the additional £1.44 million of funding the council will receive next year will allow the council to increase the support to residents with their council tax bills.

With the new funding provided, it is proposed that the council uses it to reduce the bills by up to £50 in 2023/24, for pension age **and** working age residents who receive Local Council Tax Reduction but still have council tax to pay. This level of support is double the £25 recommended by the government and would be on top of the utilisation of residual Local Council Tax Support Grant funding provided during the pandemic to provide support to working age claimants.

The council is able to offer this higher level of support because its Local Council Tax Reduction scheme already provides 100 percent reductions for most qualifying residents.

This will mean pensioner CTRS claimants with a bill to pay will receive up to £50 of additional support and working age CTRS claimants with a bill to pay will receive up to £110 in additional assistance with their council tax in 2023/24. It is forecast that this will benefit 9,000 pension age residents and 18,500 working age residents across the year.

The Council Tax Discretionary Discount and Hardship Relief Policy has also been updated and agreed by Cabinet on 8 February 2023.

- 53 The final local government settlement mainly confirmed the funding allocations announced in the provisional settlement. The final settlement included additional funding of £19 million nationally for the Services Grant, with the council receiving an additional £0.203 million over and above the original £4.945 million included in the provisional local government finance settlement. The final settlement also included a £10 million (11.7%) increase in the Rural Services Delivery Grant. The council does not qualify for this grant and as such receives no benefit from the additional allocation.
- 54 Table 1 details the forecast movement in government funding for 2023/24 and 2024/25 built into MTFP forecasts highlighting a forecast £40 million increase in government funding including business rate retention increases in 2023/24 and £13.7 million in 2024/25 although the Better Care Fund Early Discharge grant of £4.3 million in 2023/24 and £2.8 million in 2024/25 is a specific grant. The increase in RSG and Social Care grant due to the 'rolling

in' of specific grants is shown in the table with the cost impact of this shown in base budget pressures.

Table 1 – Forecast of Government Funding Variations in 2023/24 and 2024/25 (Excluding Business Rates, Top Up Grant and impact of rolled in specific grants which are included in base budget pressures)

Funding Stream	2023/24	2024/25
	£m	£m
Revenue Support Grant	3.9	1.9
Social Care Grant	18.6	7.8
BCF Early Discharge	4.3	2.8
Market Sustainability	4.7	3.2
Lower Tier Services Grant	(0.8)	-
New Homes Bonus	(2.2)	(1.9)
Services Grant	<u>(3.6)</u>	<u>(0.1)</u>
Additional Grant	<u>24.9</u>	<u>13.7</u>

- 55 The government has confirmed that the implementation of the Fair Funding Review (FFR) will be delayed until at least 2025/26.
- 56 The AS announced that the business rates multiplier would be frozen in 2023/24, ensuring total business rates charged would not increase.
- 57 There is a business rates revaluation to be applied from April 2023, which will result in business rates for ratepayers going both up and down, with some element of transitional relief in place to provide protection.
- 58 The AS confirmed local authorities would receive compensation through a Section 31 grant increase to recompense for the business rate multiplier being frozen, as it should have increased in line with CPI in September, which was 10.1% and is forecast to be 6% in September 2023. Additional Section 31 grant income of £15.1 million in 2023/24 and £9.7 million in 2024/25 has been factored into the MTFP(13) forecasts, which includes compensation for the freeze in the business rates multiplier and inflationary uplifts in the councils top up grant.
- 59 Overall, the settlement for 2023/24 is better than was originally forecast by the council and by most commentators. The additional funding received by the council next year is £39.995 million which includes an inflation uplift of

10.1% increase in business rate retention monies. Unavoidable cost pressures total £78.906 million (including the loss of specific grants), leaving £38.911 million to fund from a combination of council tax increases, business rates tax base changes, savings and efficiencies and council reserves in order to balance the budget.

- 60 The major concern for the council and the wider sector must be however what happens to financial settlements from 2025/26 onwards, where it is forecast that funding uplifts will be limited to an average of 1% real terms uplifts for the period 2025/26 to 2027/28. If as expected the NHS, Education and Defence are protected then it is highly likely that local government would face funding reductions. At this stage for modelling purposes, it is forecast that there will be cash flat settlements for local government which are funding reductions in real terms.

Core Spending Power (CSP)

- 61 The provisional CSP figures for the council, which are published by the government and factor in assumptions on council tax increases in line with the referendum limits and the maximum permissible under the Adult Social Care Precept, would indicate a more positive position compared to previous years, provided that the Council utilises the additional council tax flexibilities that have been provided. The England average is a 9.4% CSP increase next year, whilst Durham's position is forecast to be 10.3%. A number of issues need to be considered in this regard however:
- (a) the CSP calculation assumes that the council will increase council tax by the full 4.99% available i.e., the revised 2.99% referendum level plus the 2% adult social care precept raising powers. For every 1% below the 4.99% assumed, this would reduce the CSP by 0.5%;
 - (b) the CSP includes the additional funding being provided through the Better Care Fund, which comes with associated new burdens and as such is not available to support core council service provision.
- 62 Areas of deprivation naturally require and have always received relatively higher funding levels than more affluent areas. This higher level of funding in deprived areas is required for a range of reasons including:
- (a) in affluent areas, significant numbers of service users, especially in adult social care, can afford to contribute more to the cost of their service provision. This is especially the case for residential care and home care services for the elderly. In these circumstances, the budget required to provide services in deprived areas is much higher than in affluent areas;

- (b) demand for services such as children’s social care in deprived areas is significantly higher than more affluent areas, resulting in deprived areas requiring higher budgets; and
- (c) in more affluent areas there is a higher proportion of properties in the higher council tax bands and those authorities have increased council tax raising capacity and can generate significantly more council tax from a 2.99% increase in their Band D council tax than authorities with a low tax base can.

63 In terms of comparative CSP per dwelling positions the table below compares the council with a number of authorities and the England average. If Durham received a CSP per dwelling equivalent to the national average CSP of £2,360 per dwelling the council would receive an additional £42 million of funding in 2023/24:

Table 2 – 2021/22 Core Spending Power per Dwelling

Area	Core Spending Power Per Dwelling
	£
England	2,365
Durham	2,194
Middlesbrough	2,559
Newcastle	2,372
Northumberland	2,283
Richmond Upon Thames	2,237
Wokingham	2,213

64 Considering the levels of deprivation in County Durham, it is concerning that the government’s CSP per dwelling calculation for Durham is £171 (approximately 7%) less than the England average. The Index of Multiple Deprivation (IMD) highlights that Durham is the 48th most deprived local authority area in the country out of 151 upper tier authorities, yet the council’s CSP is lower than the national average.

Autumn Statement

65 The Chancellor of the Exchequer published the Autumn Statement (AS) on 17 November 2022. The statement was published against a background of significant turmoil in financial markets in the preceding weeks, following the previous Chancellor of the Exchequers mini budget / fiscal event on 23 September 2022 where significant unfunded tax cuts had been announced, spooking the markets, and subsequently leading to rapid increases in interest

rates and the price of gilts alongside reductions in the value of the pound. The AS was aimed very much at seeking to calm financial markets.

- 66 The national finances are undoubtedly in a difficult position, with the forecast national deficits being very high and the economy forecast to be heading into a long recession, lasting well into 2024/25. It was widely anticipated that the public sector could face a very difficult financial outlook for 2023/24 and for the medium term, with a public sector pay cap being widely mooted prior to the publication of the AS.
- 67 The AS contained important announcements on future forecasts for government borrowing, taxation, and public sector expenditure, alongside the Office for Budget Responsibilities forecasts for inflation, economic growth, and taxation yields.
- 68 It was therefore reassuring that for the short term (i.e., the next two years) that the AS recognised the pressures councils were under and announced some much needed additional funding, particularly for adult social care and children social care, with a particular focus for adult social care being to invest in initiatives to facilitate early discharge of patients from hospital into the community.
- 69 The AS also announced additional council tax flexibilities for local government, with a clear expectation from government that these are used to help combat the inflationary pressures the sector was under. It was clear however that funding reductions for unprotected government departments were likely for the period 2025/26 to 2027/28.
- 70 In the AS there was no information published on the Fair Funding Review, the New Homes Bonus, Revenue Support Grant levels or on the Lower Tier Services Grant. The key AS announcements impacting upon local government are detailed below:

- (a) **Council Tax** - The council tax referendum limit has been increased from 1.99% to 2.99% from 2023/24. In addition, the previously announced 1% adult social care precept for the two years 2023/24 and 2024/25 has been uplifted to 2%. On that basis, upper tier local authorities will be able to increase council tax by a maximum 4.99% over the next two years, with a clear expectation from the government that authorities do so – this is baked into the governments CSP calculations.

Every 1% of council tax increase generates the council circa £2.55 million of additional income. By increasing the council tax by 4.99% instead of the previously forecast / assumed 2.99%, the council will be able to reduce the savings required to balance the budget by circa £5.1 million next year and in 2024/25 and by an additional circa

£2.6 million in both 2025/26 and 2026/27, reducing the cuts / savings required by circa £15.4 million over the MTFP(13) planning period;

- (b) **Better Care Fund** - An additional £600 million would be made available in 2023/24 rising to £1 billion in 2024/25. This funding to be shared 50%/50% between the NHS and local government. At the time it was expected that this grant would be specific to be utilised to improve early discharge of patients from hospital into community settings;
- (c) **New Early Discharge Grant** – this grant, to support discharge from hospital, was expected to have broad grant conditions and to be £400 million in 2023/24 rising to £680 million in 2024/25;
- (d) **Social Care Reforms** - Prior to the AS, the expectation was that the adult social care means test and cost cap changes, alongside the outcome of the fair cost of care process, would be introduced in October 2023.

The AS confirmed however that the implementation date for these reforms was to be deferred to October 2025 i.e., after the next General Election. The funding associated with the social care reforms (including the fair cost of care) of £1.265 billion in 2023/24 rising to £1.877 billion in 2024/25, will be distributed to local government as part of the current Social Care Grant. The additional funding to be utilised to support budget pressures in children's and adult's social care.

It is not clear at this point if additional funding will be made available to local government in 2025/26 for the implementation of the social care reforms should they ultimately be implemented at that time;

- (e) **National Living Wage (NLW)** – Based upon forecasts from the Low Pay Commission the council was previously forecasting an increase in the National Living Wage (NLW) of 8.6% next year. The Low Pay Commission report released on the same day as the AS recommended an increase of 9.7% to £10.42 per hour from April 2023, with a forecast further 6.3% increase in April 2024 to £11.08. By 2024 the NLW is forecast to have achieved its aim of reaching two thirds of the median national earnings level. The updated NLW forecasts have added circa £3.4 million of additional budget pressure into 2023/24 and £0.4 million into 2024/25;
- (f) **Energy** – in the current year, the council is part of the national energy price cap scheme, which is limiting the impact of significant price increases and runs from October 2022 to December 2023. The AS stated that the energy price cap for 2023/24 would be targeted to those in need and that local government would not be part of the scheme.

However, on 9 January 2023, the government announced details of the Energy Bills Discount Scheme it is putting in place from April 2023, which despite the announcements in the AS opened up the prospect of support to local government. Based on the published details of how this scheme will operate indicates that the council's procurement strategy and purchasing arrangements mean the council would not be able to access this scheme, as the cap is higher than the forecasts of the prices the council expects to secure next year.

Energy markets continue to be extremely volatile, but forecasts of budget pressures have reduced as market rates have come down in recent months. There is still a forecast £6 million budget uplift required in 2023/24. It is assumed however that this budget requirement will reduce gradually over the MTFP(13) period 2024/25 to 2026/27 based on updated market expectations;

- (g) **Services Grant** – the AS confirmed that this grant would be top sliced in 2023/24 as a result of the withdrawal from November 2022 of the 1.25% employers' national insurance increase. No funding was to be withdrawn in 2022/23;
- (h) **Business Rates** – The AS announced that the business rates multiplier would be frozen in 2023/24, ensuring total business rates charged would not increase. There is a business rates revaluation to be applied from April 2023, which will result in business rates for ratepayers going both up and down, with some element of transitional relief in place to provide protection.

The AS confirmed local authorities would receive compensation through a Section 31 grant increase to recompense for the business rate multiplier being frozen, as it should have increased in line with CPI in September, which was 10.1%.

The AS announced a new business rates relief scheme for retail, hospitality, and leisure (RHL) properties, worth an estimated £2.1 billion in 2023/24. This scheme will provide eligible, occupied, retail, hospitality, and leisure properties with 75% relief, up to a cash cap of £110,000 per business.

The AS also announced a new Supporting Small Business (SSB) relief scheme which will cap bill increases at £600 per year for any business losing eligibility for Small Business Rate Relief or Rural Rate Relief at the 2023 revaluation. The scheme also provides support for those previously eligible for the 2022/23 SSB scheme and facing large increases in 2023/24 but in those cases for one further year only.

These reliefs are being applied to accounts as part of the billing cycle for 2023/24. The Business Rates Relief policy has been updated to reflect the provisions introduced for 2023/24 and this was agreed by Cabinet on 8 February 2023.

The government has also announced its intention to bring forward the next revaluation to April 2026.

Consultation

- 71 Between 25 October to 22 November 2022, consultation was undertaken with residents and partners regarding proposals to balance the council's budget for the next financial year (2023/24) that were published in the Cabinet report in October 2022. During the same period and beyond to 1 December 2022, presentations were made to the 14 Area Action Partnership Boards.
- 72 Officers also attended meetings of the County Durham Partnership (CDP), County Durham Association of Local Councils (CDALC) and the Youth Council and met with Trade Unions representatives during the period of the consultation.
- 73 Consultation was published on the Councils website and fully promoted whilst CDP partners were written to seeking their views on the Councils budget strategy. The Corporate Overview and Scrutiny Management Board met on 24 October 2022 to consider the October Cabinet report and on 23 January 2023 to consider the 18 January 2023 Cabinet report. The questions posed during the public consultation were as follows:
- (a) what is your view on our approach to balancing the 2023/24 forecast budget shortfall?;
 - (b) what do you feel will be the impact of this approach upon you or those you represent?;
 - (c) do you have any alternatives to the approach, whilst making the required savings?;
 - (d) if the government do remove the cap, what is your view on the council utilising additional Council Tax raising powers above the current 2.99% forecast, given that we may be expected to do this?
- 74 The consultation was promoted with press releases; social media posts; posters displayed in libraries and Customer Access Points and targeted emails were sent to a range of partners.

Participation

- 75 The approach enabled the council to engage with 1,020 people who provided their views.
- 76 Feedback was received across the protected groups, although rates were not always directly comparable with population data for the County. More women (59.9%) than men responded to the survey. In terms of age, 83.5% of respondents were between the age of 18-64, with 16.3% over the age of 65. Recent census 21 data releases show County Durham's 16-64 years population is 61.8%, demonstrating a disproportionately higher engagement rate with the 'working age' population. There was only one respondent from the under 18 age group however a targeted engagement session was carried out with 17 members of the Youth Council to provide a representative voice for younger residents.
- 77 The disability respondent rate was 19.1%, which is broadly representative with census 11 rates of 18.9% (for working age) and 23.6% (for overall county population). 2.5% of respondents were Black, Asian and Minority Ethnic which is lower than recently released census 21 ethnicity data for the County at 5.3%. Respondents from the remaining protected groups were representative of the population with 6% from the lesbian, gay and bisexual population and 36.8% having no religion or belief. There was a slightly higher response rate from Christians (60.4%) compared to the County wide rate of 54.6%.
- 78 Full detail of responses can be found in Appendix 2 with summary detail below and an analysis of respondents across various protected characteristics also:

Table 3 – Consultation Responses

Method	Number of people
Survey Online	628
Paper surveys in Libraries	38
Paper surveys in Customer Access Points	2
14 AAP Board meetings	269
AAP survey responses	30
Youth Council	17
County Durham Association of Local Councils	36
TOTAL	1,020

- 79 The outcomes from across the consultation have been recorded and analysed and key messages are summarised below.

- 80 A total of 668 people completed a survey either online or via a paper version. The views expressed differed between those that accessed the material online versus those that participated in one of the facilitated sessions, where there was an opportunity for questions to be asked and a more informed debate took place.

Our approach to balancing the 2023/24 forecast budget shortfall online and paper responses

- 81 When respondents were asked about their level of agreement with the approach to balancing the 2023/24 budget shortfall, there were 609 responses to this question. 49% of responses either agreed or neither agreed nor disagreed, whilst 51% disagreed.
- 82 When asked to explain their views, 810 comments were received with 620 of these being negative comments. Whilst the comments spanned across all the proposals, the majority of comments related to:
- (a) the 2.99% increase in council tax;
 - (b) the impact of further reductions on back office on frontline service delivery.

Back-office savings

- 83 There were 167 comments relating to the back office savings that were consulted on. The largest number of comments related to general disagreement (42) and concern that these would impact on the delivery of front line services (30).
- 84 From the comments that supported the approach, the need for a balanced approach was mentioned.

Income raising opportunities

- 85 There were 67 comments relating to income raising opportunities that were consulted on. In the main, there was more positive response (39) to the range of income opportunities proposed which included support for selling renewable energy (15), and a need to explore more commercial and profit making opportunities (9).

Review of front-line service subject to further consultation

- 86 There were 69 comments which focused on the need to retain services for the vulnerable, the sports and culture offer, and suggestions to review the use of contractors and the management of commercial services as a way of achieving savings.

Use of council reserves

- 87 There were 47 comments on the planned use of reserves and from these, 16 comments were in support whilst 22 comments disagreed with the approach and a further 9 raised concerns about the sustainability of this approach.

Council Tax increases of 2.99%

- 88 There were 244 comments received in relation to increasing the council tax by 2.99%. The largest number of comments (215) disagreed either in general (106), or specifically mentioned that they felt that families would struggle financially (55) or that the council tax is already high (38). A small number of responses related to reviewing the Local Council Tax Reduction Scheme (6) or to reduce council tax.
- 89 From the responses in support (29), 14 agreed generally with the approach, a few suggested charging student properties (legally this cannot be implemented), with four supportive of further increases.

The impact of this approach upon you or those you represent

- 90 Respondents were asked to tell us how they felt they would be impacted by the proposals and why they believed this would be the case. 605 responses were received to this question with 29% stating that it was either a positive or neither positive nor negative, whilst 71% stated that it would have a negative impact on them.
- 91 The vast majority of comments related to concerns about the impact on either household budgets or potential reduction in services for the public (427). From those, the highest number of comments (165) were concerned about the impact of the cost of living, with a further 39 saying that they cannot afford to pay more. 117 stated that this would lead to reduced services for the public.

Alternatives to the approach, whilst making the required savings

- 92 In total 541 comments were received suggesting alternative ways in which savings could be achieved. The main responses have been grouped into the following categories:
- (a) **Efficiencies (101)**– make the savings from increased efficiencies (85), examine licences, subscriptions, and procurement (11), other (5);
 - (b) **Staffing costs (148)** – reduce salaries to senior officers (37), reduce number of management posts (29), reduce staff travel / work from home (29), reduce the cost of councillors including numbers, allowances, and projects (19), promote cross-cutting roles and increase knowledge (10), redeploy staff into essential services (12), reduce use of consultants and agency staff (8), other (4);

- (c) **Capital projects (71)** – stop investment in capital or regeneration projects (38), do not proceed with plans for the reopening of the DLI Museum and Gallery project (19), invest more in invest to save projects (14);
- (d) **Buildings (55)** – reduce the number of buildings and land used (36), retain the money from the sale of the new HQ and stay in County Hall to utilise these funds (14), other (5);
- (e) **Services (55)** – reduce grounds maintenance across the county (11), reduce non-essential services (22), review services (22);
- (f) **Increase charges (26)** – increase charges for services, fines, and parking (22), parking (4);
- (g) **Council tax (20)** – increase the tax cost for higher band properties (11), charge for student properties (9);
- (h) **Energy efficiency (19)** – increased use of solar power and renewables (19);
- (i) **Businesses (14)** - Support profitable businesses to expand (14);
- (j) **Revenue projects (12)** – reduce arts projects and public events (12).

The council utilising additional Council Tax raising powers above the current 2.99% forecast

- 93 There were 612 responses regarding the prospect of raising the council tax above 2.99%. During the consultation period, the government announced that they were making changes to the Council Tax referendum limits and amending the Adult Social Care Precepting powers in 2023/24 and 2024/25 and that they expected local authorities to take up these new flexibilities. 36% of responses either agreed or neither agreed nor disagreed, whilst 64% disagreed with the prospect of council tax increases beyond 2.99%.
- 94 The main reason given was that the increase will be unaffordable and will cause hardship (51), its already too high (26), need to make savings in alternative ways (18) and that it will be wasted (14).
- 95 There were 36 comments / responses in agreement, stating that it is required, it will protect services, is affordable and there are measures in place to protect people in low income households through the Local Council Tax Reduction Scheme.

Summary of feedback – AAP Board Meetings

- 96 A presentation was delivered to each AAP Board where they could ask questions and provide feedback. Members of the public were invited to attend the meetings and a feedback survey was available to collect

responses. In total, 30 surveys were completed by those who attended these sessions across the 14 AAPs.

- 97 The key themes which emerged from the combination of AAP Board discussion and analysis of surveys are detailed below.

The proposed approach

- 98 There was an understanding and acceptance that budget reductions must be achieved and the importance of maintaining services – particularly front line services. It was difficult to achieve consensus on the feedback from the AAP meetings, however 19 of the 30 survey responses completed by AAP attendees agreed with the approach set out.

- 99 **Council Tax increase of 2.99%:** There was general debate at boards who all appreciated the problem however there were some concerns expressed about the impact on low income household who are also confronted with the increases in cost of living and energy prices.

- 100 The importance of the Local Council Tax Reduction Scheme to protect those on the lowest income was highlighted and recognised. However, there was concern that households which are not eligible will be impacted more and the cost of living crisis could result in an increase in eligible households for the scheme.

- 101 **Use of reserves:** The majority of AAPs supported the use of reserves as a short term measure; however, concerns were about sustainability into the future and that we must maintain a safety net to deal with future emergencies such as storm Arwen.

- 102 In addition to the key themes above, comments were made that it may impact some geographical areas more than others and these are detailed below.

- 103 **Poverty:** Comments from East Durham cited that it has high levels of poverty and deprived neighbourhoods with 45% of children already living in poverty. Concern was expressed that we needed to ensure that these neighbourhoods are supported during these difficult financial times.

- 104 **Rural issues:** Whilst recognising the higher costs of delivering services in rural areas, they needed to be maintained. Comments were also received in relation to the impact on rural areas of high energy prices, in particular, for villages that are not connected to the gas network as well as the impact on rural schools.

The impact of this approach upon you or those you represent

- 105 The potential impacts of the approach include:

- (a) loss of services for those who need them in particular those services which support individuals of all ages;
- (b) household budgets;
- (c) funding for the Voluntary and Community Sector, local communities, and AAPs;
- (d) weakened essential services as a result of back office reductions;
- (e) reductions in funding for Social Care could result in more costly services in the future;
- (f) staff morale of remaining fewer staff and a loss of knowledge and skills.

Alternatives to the approach, whilst making the required savings

106 Alternative ideas for balancing the budget include:

- (a) opportunities of additional funding through devolution;
- (b) lobby Government following 10 years of austerity and its impact on left behind neighbourhoods;
- (c) pause spending on capital expenditure projects;
- (d) review commissioned services provided by profit making organisations;
- (e) reduce the number of buildings and increase co-location of services.

The council utilising additional Council Tax raising powers above the current 2.99% forecast

107 The response to this question was divided. Most AAPs felt that household budget pressures would increase if the Council Tax was raised higher than 2.99% especially for those on low incomes or already living in poverty.

108 However, there was agreement from some which felt that increasing council tax is necessary and better than reduction in services and a fair approach to increasing revenue.

Summary of feedback from Partners

109 **The County Durham Partnership** received a presentation on the council's budget proposals during the consultation period. CDP representatives were asked to submit their views in writing. Responses were received from Durham Police, the Police Crime and Victim's Commissioner (PCVC) and Livin, the housing representative on the Board.

- 110 **The Police and PCVC** expressed concern in their joint response about how balancing finances might affect the commitment to improve public services, wellbeing and economic growth but recognised that the challenges were not of the council's making. They recognised that there will be some difficult decisions to make but are confident in the council's ability to deliver these following thorough planning, full consultation, and impact assessment and that the council would continue to lobby for a greater share of funding. The response highlighted a concern that the impact of the proposals on staff would be recognised and managed in terms of their wellbeing.
- 111 **Livin** agreed with the proposed approach to balancing the budget making the following comments. 'A council tax rise would be more palatable if incomes were rising by a similar level, rather than being stagnant, and that council tax exemptions should continue to be utilised to support the most vulnerable in the county, especially whilst cost of living remains high'. They also agreed with the principle of raising council tax above 2.99%, as additional receipts can support vulnerable residents and help avoid cuts to frontline services. Livin also said we should protect front line services as far as possible, as when gaps or shortfalls occur, members of their staff (untrained) have been required to fulfil responsibilities usually carried out by adult and children's services.

Town and Parish Councils

- 112 The County Durham Association of Local Councils (CDALC) received a presentation at their Larger and Smaller and Medium Council Forums on 24 November 2022.
- 113 Town and Parish councils were largely sympathetic with the proposals as they are facing similar budgetary challenges in setting their budgets for 2023/24 and beyond. Their main comment was that members hoped that the budget could be balanced without too many reductions to front line services.
- 114 City of Durham Parish Council responded separately, again acknowledging the challenging circumstances the council finds itself in. It is supportive of the fact that the proposals put forward have explored every avenue to achieve the savings without heavily impacting on front line services but is concerned that further staff reductions should not impact on services for the most vulnerable. The Parish Council was welcoming of the income raising proposals but did express a concern about the impact of increased demand for planning application services and how that may affect assets outside the scope of the local development plan. The response also mentions the adverse impact of central government policy in relation to lost Council Tax revenue due to student exemptions.

Youth Council

- 115 The Youth Council had a presentation on the council's budget on 14 November with 17 young people attending. The young people were concerned about inflation and how council tax rises would affect people already struggling. They were concerned about the effect that the need to make savings might have on support schemes for young people, home to school transport and youth engagement activities like the Youth Council.

Scrutiny Committee Feedback

- 116 Detailed scrutiny of the Medium Term Financial Plan (MTFP) continues to be undertaken by the Corporate Overview and Scrutiny Management Board in accordance with the terms of reference of that Committee as set out in the Council's Constitution.
- 117 In a different approach for MTFP(13) 2023/24 – 2026/27, as well as the COSMB examining the MTFP and Budget development, a report was taken to the Board's meeting on 17 June 2022 whereby the thematic overview and scrutiny committees were given the opportunity to consider developing options for efficiency savings and income generation in their respective service/functional areas.
- 118 In this regard thematic scrutiny committees were asked to consider the optimum approach to developing options, with the ability to set up task and finish groups or using the full committee membership to assess and analyse options. Thematic scrutiny committees were provided support from service managers and finance to ensure that the required level of information is provided to enable the development of options to be carried out effectively.
- 119 As part of the development of thematic OSC Work programmes, each OSC considered whether they could devote time to undertaking this activity alongside their proposed OSC work programmes. Both the Children and Young Peoples' OSC and the Adults Wellbeing and Health OSC agreed to set up a task and finish working group to identify and consider options for possible future efficiency savings or income generation.
- 120 The COSMB also agreed to set up a Task and Finish group to examine options for possible future efficiency savings or income generation within its own remit.
- 121 At a meeting of the Corporate Overview and Scrutiny Management Board held on 23 January 2023 members received the report of the Corporate Director of Resources regarding the Medium Term Financial Plan 2023/24 to 2026/27 and Revenue Budget 2023/24 – as considered by Cabinet on 18 January 2023. Members were invited to consider and comment on the report prior to consideration of the final Medium Term Financial Plan 2023/24 to 2026/27 and Revenue Budget 2023/24 report at Cabinet and Council in February 2023.

122 Members of the Board made the following comments:-

- (a) the impact of the Government's autumn statement announcement and the draft local government financial settlement was not as adverse as originally envisaged and planned for within the October MTFP report which was welcomed;
- (b) additional funding from central government to improve discharge from hospital into the community was welcomed however;
 - (i) there was concern at the lack of guidance on how this additional resource could be utilised by both local government and the NHS; the timing of the Government's announcement and the continued uncertainty around the one-year settlement;
 - (ii) the movement of sick/vulnerable older people into community settings will place increased pressure on adult social care, particularly home care. COSMB questioned whether there was sufficient capacity within that sector to manage the planned discharge from hospital improvements? Furthermore given the pressures on the care sector, including increases to the national living wage and the need to have competitive salaries that attract staff into this sector, COSMB raised concerns around how this would also be funded?
- (c) the continued need for the council to be financially prudent was acknowledged although the presumption that council tax increases will be maximised across the MTFP planning period was highlighted, with concerns raised in respect of the impact to those in financial difficulties or vulnerable residents. Whilst the benefits of the Council having a LCTRS that didn't cap support to any claimant was acknowledged as a key mitigation, members felt it was evident that the current Cost of Living Crisis was increasing the pool of those residents falling into poverty;
- (d) members referenced the three additional savings areas reported in paragraph 73 of the January Cabinet report and raised some concerns that these had not been subject to the public consultation exercises in late 2022. Of these additional savings areas, some members expressed concern at the proposal to end the "free after two" parking initiative in off street council car parks and questioned whether this could ultimately be detrimental to local economies throughout the county, though the impact and issues caused by this policy for residents in the vicinity of on street parking was acknowledged;
- (e) reference was made to Durham County Council's core spending power and concerns raised that because this sits below the national average,

the council is potentially missing out on some £42 million of government funding were this to be increased to that national average;

- (f) some members expressed concerns about the council tax regime and the increased reliance being placed on this and expressed a preference that local government was funded from a national taxation regime including a proportional property tax, rather than by local taxation in the form of council tax increases;
- (g) reference was made to whether any consideration had been given to introduction of car parking charges for Durham County Council staff, recognising that many other councils do this;
- (h) concern was raised at the proposal for the £1.8 million pounds of unused reserves earmarked for feasibility studies, including for levelling up bids, was being withdrawn and moved into the corporate reserves and members questioned whether this potentially compromised any funding support that might be required for levelling up bids made in subsequent bidding rounds?
- (i) members noted the Chair's comments around the recently announced decisions on the five Durham County levelling up bids and that consideration would be given to any feedback received from government in respect of these;
- (j) concerns were highlighted around the effect of high levels of construction price inflation on the ability to deliver capital programme projects that may have been in the pipeline for some time and which may not have sufficient budget now;
- (k) members referenced the potentially adverse public perception of council tax increases being proposed by the County Council when there appeared to be no "on the ground" evidence of schemes where money was being spent or projects delivered;
- (l) referencing the proposals within the report in respect of the reserves review, members sought assurances that the plan to retain the unspent towns and villages reserve balance corporately to support the MTFP; ER/VR reserve and the commercial reserve would not compromise the projects planned under this scheme and that alternative funding would be secured as part of the proposed capital programme;
- (m) COSMB members commented that ongoing funding pressures across children and young people social care and home to school transport needed to be addressed. Members inquired what plans exist to counter the increase in home to school transport costs due to the combined impact of the COVID-19 pandemic; the need to prevent infection by reducing shared home to school transport provision and also the

increase in demand for home to school transport for children with SEND;

- (n) members noted finally that the bottom line for balancing the budget would potentially be a stark choice between agreeing to maximising council tax increases or alternatively identifying an appropriate level of frontline service cuts – acknowledging that continuing to balance the budget with use of reserves was not sustainable.
- 123 At a meeting of the Corporate Overview and Scrutiny Management Board held on 10 February 2023 members received the report of the Corporate Director of Resources regarding the Medium Term Financial Plan 2023/24 to 2026/27 and Revenue Budget 2023/24 – as considered by Cabinet on 8 February 2023. Members were invited to consider and comment on the report prior to consideration of this final Medium Term Financial Plan 2023/24 to 2026/27 and Revenue Budget 2023/24 report.
- 124 Members of the Board noted the final Local Government Financial settlement received on 6 February 2023 which included an increase in the Government's Services Grant allocation to DCC of £203,000 which will result in a corresponding reduction in the use of reserves and savings targets. Whilst welcoming this small additional increase, the Board noted that the Government had increased the Rural Services Grant nationally by £10 million although Durham County Council would not qualify to receive any of this fund despite making repeated representations to Government on this issue.
- 125 Members acknowledge that whilst funding to the Council had increased there were still additional budget pressures over and above this which the Council must meet including inflationary pressures associated with Pay awards; energy costs, children looked after service demands, adult social care and home to school transport.
- 126 Members welcomed and supported the proposed new capital investment totalling £121.9 million taking the total approved Capital programme to £778.3 million, the largest in the history of the County Council.
- 127 The Committee were advised that the Government, in communicating the Local Government Financial settlements, had assumed that local authorities would raise Council Tax by the maximum levels permissible without recourse to a referendum, an increase of 4.99%. Whilst noting this expectation, some Board members reiterated their concerns on the impact of such increases to those in financial difficulties or vulnerable residents.
- 128 However, the Board also noted that the additional £1.44 million funding that the Council receives from Government to bolster even further the LCTSS

would provide support to around 9,000 pension age residents and 18,500 working age residents.

- 129 Some Board members also reiterated concerns around the way in which Local Government continued to be funded expressing preference for a revised taxation regime rather than local taxation in the form of council tax increases. This was supplemented by some concerns that the Council's resources and spending powers had been eroded during a prolonged period of austerity.
- 130 Questions were raised in respect of the additional £3 million capital funding for future levelling up bids and concern around whether this might be better utilised elsewhere in the capital programme.
- 131 The additional £2 million allocation within the capital programme for building investment to enable the Council to meet its Net Zero targets by 2030 was welcomed by the Board although a question was raised if we as a Council are doing enough to reach our targets and if some measures should be targeted at delivering these reductions earlier. Suggestions on how this might be achieved included maximising invest to save initiatives aimed at Carbon Reduction. A further question was asked as to the expected reduction in carbon emissions related to the additional resource and what spend is identified to support the reduction of transport emissions.
- 132 The Board also asked for clarity as to why there was a differential in the pupil premium rates between primary and secondary schools related to deprivation.
- 133 Continued support within the MTFP for the Council's welfare assistance scheme was welcomed although it was acknowledged that there was a degree of uncertainty as to how long this could be maintained.
- 134 The COSMB notes plans for the potential reduction in Council size as part of the Local Government Boundary Commissions review of arrangements and whether this might impact on the MTFP proposals.
- 135 Members of the Board again reflected on the significant degree of financial uncertainty for the Council due to the one-year local government financial settlement, the potential impact of the Fair Funding Review, increasing budget pressures and uncertainty around the Public Health Grant, Better Care Fund and Market Sustainability and Improvement Grant.
- 136 The Board carefully considered and supported the proposals detailed in respect of the Council's financial reserves set out within the report including the current Reserve Policy of maintaining the General Reserve of between 5% and 7.5% of the Net Budget Requirement. This will result in an increased

General Reserve range due to the increase in the Net Budget Requirement, of between £26 million and up to £39 million in 2023/24.

- 137 The Board then sought clarity around the Treasury Management proposals and the level of cash balances held as set out in Paragraph 326 of the report. Upon explanation, the Board supported the proposals within the report.
- 138 In highlighting the importance of maximising income and identifying efficiencies members welcomed the opportunity to participate in discussions for the development of MTFP(13) in 2022/23. It is hoped that scrutiny will be able to have early involvement in any major financial proposals in coming years.

Children and Young Peoples' OSC Findings

- 139 Children and Young People's Overview and Scrutiny Committee at its meeting on 23 September 2022 elected to carry out task and finish group work to look at Children and Young People Services budget to find potential efficiency savings or income generation. Members suggested they may want to look at home to school transport and income generation from the use of school buildings
- 140 The initial task and finish group took place on 3 November 2022 where members were advised that the service was carrying out an in-depth review of home to school transport. In relation to income generation from school buildings, members were informed that any income generated from school buildings would stay with the school. The task and finish group were also advised of potential invest to save capital expenditure to provide accommodation for children looked after and maximise in house placements.
- 141 At the task and finish group meeting on 5 December 2022 members received detailed information on third party payments and information on ICT licences and also considered the CYPS saving proposals in the MTFP(13) 2023/24 – 2026/27 report that was initially considered at Corporate Overview and Scrutiny Management Board at its meeting on 24 October.
- 142 Members of the CYPOSC task and finish group agreed the following findings;
- (a) they requested that the findings from the service review of Home to School Transport is shared with the CYPOSC when appropriate to do so;
 - (b) they support the proposals for Children and Young People's Services as identified in the MTFP 13 2023/24 – 2026/27 report considered by COSMB on 24 October 2022;
 - (c) they support the work being done in the service to reduce reliance on third party payments including the delivery of additional in-house provision for children looked after;

- (d) they propose that the service should review all ICT licences to ensure they are receiving value for money from them.

Adults Wellbeing and Health OSC Findings

- 143 The AWHOSC MTFP Working group met on 25 October 2022 and considered details of the key AHS Budget heads for income and expenditure, recent savings within the service grouping totalling £9.6 million.
- 144 The working group also examined key areas of efficiency savings and/or income generation as reported to the COSMB on 24 October 2022. These areas included contractual services across the service grouping; maximised reablement and direct payments; a review of specialist care provision across learning disability services; non-assessed community based commissioned services; a review of county-wide hearing-impaired services; a review of cleaning provision in extra care schemes and a reduction in staff travel costs following new hybrid working models. These savings totalled £3.147 million over the life of MTFP(13).
- 145 Discussions took place around commissioned services within Adult and Health services with particular concern expressed around the Council's ability to control these when they were so heavily influenced by external factors such as workforce, pay levels, recruitment and retention and other inflationary pressures.
- 146 The working group also examined the issue of Fees and Charges and the ability to raise additional funding via the Adult Social Care Precept which was applied to council tax.
- 147 Members noted that the council was faced with a period of uncertainty regarding adult health and social care reforms planned by Government and that a review into social care charging was anticipated for Autumn 2023. The working group concluded that the issue around social care fees and charges be deferred pending the anticipated Government charging review.
- 148 Regarding the topic of the ASC Precept and the ability to raise the council tax, members also concluded that whilst this was currently still on the table, more information would likely be available when the Chancellor delivered his Autumn statement in November 2022. They also highlighted concerns around the relatively small increase in revenue that the social care precept would raise in an area like County Durham with the majority of its housing in Band A.
- 149 Members of the AWHOSC MTFP Working Group agreed the following findings;
 - (a) they support the proposals for Adults and Health Services as identified in the MTFP(13) 2023/24 – 2026/27 report considered by COSMB on 24 October 2022;

- (b) a full review of Adults and Health Services fees and charges be undertaken once the implications of the Government's Adults Social Care Charging review are known and assessed;
- (c) noting the level of uncertainty around the council's ability to raise additional income via the Adult Social Care Levy, the working group support in principle the additional ASC levy being implemented in 2023/24 subject to Government approval.

COSMB MTFP Task and Finish Group findings

- 150 The COSMB MTFP Task and finish group met first on 23 September 2022 to consider the potential areas of efficiency savings and/or income generation within the resources services grouping budget and centrally administered costs. Initial areas identified for consideration included Bank Charges/Debt Charges, Capital Receipts, and the procurement rebate. In considering these areas, members noted that some work was being undertaken in respect of court fees/charges and that further detailed consideration of this could be referred to a further meeting.
- 151 In respect of the procurement rebate members noted that this resource might be needed to offset known budgetary pressures around energy costs across the MTFP, so the group agreed this remain out of scope for this year.
- 152 Discussion then took place around the opportunities available to the Council to generate income by selling services to third parties particularly around support services like Payroll, HR, and legal advice. Reference was made to the large number of existing Service Level Agreements in place with third parties for the provision of such support services, including with academised schools. The Group agreed to look at the issue of existing SLAs and whether they represent value for money from the Council's perspective in more detail.
- 153 The Task and Finish group met for a second time on 14 October 2022 to consider in more detail issues around SLA retention and growth and debt charges/legal costs.
- 154 Members noted the information around the Council's approach to commercialisation of services via SLA retention and growth, including the 75 standard SLAs and additional bespoke SLAs delivered to over 450 customers including schools, academies, and other public sector organisations within County Durham and across the region. These generated significant income for the Council across areas such as HR, Payroll, Health and Safety, Governor training and support, ICT and Digital services, Telephony, repairs, and maintenance, Building compliance services and many more.
- 155 The group considered that the Council was in a strong position to consolidate and grow its commercial services offer with particular emphasis on customer

relationship management; promotion and sales development; business case modelling and strategic partnerships and collaboration.

- 156 The second area of activity proposed for examination as part of the MTFP(13) development process was whether there was an opportunity to increase the amount claimed for court costs by the Council when submitting an application to the Magistrates Court for liability orders for unpaid council tax. Members were advised that whilst there is no legislative cap on the amount of such costs that the Council can claim, there is a requirement that they are reasonable, and the court has a discretion whether to award them in full or in part. The Council's ability to recover increased court costs is therefore uncertain.
- 157 With the impact of the COVID-19 pandemic giving rise to changes in the process for taking cases to court on the increased use of remote technology for hearings, it was suggested that there had been greater efficiencies introduced into the process to the extent that there may be a likelihood that costs incurred for such cases maybe potentially lower than the fee applied for.
- 158 In considering the potential to generate additional income in pursuing outstanding debt via the courts, members expressed concern at the potential for legal challenges against council court costs being successful if it was felt that the costs sought by the council were merely an attempt to generate additional income rather than a true reflection of the costs incurred by the Council. Whilst members recommended an annual review of Council debt recovery costs/fees they appreciated and agreed with officers that striving for more income for the sake of it could put the Council at risk of successful appeals against such costs.
- 159 Members also questioned officers regarding the approach taken to debt recovery when the reason for incurring the debt was genuine financial hardship or poverty rather than a clear refusal to pay by those with the ability to do so.
- 160 Members noted the work undertaken to benchmark the level of court fees/costs against other local authorities. However, members also considered there was more work to be undertaken in this area before any firm decisions on the level of such charges could be made. The working group therefore considered that this work be incorporated into an annual review as fees and charges to be undertaken in order to assess or identify any rationale for seeking to increase these court costs.
- 161 Members of the COSMB MTFP Task and Finish Group agreed the following findings;
- (a) in respect of the information received regarding Commercial Services and the process for providing services to external customers by way of

service level agreements, the working group support the work undertaken to date and that the Commercial Services team continue to assess potential opportunity for expansion in this area whilst also ensuring that current SLAs and associated charges provide value for money for both the council and its clients;

- (b) as part of the proposal for an annual review of fees and charges within the council, the amount claimed for court costs by the Council when submitting an application to the Magistrates Court for liability orders for unpaid council tax be included within this process and work also undertaken to assess whether there may be any future rationale for seeking an increase to these costs.

Medium Term Financial Plan Strategy

- 162 The strategy the council deploys has been to prepare prudent forecasts to anticipate and accurately assess the scale of the challenge in terms of balancing its budgets over the medium term and to prioritise savings from management, support services, efficiencies and, where possible, increased income from fees and charges to minimise the impact of reductions on frontline services as far as possible.
- 163 The benefits of strong financial governance arrangements, maintaining adequate reserves and delivering savings early, if practical to do so, cannot be over emphasised. It is the cornerstone of members being able to discharge their fiduciary responsibilities with regards to the stewardship of public funding. The utilisation of reserves has been essential in ensuring the smooth delivery of savings and enabled a managed implementation of proposals across financial years.
- 164 In the past the council has been accurate in forecasting the level of savings required, which has allowed the development of robust plans and has enabled the council to effectively manage the implementation and delivery on time, including meeting extensive consultation and communication requirements. This has put the council in as strong a position as possible to meet the ongoing financial challenges across this MTFP and beyond.
- 165 Savings proposals are becoming more complex and difficult to deliver and will inevitably require increased utilisation of reserves to offset any delays and 'smooth in' reductions across financial years.
- 166 The council's existing MTFP strategy aligns with the council vision for 2035 which sets out our strategic direction and what we would like to achieve over the next 15 years and has three broad ambitions for the people of County Durham: More and better jobs; People live long and independent lives; and Connected communities. As well as being of key importance to local people's long-term priorities, these ambitions remain key strategic ambitions, where key impacts relate to employment, health and wellbeing, and communities.

167 In addition, the MTFP strategy aligns well with the priorities identified by the public. For example:

- (a) **protecting basic needs and support services for vulnerable people** - the council works hard with partners to minimise the impact of budget reductions as far as possible on vulnerable people. In MTFP(13), support has been continued to protect working age people on low incomes through the continuation of the existing Council Tax Reduction Scheme (LCTRS). The council is the only authority in the northeast and one of only a small handful nationally that do not cap support to working age LCTRS claimants and continues to provide support in line with the National Council Tax Benefit scheme that was withdrawn in 2013.

The 2023/24 budget proposals also include provision for top up payments of up to £110 for working age CTR claimants and up to £50 for pension age CTR claimants left with a bill to pay next year.

Work with health partners also continues to help ensure that health and social care funds are maximised and every proposal with the potential to impact on vulnerable people is subject to an assessment to identify likely impacts and mitigate these as far as possible;

- (b) **avoid waste and increase efficiency** - the council has a good track record of tacking the required decisions and delivering cashable efficiency savings since local government reorganisation. This includes rationalisation of council buildings and IT systems and investment in digitisation of services. All employees have the ability to suggest ideas that could reduce waste and improve efficiency. The council benchmarks itself against other organisations in order to identify areas for improvement and demonstrate value for money;
- (c) **fees and charges** - the council has addressed some of its financial challenges through increasing fees and charges. Such decisions are carefully considered, and it is acknowledged that it is not appropriate to aim for the highest charges possible, given the disposable income levels of most residents and service users in County Durham.

168 The 2023/24 budget forecasts included in the updated MTFP model attached at Appendix 6 shows a balanced position next year provided the council agrees a 4.99% increase in council tax, the £12.383 million of savings and utilises £10.028 million of the MTFP Reserve. Using the MTFP Reserve to balance the budget year on year is not a long term solution and can only be considered to be a temporary measure to buy time to develop more sustainable / permanent budget solutions or to phase in savings.

169 Further savings are forecast to be required over the three years 2024/25 to 2026/27 as the use of the MTFP Reserve in 2023/24 drops out and funding

from council tax increases (assuming the council maximises its tax raising powers across the period), forecast tax base growth and government grant fails to keep up with ongoing and unavoidable spending pressures. It is forecast that the council will continue to face significant unavoidable budget pressures from pay and price inflation, the national living wage increases which drive adult social care contact increases, in children's social care, waste disposal and in meeting investment requirements to continue to address climate change priorities. The MTFP(13) forecasts assume a cash flat position in terms of government grant from 2025/26, but there is a risk that there could be funding reductions from 2025/26 based on the Chancellors forecasts published in the Autumn Statement, which if they materialise would worsen the financial outlook in future years.

170 In addition, local government generally is absorbing more financial risks from central government. Increased risk is arising from several sources:

- (a) under the Local Council Tax Reduction Scheme, previous national risk arising from any increased numbers of benefits claimants has been transferred to local authorities since April 2013. The risk is greater for authorities like Durham that serve relatively more deprived areas and have relatively weaker economic performance than the national average;
- (b) Business Rates Retention was introduced in 2013/14 to incentivise local authorities to focus on economic regeneration by being able to retain 49% of business rates raised locally. Economic regeneration has always been a priority for the council. Unfortunately, the practical consequences of these funding changes shift risks once managed nationally, to local authorities should there be a downturn in the local economy and local business rate yield reduces. In addition, the council also now carries a share in the risk arising from successful rating appeals against the rateable value assigned to a business by the Valuation Office, part of HM Revenues and Customs which can go back many years. Again, the impact of the pandemic upon the business rate taxbase highlights this risk;
- (c) whilst the Fair Funding Review has been deferred, consultations are expected to begin again in 2023 and 2024 in terms of the formula used to allocate government funding to individual authorities. The FFR could result in significant changes to the funding received by the council;
- (d) the employment rate is below both the national and regional averages – with youth unemployment continuing to be a particular concern within the county and levels of disposable income below both the regional and national averages – placing pressure on households across the county as they deal with increases in the cost of living due to higher inflation in the economy and supply chain disruption;

- (e) the government's ongoing Welfare Reforms carry increased financial risk to the council in areas such as the Discretionary Benefits Service, Welfare Rights, homelessness, and housing services. Similarly, council tax can be more difficult to collect from lower income households, creating increased financial pressure;
- (f) risks such as future price and pay inflation and demographic pressures in children's social care services in particular will still apply and are not currently fully recognised in government funding allocations, increasing the real terms cuts required to set a balanced budget;
- (g) future settlements are dependent upon the national finances. The 2022 Autumn Statement indicated that the public sector face 1% real terms funding increases from 2025/26 to 2027/28. If local government is not protected, then it is likely that funding reductions could be applied in those years.

171 Savings plans will continue to be developed to ensure options are in place to balance future years budgets. On that basis the council will need to be flexible in terms of planning for future years savings.

Revenue Budget for 2023/24

172 The report to Cabinet on 18 January 2023 provided an overview of the Autumn Statement published on 17 November 2022 and the impact of the provisional local government settlement published on 19 December 2022, which informed updated forecasts of the resources available, budget pressures being faced, and the savings required to balance the budget next year and the three years after that. The January report included an analysis of the consultation outcomes and set out proposals arising from a review of reserves, with cabinet agreeing to implement the proposed transfers and reprioritising of a range of reserves to assist with the balancing of budgets in 2023/24 and beyond. On 8 February 2023, Cabinet considered a further update, building on reports considered on 12 October 2022 and 13 July 2022. The culmination of these detailed considerations has informed the final position that is included in this report.

Base Budget Pressures in 2023/24

173 Base budget pressures for inclusion in the 2023/24 base budget can be summarised as follows:

Table 4 – 2023/24 Base Budget Pressures

Pressure	Amount £m
Pay Inflation	19.200
Price Inflation	5.300
Adult Social Care Fee Inflation Uplift including NLW	21.900
1.25% Employers National Insurance Reduction	(1.500)
Energy Increases	6.000
Adult Demographic Pressures	1.000
Children’s Demographic Pressures	13.800
Transport including Home to School	9.500
Waste Disposal Pressures	1.600
Specific Grant related Expenditure	6.809
Pension Fund Revaluation	(5.100)
Investment Income Short Term	(7.000)
Other Budget Pressures	7.397
TOTAL	78.906

- 174 In terms of the 2023/24 pay award provision for a 5% increase has been included in the estimates, which seeks to reflect the higher general inflation levels at the present time. The budget provision also includes sums to address the shortfall / overspend in 2022/23 where the pay award was higher than the budgeted position, which is producing overspends in the current year. A 5% provision for general price inflation on materials, goods and services procured by the council (excluding energy contracts) has been included in estimates next year.
- 175 The council faces a significant budget pressure in relation to the impact of the 2023/24 National Living Wage (NLW) increase, which was announced as part of the AS. At 9.7%, the increase is higher than the forecast of 8.6% included in MTFP(13) modelling earlier in the year. Contractual arrangements, particularly relating to adult social care services include annual uplifts in contract prices which are linked to the NLW. In addition, general inflation levels are also impacting upon adult social care providers. In this regard a £21.9 million base budget pressure is included in the 2023/24 budget to cover the cost of the NLW uplift and general inflation.
- 176 The council continues to face significant unavoidable budget pressures in Children and Young People’s Services particularly in relation to Children’s Social Care placements and Home to School Transport, with further budget uplifts provided to offset current shortfalls in these areas. Similarly, additional provision has been made to increase the base budgets in waste disposal, where waste tonnages collected remain higher than pre-pandemic levels.

- 177 The council expects to incur some double running costs across the MTFP(13) planning period in relation to County Hall and the implementation of the alternative accommodation strategy. Previous Cabinet reports have recognised that double running costs would be incurred, particularly given that the content of the County Archive and Records Office would need to stay in county hall until The Story at Mount Oswald can be occupied. Any costs incurred in 2023/24 will be financed from general contingencies in year.
- 178 The council continues to prioritise capital investment and this budget includes a fully funded capital programme, with significant proposed new additions to the programme to be agreed. A key priority of the capital programme continues to be regeneration and job creation within the local economy.

MTFP(13) Savings

- 179 The council continues to seek to identify and generate additional savings having a clear focus on implementing efficiency savings, income generation and the protection of front line services as far as is possible.
- 180 The MTFP(13) report considered by Cabinet in October 2022 included savings options for consultation of £11.872 million for 2023/24 and £17.731 million in total over the MTFP(13) period (2023/24 to 2026/27). The January 2023 MTFP(13) update report included additional savings proposals totalling £0.881 million, taking the total savings available in 2023/24 to £12.733 million and to £18.611 million in total over the MTFP(13) period.
- 181 Having considered the feedback from Corporate Overview and Scrutiny Management Board, the additional savings identified in January were subsequently reduced to £0.531 million, which brings the total savings available in 2023/24 to £12.383 million and to £18.261 million in total over the MTFP(13) period. The table below provides a summary of the MTFP(13) savings, with the individual savings plans detailed in Appendix 3.

Table 5 – MTFP(13) Savings

Year	Savings £m
2023/24	12.383
2024/25	2.225
2025/26	1.873
2026/27	1.780
TOTAL	18.261

- 182 The MTFP(13) modelling forecasts that £23.177 million of further savings are still required to balance budgets over the medium term, with £10.229 million (44%) falling in 2024/25. Over the coming months the council will continue to

develop savings plans to ensure savings options are available for consideration should they be required.

2023/24 Net Budget Requirement and Council Tax

183 After considering base budget pressures and additional investment built into the 2023/24 and MTFP(13) forecasts, the council's Net Budget Requirement for 2023/24 is £520.176 million. The financing of the Net Budget Requirement is detailed in the table below.

Table 6 – Financing of the 2023/24 Budget

Funding Stream	Amount £m
Revenue Support Grant	32.991
Business Rates – Local Share	55.712
Business Rates – Top Up Grant	75.956
Section 31 Grant	34.468
Collection Fund Deficit	(3.895)
Council Tax	268.372
New Homes Bonus	1.860
Social Care Pressures Grant	49.564
Services Grant	5.148
NET BUDGET REQUIREMENT	520.176

184 The Gross and Net Expenditure Budgets for 2023/24 for each service grouping are detailed in Appendix 4. A summary of the 2023/24 budget by service expenditure type, based upon the CIPFA classification of costs is detailed in Appendix 5.

185 In the AS the government announced changes to the maximum level's councils could increase council tax without approval from a majority of council taxpayers in a public referendum. The "referendum limit" on core council tax has increased from 1.99% to 2.99% from 2023/24. Upper tier councils were also given the ability to apply an Adult Social Care precept of up to a maximum of 2% in 2023/24 and in 2024/25. In total therefore, the council is able to increase council tax by a maximum of 4.99% in 2023/24 and 2024/25, with the government making it clear that it expected at least 95% of authorities to do so to help them meet the inflationary and other unavoidable cost pressures they are facing. Council tax increases at this level are baked into the Core Spending Power calculations published by government.

- 186 After considering the impact upon the council's budget and, importantly upon council taxpayers, this report recommends the council utilises the full flexibility to increase the council tax by 4.99% next year, which will be below the referendum limit. Increases of 4.99% in 2024/25 and 2.99% in 2025/26 and in 2026/27 are included in the MTFP(13) forecasts.
- 187 Careful consideration has been given in determining the 2023/24 council tax increase to the impact upon the most financially vulnerable, who continue to be fully protected by our Local Council Tax Support Scheme and who are also supported through the council's broader welfare assistance programme.
- 188 In this regard the council targets welfare investment towards key priority areas. The council is committed to addressing issues presented by poverty through a co-ordinated and multi-faceted approach. This includes delivering a range of policy interventions aimed at supporting vulnerable low-income households. In November 2022 Cabinet agreed an updated and refreshed Poverty Strategy and Action Plan, which set out a comprehensive response to the impact of poverty and its related issues on our residents across the county.
- 189 These interventions include maintaining the Local Council Tax Reduction Scheme (LCTRS) in 2023/24. There are currently 54,141 LCTRS claimants in County Durham, of which 20,649 (38%) are pensioners and 33,502 (62%) are working age claimants. Almost 80% of all working age claimants receive maximum help, leaving them with no council tax to pay, with LCTRS support forecast to be around £60.4 million in 2022/23.
- 190 In 2020/21 and 2021/22 the government provided Local Council Tax Support Grant funding of £14 million to support communities during the pandemic. This funding has been utilised in the main to deliver Local Council Tax Reduction Scheme Top Up Payments which have provided up to an additional £300 of support to working age claimants in 2020/21 and 2021/22; and up to £150 of support during 2022/23, with a previously agreed up to £75 of support in 2023/24.
- 191 In the AS the Government announced additional funding to support low income households with their Council Tax liability in 2023/24. The Council Tax Support Fund is aimed at providing further support to those low income vulnerable households already receiving Council Tax Support. Durham has been allocated £1.440 million to offer further reductions to those facing financial hardship.
- 192 As the Council has already agreed its Council Tax Reduction Scheme for 2023/24, which includes continued use of previous Covid 19 Hardship Funding to provide up to £75 of additional support to Working Age LCTRS claimants, the scheme has been reviewed in the light of the additional funding provided next year. The Government guidance stipulates that support of up to £25 should be provided to both Working Age and Pensioner

claimants. However, the additional £1.440 million of funding the council will receive next year will allow the council to increase the level of support to residents with their council tax bills.

- 193 With the new funding provided, it is proposed that the council uses it to reduce the bills by up to £50 in 2023/24, for pension age and working age residents who receive Local Council Tax Reduction but still have council tax to pay. This level of support is double the £25 recommended by the government and would be on top of the utilisation of residual Local Council Tax Support Grant funding provided during the pandemic.
- 194 The council is able to offer this higher level of support because its Local Council Tax Reduction scheme already provides 100% reductions for most qualifying residents. Along with the (as amended) up to £60 awards from the remaining pandemic funding, working age LCTRS claimants with a bill to pay will receive up to £110 in additional assistance with their council tax on top of their Local Council Tax Reduction. It is forecast that this will benefit 9,000 pension age residents and 18,500 working age residents.
- 195 The council has continued to utilise the Welfare Assistance reserve, which includes both Council funding and previous Covid financial support, to deliver initiatives and projects to support those facing financial hardship as communities have recovered from the pandemic and moved into the current cost of living crisis. More than £3.1 million has been committed from this reserve since April 2021 to support overspending on the Welfare Assistance Scheme and poverty related projects as part of the Council's cross service and partnership approach to tackling the issues facing low income and vulnerable households across our county.
- 196 This reserve is also being utilised to support overspends in relation to Discretionary Housing Payments (DHP), which provides support to eligible households needing support to maintain their tenancy. In line with the national approach, there has been a reduction in the funding to this scheme for Durham in 2022/23, with the Department of Work and Pensions (DWP) allocating £0.836 million (was £1.180 million in 2021/22). At the point of preparing this report the 2023/24 allocations had not been announced. The eligibility criteria for this scheme will need to be reviewed if funding remains in line with the 2022/23 levels next year.
- 197 The council continues to commit £1 million of core budget to support the Welfare Assistance Scheme which has seen significant increases in terms of demand over the last year. The Welfare Assistance Scheme has been supplemented by £0.3 million of Household Support Fund this year to ensure demand can be met for the increased claims for Daily Living Expenses and Settlement Grants.
- 198 The council also continues to support council tax exemptions for care leavers, which exempts care leavers from council tax up to the age of 25, to

support those leaving care to facilitate their transition to independent living. This support is enabling around £0.193 million of council tax reductions in 2022/23 and there are no changes to this policy proposed so this support will continue into 2023/24.

- 199 Over the last year, the Council has continued to receive Government funding through the Household Support Fund (HSF). DWP grant funding to administer a HSF2 totalled £4.676 million for the period between 1 April and 30 September 2022 and on 29 September 2022, the DWP published the final funding allocations and guidance for HSF3. This grant covers expenditure incurred from 1 October 2022 to 31 March 2023 and the council's allocation was again £4.676 million.
- 200 In the Autumn Statement, a further allocation of HSF for 2023/24 was announced, with the Government indicating a full years' worth of funding to support the scheme. Further details on this are awaited.
- 201 In the current year the council supplemented funding received from the DfE to support a wider reach for the holiday activities with food programme (Durham's Fun and Food). The initial funding allocation from the DfE was £2.3 million in 2022/23, to co-ordinate and deliver free holiday activities and healthy food for children and young people eligible for free school meals during the Easter, Summer, and Christmas holiday periods in 2022. This was boosted with an investment of £0.150 million from the Welfare Assistance Reserve to expand the scheme which has had participation from over 35,000 children and young people.
- 202 In 2023/24 the government is providing further funding to extend the holiday activities with food programme and the council will seek to continue to support the most economically vulnerable and to invest any future funding from government effectively. The DfE funding allocation to this scheme is £2.338 million in 2023/24.
- 203 The 2023/24 council tax base, which is the figure utilised to calculate council tax income forecasts and to set the Council Tax, was approved by Cabinet on 16 November 2022 as 145,675.9 Band D equivalent, a 1.38% increase from 2022/23. Based upon the council's track record in collecting council tax from council taxpayers, the collection rate for council tax setting and income generation processes has been retained at 99%. Additional council tax income of £3.4 million has been factored into the 2023/24 budgets from the year on year increase in the tax base.
- 204 There is a forecast £1.196 million surplus on the 2022/23 Collection Fund. This sum will be utilised as a one off sum to support the council capital programme.

Recommendation(s)

205 It is recommended that Members:

- (a) approve the identified base budget pressures included in Table 4;
- (b) approve the revised top up payments to Council Tax Reduction claimants left with a bill to pay to ensure full use of the Government's Council Tax Support Grant allocations to support vulnerable residents experiencing financial difficulty. This will mean making a maximum payments of up to £110 for eligible Working Age Council Tax reduction claimants and up to £50 to eligible residents in receipt of Council Tax Reduction who are pensioners in 2023/24;
- (c) approve the savings plans detailed in Appendix 3, which total £12.383 million in 2023/24, £2.225 million in 2024/25, £1.873 million in 2025/26 and £1.505 million in 2026/27;
- (d) approve a 2.99% 2023/24 Council Tax increase and a 2% increase which relates to the Adult Social Care precept, totalling a combined 4.99% overall increase in council tax;
- (e) approve the 2023/24 Net Budget Requirement of £520.176 million.

How the Medium-Term Financial Plan 2023/24 to 2026/27 (MTFP(13)) has been developed

206 The following financial planning assumptions have been utilised in developing the MTFP(13) budget model, which is set out in Appendix 6:

- (a) in line with confirmation in the provisional local government finance settlement it is assumed that RSG will increase in 2024/25 by CPI which is forecast to be 6% as at September 2024;
- (b) it is assumed that apportionment of the un-ringfenced Social Care Grant and Market Sustainability and Improvement Grant and the ringfenced Better Care Fund Discharge grant are in line with the 2023/24 allocations;
- (c) it is assumed that the New Homes Bonus will cease to exist from 2024/25 onwards and that the government will utilise the funds available to finance growth in other funding streams leading to a reduction in grant of £1.860 million;
- (d) it is assumed that the council will receive cash flat funding settlements beyond 2025/26. The November 2022 Autumn Statement indicated that public sector expenditure would only increase in real terms by 1% for the three years 2025/26 to 2027/28. If health, education, and defence were protected this could result in funding cuts for unprotected departments. It is felt prudent at this stage to assume that local

government funding is cash flat for the final two years of the MTFP(13) period;

- (e) forecast pay and price inflation levels assumptions are detailed in the table below. Service groupings will be expected to manage budgets within set cash limits although some additional allowance is recognised for major contracts.

Table 7 – Pay and Price Inflation Assumptions

Year	Pay Inflation	Price Inflation
	%	%
2023/24	5.0	5.0
2024/25	2.0	1.5
2025/26	2.0	1.5
2026/27	2.0	1.5

- (f) in 2023/24 the MTFP makes provision for the shortfall in the 2022/23 pay provision, where a 3.25% increase was budgeted for but pay costs increased by an average of 6.6%, resulting in an in year overspend in 2022/23 and requiring additional budget provision of £7 million in 2023/24
- (g) forecasts have also been included in relation to the impact of the National Living Wage over and above the price inflation allowance. The Low Pay Commission has indicated that the expectation is that the NLW will increase from the 2023/24 agreed level of £10.42 per hour to circa £11.08 per hour in 2024/25 which will be an increase of 6.3%;
- (h) continuing forecast budget pressures in relation to Children and Adults demographics of £6.5 million per annum;
- (i) continuing to support the capital programme – with £6.4 million of new prudential borrowing cost provision built into 2024/25, £3.4 million in 2025/26 and £3 million in 2026/27;
- (j) it is assumed from that the council will increase council tax by 4.99% in 2024/25 utilising the full referendum and adult social care precepts with increases of 2.99% applied in 2025/26 and 2026/27 in line with the new referendum limits;
- (k) beyond next year it is assumed that the council tax base and business rate tax bases will continue to grow – by around 0.9% per annum.

207 Based upon the assumptions built into MTFP(13), the following shortfall in savings will be required to balance the budget in 2024/25 to 2026/27.

Table 8 – Savings to be Identified

Year	Savings Target
	£m
2024/25	10.229
2025/26	4.540
2026/27	8.408
TOTAL	23.177

- 208 In total, assuming the council increases the council tax in future years line with the updated MTFP(13) forecasts and based on the updated spending pressures across that period, additional savings of £23.177 million are required to balance the budget over the 2024/25 to 2026/27 period. To support the MTFP over this period there will be a forecast balance in the MTFP Support Reserve of £32.7 million after the utilisation of £10.028 million to support the 2023/24 budget.
- 209 The MTFP(13) budget model is attached at Appendix 6. This model is considered prudent taking account of the latest intelligence relating to future funding settlements, though there remains significant uncertainty over these estimates, particularly beyond 2025/26. Actual outcomes will be dependent on government's decisions on the formulae for allocating future grant funding as well as the details of overall level of government funding that is available for local government from 2025/26.

Financial Reserves

- 210 Holding reserves is essential to the council's financial governance arrangements and crucial to assisting members and officers in discharging their fiduciary responsibilities over the effective management of public funding. They are held:
- (a) as a working balance to help cushion the impact of any uneven cash flows and avoid unnecessary temporary borrowing – this forms part of the General Reserves;
 - (b) as a contingency to cushion the impact of any unexpected events or emergencies, for example, flooding and other exceptional winter weather – this also forms part of General Reserves;

- (c) as a means of building up funds – ‘earmarked’ reserves – to meet known or predicted future liabilities and commitments; and
 - (d) to reflect accounting treatment in terms of carrying over at year end grant and other third party funding where expenditure is to be defrayed in future years.
- 211 The council’s current reserves policy is to:
- (a) set aside sufficient sums in Earmarked Reserves as is considered prudent. The Corporate Director of Resources should continue to be authorised to establish such reserves as required, to review them for both adequacy and purpose on a regular basis and then reporting to the Cabinet Portfolio Member for Finance and to Cabinet;
 - (b) aim to maintain General Reserves in the medium term of between 5% and 7.5% of the Net Budget Requirement which in cash terms equates to a reserve of between £23 million up to £35 million.
- 212 Each earmarked reserve, apart from the schools’ reserve, is kept under review and formally reviewed on an annual basis. The schools’ reserve is the responsibility of individual schools with balances for each maintained school at the year-end making up the total reserve position.
- 213 A Local Authority Accounting Panel Bulletin published in November 2008 (LAAP77) made a number of recommendations relating to the determination and the adequacy of Local Authority Reserves. The guidance contained in the Bulletin “represents good financial management and should be followed as a matter of course”.
- 214 This bulletin highlights a range of factors, in addition to cash flow requirements that councils should consider in determining their reserves policy. These include the treatment of inflation, the treatment of demand led pressures, efficiency savings, partnerships, and the general financial climate, including the impact on investment income. The bulletin also refers to reserves being deployed to fund recurring expenditure and indicates that this is not a long-term option. If Members were to choose to use General Reserves as part of this budget process appropriate action would need to be factored into the MTFP to ensure that this is addressed over time so that the base budget is not reliant on a continued contribution from General Reserves.
- 215 The accounting code of practice requires unapplied grants or partnership funds to be carried over at year end in an earmarked reserve. This can often skew the balances held from year to year, particularly where funding for the upcoming years commitments is paid early. It is for this reason that the earmarked reserves held by the Council are categorised as sums held for corporate purposes, sums held on behalf of partner organisations / external

grants and other sums earmarked for specific purposes when reported to Cabinet on a quarterly basis as part of the forecast of outturn reports.

- 216 The forecast balance on all reserves is reported to Cabinet every quarter as part of the Forecast of Outturn reports and Cabinet received the latest report on 16 November 2022 based on the position as of 30 September 2022. The quarter three forecast of outturn will be considered by Cabinet in March 2023.
- 217 The 18 January 2022 MTFP(13) Cabinet report provided detail of a review of earmarked reserves. This review resulted in £38.3 million of earmarked reserves being transferred into corporate reserves to ensure future MTFP's could be supported. The MTFP(13) Support Reserve (£27.319 million), the ER/VR Reserve (£7.5 million) and the Commercial Reserve (£3.5 million) were replenished as a result of this review.
- 218 It is recommended at this stage that the current Reserve Policy of maintaining the General Reserve of between 5% and 7.5% of the Net Budget Requirement is retained. This will result in an increased General Reserve range due to the increase in the Net Budget Requirement, of between £26 million and up to £39 million in 2023/24.
- 219 A balanced MTFP model has been developed after considering assumptions detailed in this report. The MTFP model is summarised below. It should be noted that there is a shortfall over the MTFP(13) period of £23.177 million.

Table 9 – MTFP(13) Model Summary

	2023/24	2024/25	2025/26	2026/27	Total
	£m	£m	£m	£m	£m
Variance in Resource Base	(56.495)	(39.120)	(13.350)	(13.500)	(122.465)
Pressures/Investments	78.906	41.546	19.763	23.688	163.903
Use of MTFP Support Reserve	(10.028)	0	0	0	(10.028)
Previous use of one-off funds	0	10.028	0	0	10.028
Savings Required	12.383	12.657	6.413	10.188	41.641
Savings Identified	(12.383)	(2.225)	(1.873)	(1.780)	(18.261)
Savings Shortfall	0	10.229	4.540	8.408	23.177

Recommendations

- 220 It is recommended that Members:
- (a) agree the forecast MTFP(13) financial position set out at Appendix 6;

- (b) set aside sufficient sums in Earmarked Reserves as are considered prudent. The Corporate Director of Resources should continue to be authorised to establish such reserves as required to review them for both adequacy and purpose on a regular basis reporting appropriately to the Cabinet Portfolio Member for Finance and to Cabinet;
- (c) aim to maintain General Reserve in the medium term between 5% and 7.5% of the Net Budget Requirement which in cash terms is between £26 million and £39 million.

Capital Budget 2022/23 to 2025/26

- 221 The council's Capital Member Officer Working Group (MOWG) closely monitors the capital programme. The existing (MTFP12) capital programme was agreed by Council in February 2022 and has been subject to amendments / reprofiling through various budgetary control reports considered by Cabinet during the year. The current capital budget was approved by Cabinet on 16 November 2022, factoring in a range of additions, deletions and reprofiling of capital schemes.
- 222 Since that date, capital budgets have continued to be challenged and reviewed whilst additional resources have been received, which have augmented the capital programme. After taking these adjustments into account, the table below details the latest revised capital budget for the period 2022/23 to 2025/26 including the details of the financing of this capital expenditure. Further details of the current capital programme can be found at Appendix 7.

Table 10 – Current Capital Budget 2022/23 to 2025/26

Service Grouping	2022/23	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m	£m
AHS	0.100	1.589	0	0	1.689
CYPS	18.048	79.466	7.495	0.440	105.449
NCC	57.915	65.348	0.200	0	123.463
REG	84.736	130.435	160.204	50.699	426.074
RES	4.275	9.530	0.882	0	14.687
TOTAL	165.074	286.368	168.781	51.140	671.362
Financed by					
Grants/Contributions	82.518	89.514	30.177	14.396	216.605
Revenue/Reserves	7.992	1.879	3.142	0.032	13.046

Service Grouping	2022/23	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m	£m
Capital Receipts	74.563	10.890	4.023	0	89.477
New Borrowing	0	184.084	131.439	36.711	352.235
TOTAL	165.074	286.368	168.781	51.140	671.362

Capital Considerations in the MTFP(13) Process

223 The Prudential Code (updated in 2017) requires that local authorities produce a Capital Strategy to ensure that they can demonstrate that they are making capital expenditure and investment decisions in line with service objectives and properly consider stewardship, prudence, sustainability, and affordability. A Capital Strategy for the council is attached at Appendix 8 and this provides the framework in which the capital programme is developed.

224 As part of the development of the capital programme for MTFP(13), service groupings developed capital bid submissions during the summer 2022 alongside the development of revenue MTFP(13) proposals. Bids were submitted in the main for 2024/25 to maintain the two year rolling programme approach to the capital budget. Bids were also submitted for 2023/24 which were deemed to be priority. The Capital Member Officer Working Group (MOWG) considered the capital bid submissions taking the following into account:

- (a) service grouping assessment of priority;
- (b) affordability based upon the availability of capital financing. This process considers the impact of borrowing upon the revenue budget and;
- (c) whether schemes could be self-financing i.e., capital investment would generate either revenue savings or additional income to repay the borrowing costs to fund the schemes.

225 Whilst considering capital bid proposals, the capital MOWG has continued to recognise the benefits of committing to a longer-term capital programme to aid effective planning and programming of investment. At the same time the capital MOWG also recognised the need for caution in committing the council to high levels of prudential borrowing at this stage for future years.

Available Capital Financing – Capital Grants

226 Capital grants for 2024/25 are yet to be confirmed but have been assumed to be in line with the forecasts built into MTFP(12).

- 227 The table below provides details of the indicative 2024/25 capital grant allocations included in the plans. If the actual allocations for capital grants vary from the forecast position, then the capital budget may need to be adjusted accordingly.

Table 11 – Forecast 2023/24 Capital Grants Utilised in Support of the MTFP(13) Capital Programme

Capital Grant	2023/24
	£m
Disabled Facilities	6.988
LTP – Highways	14.841
LTP - Integrated Transport	2.748
School Maintenance/Basic Need	7.307
School Devolved Capital	1.100
TOTAL	32.984

One Off Revenue

- 228 There is a forecast £1.196 million surplus on the 2022/23 Collection Fund. In line with previous years this sum will be utilised as a one off to support the 2023/24 capital programme.

Capital Receipt Forecast

- 229 In most cases, capital receipts received are utilised to support the overall council capital programme. Capital receipts are generated in the main from land sales which arise from the council's Asset Disposal Programme.
- 230 In the 2015 Autumn Statement, the Chancellor of the Exchequer announced that local authorities would be given flexibility under certain circumstances to utilise capital receipts to finance one off revenue costs associated with service transformation and reform.
- 231 The government identified that revenue expenditure would qualify to be financed from capital receipts in the following circumstances:
- (a) qualifying expenditure is expenditure on any project designed to generate ongoing revenue savings in the delivery of public services

and/or transform service delivery to reduce costs or to improve the quality of service delivery in future years;

- (b) the key criteria to use when deciding whether expenditure can be funded by the capital receipts flexibility is that it is forecast to generate ongoing savings to an authority's, or several authorities', and/or to another public sector body's net current expenditure;
- (c) within this definition, it is for individual local authorities to decide whether a project qualifies for the flexibility – the Secretary of State believes that individual local authorities or groups of authorities are best placed to decide which projects will be most effective for their areas;
- (d) set up and implementation costs of any new processes or arrangements can be counted as qualifying expenditure. However, the ongoing revenue costs of the new processes or arrangements cannot be classified as qualifying expenditure.

232 The government believed that it was important that individual authorities demonstrate the highest standard of accountability and transparency in such decisions. It is required that each authority should prepare a strategy that includes separate disclosure of the individual projects that will be funded, or part funded through capital receipts flexibility and that the strategy is approved by full council or the equivalent. This strategy can be included as part of the annual budget documentation and approved by full council or the equivalent at the same time as the annual budget.

233 At this stage, it is not considered that there are a large range of opportunities for the council to utilise this flexibility. Careful consideration also needs to be given to the other options of funding such expenditure as identified above e.g. from contingencies or from reserves

234 On that basis, to ensure that the council has this option available, it will be recommended that it be noted that capital receipts could be utilised to finance severance costs.

235 Excluding the capital receipt for the sale of the Sands building a review of the current forecast capital receipts for the period to the end of 2024/25 has indicated that there will still only be sufficient capital receipts to hit the revised budget requirement for the current capital programme. It is recommended that, excluding the inclusion of the capital receipt from the sale of the Sands building no additional capital receipt target for 2024/25 is included in MTFP(13).

236 The council has received a £70 million capital receipt from the sale of the Sands building (net of VAT charged on the sale which was paid to HM Revenues and Customs). The forecast capital expenditure cost for the

alternative accommodation strategy (Plot C, Plot D and Stanley Front Street) is £54.432 million resulting in highlighting that a forecast surplus receipt of £15.568 million. This report recommends that £5 million of the surplus capital receipt is utilised to help finance the future demolition of County Hall, with the remaining £10.568 million being utilised to finance the MTFP(13) capital programme.

Prudential Borrowing

- 237 The council continues to sensibly utilise prudential borrowing to fund capital investment. The current budget available for prudential borrowing alongside additional growth across the MTFP(13) period will enable the council to fully fund the capital programme. Where capital expenditure is funded through prudential borrowing the capital financing requirements impact on the budget the following year.
- 238 A key consideration in MTFP(13) capital programme resourcing is assumptions on the interest rates that can be secured under prudential borrowing. Over the last twelve months interest rates have increased significantly, therefore for MTFP(13) planning purposes it has been assumed that future borrowing will be at 5%. This means that every £1 million of prudential borrowing included in the MTFP(13) revenue budgets can finance circa £20 million of additional capital expenditure.

Approval of Additional Capital Schemes

- 239 A comprehensive 2023/24 capital programme was approved as part of MTFP(12) in line with the council policy of developing a two-year rolling capital programme. The need to continue to invest in capital infrastructure is seen as an essential means of maintaining and regenerating the local economy whilst supporting job creation. Additional investment will maintain and improve infrastructure across the county, help retain existing jobs, create new jobs, and ensure the performance of key council services are maintained and improved.
- 240 After considering all factors, including the availability of capital finance, MOWG has recommended that nearly £122 million of additional capital investment be approved for inclusion in the MTFP(13) capital programme. A total of £13.247 million of investments are recommended for 2025/26. Of this sum £2.5 million relates to the final tranche of funding for the demolition of County Hall which is being financed from the sale of the Sands building. The remaining £10.746 million of 2025/26 investment is a pre commitment against the MTFP(14) capital programme. Full details of the additional schemes can be found in Appendix 9.

Table 12 – Additional Capital Schemes for 2023/24 to 2025/26

Service	2023/24	2024/25	2025/26	TOTAL
	£m	£m	£m	£m
CYPS	0.000	22.057	10.000	32.057
NCC	3.542	39.061	0.000	42.603
REG	1.067	41.882	3.247	46.195
RES	0.000	1.077	0.000	1.077
TOTAL	4.609	104.076	13.247	121.932

241 The new schemes detailed in Appendix 9 will ensure that the council continues to invest in priority projects and essential maintenance programmes. Examples of additional investments are detailed below:

- (a) **Greenfield School Refurbishment (2025/26 - £10.0 million)** – The additional investment will bring total investment at the school to £20 million. The new investment will have a positive impact for pupils, their families, and the wider community. It will enhance the quality of educational provision and help make the school more sustainable in the long term;
- (b) **Belmont Community School and Belmont C.E. Primary School (2024/25 - £11.850 million)** – this investment will bring total investment at the school to £37 million. The secondary school is in a poor state of repair with a substantial requirement for urgent work if it is to remain in use. It was identified in 2014 as a priority for a national bid to the Priority School Build fund which was unsuccessful as the scheme was massively oversubscribed. It is the top priority for a new build identified through the Education Review. The site of the current secondary school also creates the opportunity for a campus development incorporating Belmont C.E. Primary School, also a CLASP design school on the same site. The design and siting of the new campus will enable both schools to continue to operate from their current sites during construction;
- (c) **Net Zero Investment (2024/25 £2.0 million)** – significant capital investment will be required to enable the council to reach its net zero carbon target by 2030 especially in relation to the heating of buildings. This investment is in addition to the £5 million of initial capital investment agreed in MTFP(12). This investment will continue to be focussed upon buildings and electrical upgrades and will enable match funding opportunities to be considered for any government funding;
- (d) **Levelling Up Match Funding (2024/25 - £3 million)** – the council submitted five further capital bids to the governments Levelling Up programme after the council’s success with our first bid for Bishop Auckland. Each bid is up to a maximum of £20 million with an

expectation that each bid will be supported by 10% match funding. This investment will bring the total budget available for match funding to £8 million. Although unsuccessful in the latest round of bids there is still expected to be one final round of bidding requiring that match funding is retained at this stage;

- (e) **Town and Village regeneration (2023/24 - £0.3 million and 2024/25 - £9.18 million)** – funding will be provided to support our town and village centres including a targeted £0.3 million additional investment in the scheme to refurbish Redhills, bringing the total investment in this programme to £25 million;
- (f) **A690 Landslip (2023/24 - £1.2 million and 2024/25 - £13.8 million)** – major investment is required to repair a landslip on the A690. It is imperative that the full budget is secured as part of MTFP(13) so that these works can progress irrespective of any future Levelling Up bid;
- (g) **NETPark Phase 3 – (2024/25 - £10.968 million)** – Cabinet approved a report on 15 September 2021 to agree a fully self-financing capital development at NETPark. The annual borrowing costs were anticipated to be met from the revenue generated from rental of the units developed. Since the original approval of Cabinet however, construction inflation and increased cost of borrowing has impacted upon the original business case. Although the council has been successful in accessing £2.9 million of LEP funding for the scheme the development will no longer be totally self-financing. The total cost of the scheme is currently forecast to be £60.6 million with a council investment of £10.969 million required to ensure the development is fully funded.

242 After considering the adjustments detailed in this report and the additional schemes, the MTFP(13) capital budget and its financing will be as follows:

Table 13 – New MTFP(13) Capital Programme

Service Grouping	2022/23	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m	£m
AHS	0.100	1.589	0.000	0.000	1.689
CYPS	18.048	79.466	29.552	10.440	137.506
NCC	57.915	68.890	39.261	0.000	166.066
REG	84.736	131.502	187.086	53.946	457.270
RES	4.275	9.530	1.958	0.000	15.763
TOTAL	165.074	290.977	257.857	64.386	778.295
Financed by					

Service Grouping	2022/23	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m	£m
Grants and Contributions	82.518	89.514	66.126	14.396	252.554
Revenue and Reserves	7.992	1.879	3.142	0.032	13.046
Capital Receipts	74.563	10.890	4.023	0	89.477
New Prudential Borrowing	0	188.693	184.566	49.958	423.218
TOTAL	165.074	290.977	257.857	64.386	778.295

Recommendation(s)

243 It is recommended that Members:

- (a) approve the revised 2022/23 capital budget of £165.074 million and the 2023/24 Capital Budget of £290.977 million;
- (b) approve the Capital Strategy at Appendix 8;
- (c) approve the additional capital schemes detailed at Appendix 9. These schemes will be financed from additional capital grants, capital receipts, one off revenue funding and from prudential borrowing;
- (d) note the option for the council to utilise capital receipts to finance severance costs utilising the available flexibilities in this regard. The utilisation of such flexibility would require the approval of Cabinet;
- (e) approve the MTFP(13) Capital Budget of £778.294 million for the period 2022/23 to 2025/26 as detailed in Table 13.

2023/24 Savings Proposals

244 Council previously approved savings of £0.275 million in MTFP(12) which are forecast to be realised in 2026/27. A sum of £17.986 million of additional savings have been identified to supplement the previously agreed savings resulting in £18.261 million of total savings being made available to support MTFP(13) with £12.383 million of savings available to support 2023/24 budget setting

245 Additional detail on a service grouping basis can be found below with a full savings list is detailed in Appendix 3.

Adult and Health Services

246 For 2023/24 savings of £1.775 million are included in the revenue budget, with total savings of £3.148 million identified across the MTFP(13) planning

period. The Service continues to be faced with a significant amount of change, including continuing demographic pressures arising from an ageing population with increasingly complex needs and support requirements, and closer partnering arrangements between health and social care.

- 247 MTFP savings in previous years have been implemented to ensure that services to vulnerable service users are protected, wherever possible, whilst required budget savings are achieved. In keeping with this principle, the majority, £1.465 million, of the AHS savings planned for 2023/24 relate to savings from commissioning and contract reviews. A further £0.210 million is from a review of specialist/high cost care provision across learning disability services. The remaining £0.100 million is to reduce car mileage budgets, where new ways of working have produced efficiencies in overall travel costs.
- 248 Future years' savings include a continuation of the commissioning and contract reviews, and the review of learning disability specialist/high cost care provision. An additional future saving in respect of market shaping focuses upon maximising the use of reablement and direct payments to promote independence for service users.

Children and Young Peoples Service

- 249 Across the MTFP period savings of £1.601 million are proposed, of which £0.581 million is included in revenue budgets in 2023/24.
- 250 The most significant element of savings, totalling £0.980 million will be achieved through rationalisation and reshaping of structures within Education Durham and Adult Learning (£0.520 million), the careful management of anticipated vacancies in Early Help and Inclusion (£0.250 million) and delivering efficiencies in non-frontline areas via greater automation of tasks and simplifying systems across CYPS (£0.210 million).
- 251 Other savings include efficiencies from streamlining the use of staff accommodation (£0.221 million), greater use of technology and new ways of working leading to a reduction in staff mileage costs (£0.200 million), the increased use of technology and virtual service for families in One Point hubs leading to a reduction in activity costs (£0.150 million), and reduced costs relating to historic pension liabilities (£50,000).

Neighbourhoods and Climate Change

- 252 In 2023/24 savings of £2.390 million are required, with savings of £2.706 million across the full MTFP(13) planning period. The service continues to be faced with a significant amount of change and has sought to protect front-line services as much as possible in developing its savings proposals.
- 253 The 2023/24 proposals include increased income from Trade Waste, Bulky Waste, cemetery fees and Garden Waste (£0.436 million), and also

additional income associated with power generation, and parks (£0.876 million). The service will also generate additional fee income of £0.299 million from the management of the LTP Capital Programme.

- 254 Areas where further efficiency reviews will be carried out in 2023/24 include Clean & Green (£0.139 million), Neighbourhood Protection (£95,000), Community Protection (£95,000) and Highways (£0.134 million), along with reviews of Partnerships and the Civil Contingencies Unit (£0.256 million).
- 255 Beyond 2023/24 there are further savings of £0.316 million planned, associated with restructuring in Community Protection, and also Area Action Partnerships.
- 256 Whilst every effort has been made to minimise the impact on frontline services in previous years and this remains the case in 2023/24, this is becoming increasingly difficult to sustain.

Regeneration, Economy and Growth (REG)

- 257 £2.239 million of savings proposals are factored into MTFP(13) for REG, with 2023/24 savings totalling £0.980 million. The service continues to be faced with a significant amount of change and has sought to protect front-line services as much as possible in developing its savings proposals.
- 258 The 2023/24 proposals include increased income from Moving Traffic Offences, Rents from Commercial Properties, and Planning Fees (£0.490 million), and the removal of the Free after 2pm Car Parking Initiative for On Street Parking in the Durham City (£0.250 million).
- 259 Areas where further efficiency reviews will be carried out in 2023/24 include Theatre Marketing (£7,000), Empire Theatre (£13,000) and Library Transformation (£75,000). In addition, a saving of £74,672 will be achieved through a review of the staffing budgets within the Housing Solutions Team and the International Team.
- 260 A further £50,000 will be achieved from a reduction in the Concessionary Fares budget and £20,000 from the removal of the current POP card option in respect of the Park and Ride discount scheme.
- 261 Whilst every effort has been made to minimise the impact on frontline services in previous years and this remains the case in 2023/24, this is becoming increasingly difficult to sustain.

Resources

- 262 In 2023/24 savings of £0.848 million are required, from the £2.758 million of proposals factored into MTFP(13) across the four year planning period. The service continues to be faced with a significant amount of change and has

sought to protect front-line services as much as possible in developing its savings proposals.

- 263 A saving of £0.768 million will be achieved through restructuring activity and non-staffing budget reductions, and £80,275 from a review of the current charging methodology within Transactional and Customer Services for those that are supported through the Financial Deputee process.
- 264 Whilst every effort has been made to minimise the impact on frontline services in previous years and this remains the case in 2023/24, though the proposals do seek to review Customer Access Point provision where foot fall and usage is very low and where customers are choosing to engage electronically post Covid. The ability to limit impact on front line service delivery is becoming increasingly difficult to sustain.

Corporate Savings

- 265 Total corporate savings of £5.810 million are contributing to balancing the 2023/24 budget. Recent prudential borrowing costs have been lower than previously forecast and built into the current base budget, which has enabled a £2.5 million saving to be included whilst it is felt prudent to reduce the level of general contingencies by £1.5 million.
- 266 Taking into account historic levels of staff turnover it is felt prudent to increase the staff turnover forecast further from 3.5% to 3.75% realising a saving of £0.463 million and a recent buyout of leisure contracts utilising corporate reserves will result in additional net income to the council of a forecast £1 million, which will be factored the revenue budgets for our Culture and Sport service.

Recommendation(s)

- 267 It is recommended that Members:
- (a) note the approach taken to achieve the required saving.

Equality Impact Assessment of the Medium-Term Financial Plan

- 268 Consideration of equality analysis and impacts is an essential element that members must consider in approving the savings plans at Appendix 10. This section updates Members on the outcomes of the equality analysis of the MTFP (13) savings proposals.
- 269 The aim of the equality analysis process is to;
- (a) identify any disproportionate impact on service users or staff based on the protected characteristics of age, disability, gender reassignment,

marriage and civil partnership, pregnancy and maternity, race, religion, or belief, sex, and sexual orientation;

- (b) identify any mitigating actions which can be taken to reduce negative impact where possible;
- (c) ensure that we avoid unlawful discrimination as a result of MTFP decisions;
- (d) ensure the effective discharge of the public sector equality duty.

270 As in previous years, equality analysis is considered throughout the decision-making process, alongside the development of MTFP(13). This is required to ensure MTFP process decisions are both fair and lawful. The process is in line with the Equality Act 2010 which, amongst other things, makes discrimination unlawful in relation to the protected characteristics listed above and requires us to make reasonable adjustments for disabled people.

271 In addition, the public sector equality duty requires us to pay 'due regard' to the need to;

- (a) eliminate discrimination, harassment and victimisation and any other conduct that is prohibited under the Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

272 A number of successful judicial reviews has reinforced the need for robust consideration of the public sector equality duty and the impact on protected characteristics in the decision making process. Members must take full account of the duty and accompanying evidence when considering the MTFP proposals.

273 In terms of the ongoing programme of budget decisions the council has taken steps to ensure that impact assessments:

- (a) are built in at the formative stages so that they form an integral part of developing proposals with sufficient time for completion ahead of decision-making;
- (b) are based on relevant evidence, including consultation where appropriate, to provide a robust assessment;

- (c) objectively consider any negative impacts and alternatives or mitigation actions so that they support fair and lawful decision making;
- (d) are closely linked to the wider MTFP decision-making process;
- (e) build on previous assessments to provide an ongoing picture of cumulative impact.

Impact Assessments for 2023/24 Savings Proposals

- 274 Consideration of equality analysis and impacts is an essential element that members must consider in approving the savings plans, a summary equality analysis and mitigations for savings proposals can be found at Appendix 10. This section updates Members on the outcomes of the equality analysis of the MTFP(13) savings proposals as they currently stand. If savings proposals are developed further, then analysis of impacts will be updated and included in the final decision making reports.
- 275 It is imperative that consultation responses and equality impact assessment information are taken into account when decisions are made on MTFP savings.

Adult and Health Services (AHS)

- 276 Savings proposals for AHS include a number of commissioning efficiencies which have the potential impact vulnerable groups with protected characteristics with a potential disproportionate impact expected in terms of disability, including physical/sensory/learning disability and/or poor mental health, although there are a number of mitigations in place to minimise negative impact.
- 277 There is minimal impact for the review of non-assessed community based services, following a careful management and financial review enabling services to continue as planned for 2023/24.
- 278 Proposals to reduce the costs of high cost learning disability support packages will impact those with a learning disability and their carers. Any models of care developed for individuals will aim to create services with an improved model of care and support, encourage independence and improve welfare. Depending on re-commissioning outcomes there should be no negative impact on service users.
- 279 A review of commissioned services for people who are deaf, deafened or living with a hearing impairment is now complete. This service affects people with a disability and older age groups. Whilst the amount of funding has been reduced, AHS expect the impact on service users to be positive as the retender has led to a more equitable service for all people who are either pre-lingual deaf or have an acquired hearing loss. Future service delivery will be

centred around information, advice, and guidance (IAG) based within the community which greatly improves accessibility.

Children and Young People's Services (CYPS)

- 280 There are a number of savings proposals within CYPS with a potentially disproportionate impact for age (younger and working age in terms of parents and carers) and disability, although mitigations are proposed. There are a number of staff reductions and deletion of vacant posts. Fair treatment of staff will be ensured through agreed corporate HR change management procedures, and progression of ER/VR to minimise impact.
- 281 Reduced expenditure within the One Point activities budget will impact families in terms of age, parents and carers, children and young people 0-19 years and up to 25 years and disability, for those with Special Educational Needs and/or a disability. Negative impact will be minimised due to the greater use of virtual technology and partnership working to enhance levels of non-council funded activity. A phased three year approach will help us to monitor impact.
- 282 Through the development and implementation of Family Hubs and Start for Life programme there will be an opportunity to rationalise a number of posts within Early Help, Inclusion and Vulnerable Children due to improved integration with partners. A greater focus on development and use of digital platforms will minimise any potential impact in terms of age and disability.

Neighbourhoods and Climate Change (NCC)

- 283 NCC savings proposals generally have no disproportionate equality impact on any particular group apart from some fee increases with potential disproportionate impact in terms of disability and older age and a review of destination park income which is likely to impact families and younger children. There are a number of staff reductions and deletion of vacant posts with potentially a greater impact on men, disproportionately represented in some posts. Fair treatment of staff will be ensured through agreed corporate HR change management procedures, and progression of ER/VR to minimise impact.
- 284 A review of income and efficiencies of destination parks, including Wharton and Hardwick Parks is underway which could impact families and young children, more likely to use park facilities. Any increase in café and parking charges will be offset by a much improved activity programme and play equipment offer. Alternative funding streams have been secured to offer these improvements
- 285 A number of fee increases are proposed such as bulky waste collection and garden waste collection, which although impact all customers, may have a disproportionate impact for disabled and older residents who may not be able

to easily access alternatives such as tips. The service will ensure that any charge increases are effectively communicated. Where appropriate, impacted residents are being encouraged to share garden waste bins with neighbours. Services will continue to offer reasonable adjustments for disabled and older residents, such as bin pull outs and assisted bulky waste collections, where necessary.

- 286 It is anticipated that the review of Area Action Partnerships will be made up of reductions to AAP grant funds (which could indirectly impact across protected groups) and staff reductions. Based on recent practice it is envisaged that any reduction to core grant funding would be supplemented by securing an external alternative funding stream.

Regeneration, Economy and Growth (REG)

- 287 REG savings proposals generally have no disproportionate equality impact on any particular group although there are two proposals with a disproportionate impact on working age and younger age with some potential positive impact for people with disabilities. There are a number of staff reductions and deletion of vacant posts. Fair treatment of staff will be ensured through agreed corporate HR change management procedures, and progression of ER/VR to minimise impact.
- 288 Removal of 'Free after 2pm' parking for On Street Parking will impact all car users in Durham City in particular, though there is no disproportionate impact. However, charging after 2pm will encourage users to migrate to cheaper off street or out of town alternatives making more spaces available, close to central areas, for blue badge holders.
- 289 Removal of the discount rate for park and ride users will negatively impact the most regular users who access this discount rate (4.5% of all transactions), most likely to be of working age, although it will create price equity for all users. Proposed improvements in flexibility in payment methods for all customers through the reconfiguration of on-bus ticket machines to accept contactless debit/credit card payment will benefit all customers, in particular some people with disabilities who may find using contactless on-bus payments more accessible.
- 290 Reducing capacity of the International Team will adversely impact opportunities for young people in the county to participate in international and/or intercultural events. The proposal is felt to both reflect the reducing demand for the service, post EU exit and the pandemic which has reduced the level of school travelling, while still retaining sufficient capacity to provide an effective service offer going forward. HR processes will be followed to ensure fair treatment of staff involved.

Resources (RES)

- 291 There are a range of proposals for Resources, two with front line service implications with a potentially disproportionate impact in terms of disability, older age and men. A number of proposals involve staff reductions and deletion of vacant posts. Fair treatment of staff will be ensured through agreed corporate HR change management procedures, and progression of ER/VR to minimise impact. Service continuity will be supported by ongoing business improvement and the data insight and business intelligence programme. However, reduced staff capacity places teams under increasing pressure to meet service demand which can lead to burn out and poor mental and physical health.
- 292 Business Support Services propose a number of staff reductions, phased over four years. The initial phase for 2023/24 involves a management restructure with realignment of responsibilities. Potentially, women will be disproportionately impacted due to the profile of staff within the service. Further equality analysis will be undertaken to understand the impact of a reduced service provision and any disproportionate staff impact.
- 293 It is proposed to consider the introduction of charges by the Deputy and Appointee Team (DAT) who act as an appointee to manage the financial affairs of service users who, following a mental capacity assessment, have been found unable to manage their own finances. All clients of this service have a disability, around 58% are male, and are made up of a range of age groups from 16+ years. The proposal will be subject to consultation with service users affected and a full equality impact assessment will be undertaken to inform the decisions making process.
- 294 A review of service provision in relation to the face-to-face service in non-strategic sites provided by Customer Services from the Customer Access Points (CAPs) is currently underway and will be subject to public consultation. Examination of currently footfall at CAPs shows greater usage by older and/or people with a disability. The consultation aims to establish the impact of any reduction in opening times of CAPs, not closure of any sites. All service requests can be fully completed via alternative channels where required.

Corporate (COR)

- 295 There is no specific equality impact of corporate savings. The extended management team review proposes the removal of two Head of Service roles, and the creation of a new combined role. This will be managed through the progression of ER/VR, with no impact on service delivery as responsibilities are re-aligned.

Recommendation(s)

296 It is recommended that Members:

- (a) consider the identified equality impacts and mitigations;
- (b) note the programme of future work to ensure full impact assessments are included where appropriate at the point of decision once all necessary consultations have been completed.

Workforce Considerations

297 The £18.261 million of savings included in the report are expected to require the reduction in full time equivalent posts of 118 Full Time Equivalents. In addition, it is forecast that further savings of £23.177 million are required to balance the budget over the period 2024/25 to 2026/27, which would most likely result in further reductions in posts across that period.

298 The council will continue the approach of forward planning, retaining vacant posts where required in anticipation of any required change. If required in the future, the council will seek volunteers for early retirement and/or voluntary redundancy and maximise redeployment opportunities for the workforce wherever possible reducing the necessity for compulsory redundancies in the process.

299 In addition, the way that work is organised, and jobs are designed will continue to be reviewed by service groupings and this is being supported by some strategic HR initiatives such as moving more towards generic posts, smarter working practices, and maximising efficiencies across the workforce through new ways of working, skills development, and use of technology. This will ensure that as changes continue to be made, the council maximises the capacity of the remaining workforce.

Pay Policy

300 The Localism Act 2011 requires the council to prepare and publish a pay policy statement annually which sets out the authority's policy relating to the remuneration of its Chief Officers and how this compares with the policy on the remuneration of its lowest paid employees

301 The first policy document was required to be approved by a resolution of the council prior to 31 March 2012 and the policy must then be updated and published by the end of March for each subsequent year, although the policy can be amended by a resolution of the council during the year.

302 The Act requires that in relation to Chief Officers the policy must set out the authority's arrangements relating to:

- (a) the level and elements of remuneration for each Chief Officer;

- (b) remuneration of Chief Officers on recruitment;
- (c) increases and additions to remuneration for each Chief Officer;
- (d) the use of performance-related pay for Chief Officers;
- (e) the use of bonuses for Chief Officers;
- (f) the approach to the payment of Chief Officers on their ceasing to hold office under or to be employed by the authority;
- (g) the publication of and access to information relating to remuneration of Chief Officers.

303 The Pay Policy Statement, as updated, is set out at Appendix 11 which will be for council consideration and outlines the details for the authority in line with the above requirement.

Recommendation(s)

304 It is recommended that Members:

- (a) approve the Pay Policy Statement at Appendix 11.

Risk Assessment

305 The council has previously recognised that a wide range of financial risks need to be managed and mitigated across the medium term. The risks faced are exacerbated by the council's responsibility for business rates and council tax support. All risks will be assessed continually throughout the MTFP(13) period. Some of the key risks identified include:

- (a) ensuring the achievement of a balanced budget and financial position across the MTFP(13) period;
- (b) ensuring savings plans are risk assessed across a range of factors e.g., impact upon customers, stakeholders, partners, and employees and that there is appropriate management oversight on the delivery of those savings to ensure they are delivered and realise the financial returns expected;
- (c) the outcome of the government's Fair Funding Review which is expected to be consulted upon during 2023/24 and 2024/25 with the earliest implementation now being 2025/26. Any implementation could result in significant changes to the distribution of government funding;
- (d) the localisation of council tax support which passed the risk for any increase in council tax benefit claimants onto the council. Activity in this area will need to be monitored carefully with medium term projections

developed in relation to estimated volume of claimant numbers. At this stage the coronavirus pandemic has resulted in a reduction in the council tax base for the first time since the council took on responsibility for council tax support;

- (e) the council retaining 49% of all business rates collected locally but also being responsible for settling all rating appeals. Increasing business rate reliefs and the revised 'check and challenge' appeals process continue to make this income stream highly volatile and will require close monitoring to fully understand the implications upon MTFP(13);
- (f) the impact of future increases in inflationary factors such as the National Living Wage and pay awards which will need to be closely monitored. Of particular concern is the current volatility of energy prices which will continue to be closely monitored and the general rate of the consumer price index;
- (g) the council continuing to experience increases in demand for social care services – particularly children's social care – and for home to school transport. Although some allowance is made for demand increases across the MTFP(13) period this issue will need to be closely monitored as experience in recent years has been that pressures in looked after children and home to school transport budgets in particular have exceeded the prudent estimates included in previous MTFP planning rounds;
- (h) the funding position for the High Needs Dedicated Schools Grant. It is hoped that the government fully recognises this pressure as part of future financial settlements;
- (i) it is not possible to be clear at this point as to any long-term impact from the coronavirus on council costs but especially council income – most notably in leisure. This will continue to be closely monitored with any ongoing impact needing to be built into future MTFP plans;
- (j) the impact of requirements associated with the health and social care reforms in from October 2025.

Recommendation(s)

306 It is recommended that Members:

- (a) note the risks to be managed over the MTFP(13) period.

Dedicated Schools Grant (DSG) and School Funding 2023/24

- 307 The DSG is a specific earmarked grant provided by the government which provides the major source of direct funding for schools and funding for the support provided to them by the council.
- 308 The DSG is split into four 'funding blocks': Schools, Central School Services, High Needs and Early Years. The school's block is ring-fenced, but local authorities retain limited flexibility to transfer up to 0.5% of their Schools Block funding into another block, with the approval of the Schools Forum. Movements from the Central School Services Block to the Schools Block or from the High Needs Block to any other block are not subject to any statutory limits and can be made in consultation with the Schools Forum. Movement from the Early Years Block can be made in compliance with the early years pass through rate conditions and in consultation with the Schools Forum.

Schools Block

- 309 The Schools Block funds the funding formula for mainstream primary and secondary schools in respect of the education of pupils from Reception to Year 11. Funding for these schools is currently distributed according to a local formula determined by the council, after consultation with the Schools Forum and schools.
- 310 The local formula must comply with statutory regulations and there are limitations over what factors can be applied in the local formula, which significantly limits the discretion of local authorities in determining their local formulas and currently requires that at least 80% of funding is distributed through factors related to pupil numbers and needs.
- 311 The local formula set by the council is consistently applied to all mainstream schools (maintained and academy) and is primarily driven by their pupil numbers and profiles. DSG funding is provided to academies on an academic year basis whereas maintained schools receive their DSG funding on a financial year basis and is provided on a lagged basis, with pupil numbers in the October census each year informing funding levels provided the following year.
- 312 It is expected that local formulas will be replaced by a National Funding Formula (NFF) by no later than April 2027. This is a long-standing DfE aim, with the intention that all mainstream schools will be funded in the same way across the country. In Durham, the local formula is already aligned to the NFF.
- 313 The government encourages local authorities to move their local formulas towards the NFF and since 2018/19 DSG allocations to local authorities' Schools Blocks have been based on notional NFF allocations for individual

schools. These notional allocations cannot be fully replicated in local formulas because the notional allocations are set in advance of the availability of the pupil numbers and other data that are used in the actual formula.

- 314 The Schools Block allocation for Durham in 2023/24 has increased by £19.051 million:

Table 14 – Changes in Schools Block Allocation

Reason for change	£ million
Pupil numbers	(0.273)
Units of Funding / pupil	19.378
Premises factors	0.043
Growth	(0.098)
TOTAL	19.051

- 315 In terms of funding changes because of changes to the NFF, which affect the Units of Funding, the values used in the NFF increased by between 2 and 4% compared to 2021/22. Much of the increase in the Units of Funding is a result of the inclusion of funding that was distributed as a supplementary grant in 2022/23. The total supplementary funding was £10.502 million and so the net increase on a like-for-like basis is £8.549 million.
- 316 In 2023/24 there will be further supplementary funding provided to schools through the Mainstream Schools Additional Grant, which is estimated by the DfE to be £13 million for schools and academies in Durham.
- 317 Funding is also provided to recognise that it is sometimes necessary to adjust funding to individual schools to take account of significant growth in pupil numbers at the start of the following academic year, which is not reflected in formula funding because pupil numbers are based on the School Census from the previous October.
- 318 Growth funding can be provided to meet basic need but cannot be used to support schools whose numbers are increasing through parental choice. Growth funding is formula based. The council has made an adjustment to the funding for one school (Framwellgate Moor Primary School) in respect of growth for 2023/24.
- 319 In response to the original timetable for the planned replacement of local formulas, the council considered its approach to setting a local formula and after consultation with the Schools Forum, schools and the Children and Young People’s Overview and Scrutiny Committee, Cabinet decided in December 2017 to adopt a transitional formula from 2018/19.

- 320 From 2019/20 to 2021/22 the council continued to set a transitional formula, with the formula being fully aligned, within the limits of affordability, from 2021/22. At its meeting on 18 January 2023, the council's Cabinet agreed to continue to align the formula as closely as possible in 2023/24.
- 321 The formula to be applied in 2023/24, which is subject to approval from the DfE, is summarised in Table 15;

Table 15 – Mainstream Primary and Secondary Funding Formula 2023/24

	Element (P = Primary, S = Secondary)	2023/24 Mainstream School Funding formula			
		Pupils / eligible pupils	Factor values £	Allocation	
				£ million	
Basic funding per pupil	KS1 & 2 (P)	38,167.17	3,242.09	123,741,379	35.43%
	KS3 (S)	16,212.00	4,571.38	74,111,160	21.22%
	KS4 (S)	10,359.00	5,151.87	53,368,211	15.28%
Deprivation	Free School Meals (P)	12,254.76	473.67	5,804,658	1.66%
	Free School Meals (S)	7,370.00	473.67	3,490,915	1.00%
	FSM6 (P)	12,752.88	594.60	7,582,883	2.17%
	FSM6 (S)	8,681.00	871.75	7,567,629	2.17%
	IDACI Band F (P)	5,208.24	221.72	1,154,750	0.33%
	IDACI Band E (P)	6,347.08	272.11	1,727,077	0.49%
	IDACI Band D (P)	4,110.90	423.28	1,740,043	0.50%
	IDACI Band C (P)	3,172.96	463.59	1,470,944	0.42%
	IDACI Band B (P)	3,603.08	493.82	1,779,279	0.51%
	IDACI Band A (P)	2,446.48	644.99	1,577,956	0.45%
	IDACI Band F (S)	3,679.39	322.50	1,186,588	0.34%
	IDACI Band E (S)	4,251.43	428.31	1,820,948	0.52%
	IDACI Band D (S)	2,835.88	599.64	1,700,507	0.49%
	IDACI Band C (S)	2,016.69	655.07	1,321,071	0.38%
	IDACI Band B (S)	2,431.75	705.46	1,715,499	0.49%
IDACI Band A (S)	1,493.21	896.94	1,339,323	0.38%	
	Primary	633.42	569.41	360,672	0.10%

	Element (P = Primary, S = Secondary)	2023/24 Mainstream School Funding formula			
		Pupils / eligible pupils	Factor values £	Allocation	
				£ million	
English as an Additional Language	Secondary	107.16	1,541.93	165,228	0.05%
Mobility	Primary	173.09	932.21	161,355	0.05%
	Secondary	10.20	1,340.37	13,672	0.00%
Low Prior Attainment	Primary	10,514.36	1,138.81	11,973,894	3.43%
	Secondary	5,389.91	1,723.34	9,288,623	2.66%
Minimum per-pupil funding				910,599	0.26%
Total for pupil-led factors				317,074,863	90.78%
Lump sum	Primary			25,715,600	7.36%
	Secondary			3,723,910	1.07%
Sparsity				1,101,666	0.32%
Total for school-led factors				30,541,176	8.74%
Total for premises factors				1,645,496	0.47%
Total funding				349,261,535	100.00%

322 Pupil numbers and the numbers of pupils who attract additional needs funding are taken from the October 2022 schools census and are provided by the DfE.

323 Further information relating to the factors included in the table above is outlined below:

- (i) free School Meals provides funding based on the number of pupils recorded as eligible for a free meal in the preceding October's school census;
- (ii) FSM6 is a measure of deprivation and provides funding based on the number of pupils who have been recorded as eligible for Free School Meals on any school census in the last six years;
- (iii) IDACI (Income Deprivation Affecting Children Index) is a subset of the Index of Multiple Deprivation. In accordance with statutory regulation there are seven bands in the formula, with Band A being for the pupils most likely to suffer deprivation and Band G being the lowest band. Regulations do not allow funding for Band G;
- (iv) English as an Additional Language funding is provided where pupils have been recorded as having English as an Additional Language in any of the last three years;

- (v) mobility funding is provided where schools have had significant pupil movements during the academic year, based on data from the last three years' school censuses;
- (vi) low Prior Attainment funding is provided where pupils have not met the expected standard of attainment in their previous phase of education;
- (vii) minimum per pupil funding provides additional funding where the total of pupil-led funding plus the lump sum and sparsity funding falls below a minimum value, which has been set at £4,265 for primary schools and £5,525 for secondary schools. These values are mandatory for all local formulas and are of concern to the council because they favour larger schools with relatively low numbers of pupils with additional needs;
- (viii) sparsity funding is provided for small schools in sparsely populated areas; and
- (ix) premises-led factors provide funding for rates, split-site schools, the PFI contract affordability gap, and an exceptional factor for a school that shares its sports facilities with a leisure centre.

Central School Services Block (CSSB)

- 324 The CSSB funds local authorities for the statutory duties that they hold for both maintained schools and academies. The CSSB brings together:
- (a) funding previously allocated through the retained duties element of the Education Services Grant (ESG);
 - (b) funding for ongoing central functions, such as admissions, previously top-sliced from the school's block; and
 - (c) residual funding for historic commitments, previously top-sliced from the school's block.
- 325 For 2023/24 the CSSB is estimated is estimated to be £2.812 million, which is £98,000 (or 3.4%) less than the 2022/23 CSSB allocation of £2.910 million. However, the 2023/24 allocation is expected to increase by £86,000 once DfE consider the authorities application to reinstate funding for historical PFI liabilities. Once this is reinstated the CSSB allocation for 2023/24 is estimated to be £2.898 million, which is £12,000 (or 0.4%) less than the

2022/23 CSSB allocation of £2.910 million and is in line with the small reductions in both pupil numbers and the funding rate per pupil.

High Needs Block (HNB)

- 326 There are enduring pressures on High Needs Block (HNB) of the Dedicated Schools Grant (DSG), which provides funding for SEND and inclusion support services for children and young people in County Durham.
- 327 The High Needs Block provides funding for pupils with high cost Special Educational Needs (SEN), i.e., those pupils requiring provision in specialist settings costing more than £10,000 per year or those pupils in mainstream primary and secondary schools whose provision costs more than £6,000 per year. The SEN provision that is funded from the High Needs Block is as follows:
- (a) specialist placements in out-of-county settings;
 - (b) place based funding for special schools;
 - (c) targeted and top-up funding to reflect additional costs for individual pupil support in both special and mainstream schools; and
 - (d) SEN support services.
- 328 The HNB allocation for 2023/24 is £9.403 million, or 11.7%, higher than 2022/23, however HNB expenditure against this allocation will require careful monitoring as the forecast pressures in this area are significant.

Early Years

- 329 The Early Years Block provides funding for universal provision for three and four year old children (up to 570 hours per annum) and extended provision for children from eligible working families (up to a further 570 hours per annum). The services are delivered by maintained nursery schools, nursery units in primary schools and academies, and Private, Voluntary, and Independent (PVI) sector providers.
- 330 The governments summer consultation on the national funding formula for Early Years has now been concluded and means a number of changes to the funding formula, particularly around the datasets that underpin the formula which have now been updated with the aim of ensuring the funding is distributed fairly and in line with current need.
- 331 On 16 December 2022 the DfE announced details of how an additional £20 million funding for Early Years, on top of an additional £180 million for 2023/24 already announced at the Spending Review will be distributed to

local authorities. For County Durham this equates to the rate for two-year olds being increased by 6p per hour (a 1.1% increase) and the rate for three and four-year olds being increased by 26p per hour (a 5.6% increase). This will mean an additional £2 million (6%) of funding for County Durham in 2023/24 compared with the 2022/23 allocations. However, the increase of 26p per hour for three and four-year olds includes 9p per hour that relates to the transfer of previous Teachers Pay and Pension Grant (TPPG) being mainstreamed into the Early Years National Funding Formula (EYNFF). Therefore the real overall increase in funding is £1.461 million (4.4%) excluding TPPG.

- 332 A consultation with early years providers will be undertaken in early 2023 to inform the allocation of the additional funding.
- 333 Funding is also provided through the Early Years Block to provide free early education places for eligible two-year-olds from lower income households. The allocation is based on participation and a provisional allocation has been provided by the DfE based on census data taken in January 2022. The DfE will not announce the actual 2023/24 allocations until July 2023, which will be based on the number of eligible children participating in early education recorded in the January 2023 census.
- 334 Early Years Pupil Premium is also funded through the Early Years Block and a provisional allocation has been provided by the DfE, again based on the 2022/23 allocations. As with the other elements of the Early Years funding, the 2023/24 final allocation will not be announced until the summer, based on the number of eligible children recorded in the January 2023 pupil census. The funding rate of £0.60 per hour in 2022/23 increases to £0.62 per hour in 2023/24 (a 3.33% increase), which equates to £353 for each eligible child taking up the full 570 hours of state funded early education.
- 335 As part of the Early Years National Funding Formula, the council is required to implement a universal base rate for all providers. This has been of concern to maintained nursery schools, which have higher costs than other providers, (e.g., the cost of employing a head teacher) and which currently receive additional funding through a formula; the formula includes a deprivation element, a lump sum, and an allowance for rates.
- 336 The DfE have recognised that maintained nursery schools provide high quality provision, often in deprived areas and has allocated supplementary funding in addition to National Funding Formula to ensure that authorities can continue to provide funding to these schools through a formula in 2023/24.

Pupil Premium

- 337 Pupil Premium for pupils older than early years, is provided for a number of categories of need. For schools and academies in Durham the funding for

2022/23 is £30.609 million. Pupil Premium rates per pupil for 2023/24 have increased and are shown in the following table:

Table 16 – Pupil Premium Rates

	£ / eligible pupil, 2022/23	£ / eligible pupil, 2023/24	Increase / (Decrease) in £ / eligible pupil
Deprivation Pupil Premium – Primary	£1,385	£1,455	£70
Deprivation Pupil Premium – Secondary	£985	£1,035	£50
Looked After Children	£2,410	£2,530	£120
Children adopted from care or who have left care	£2,410	£2,530	£120
Service Children	£320	£335	£15

338 The numbers of pupils eligible for pupil premium for 2023/24 will be provided by the DfE later in the year (in the summer term). Pupils eligible in the current year are:

Table 17 – Pupil Premium Numbers

	Number of eligible pupils 2022/23
Deprivation Pupil Premium – Primary	12,537
Deprivation Pupil Premium – Secondary	9,037
Looked After Children	787
Children adopted from care or who have left care	917
Service Children	743

Total Dedicated Schools Grant (DSG)

339 DSG and Pupil Premium funding for 2022/23 is shown in the following table.

Table 18 – DSG and Pupil Premium Funding

DSG Block	Allocation £ million
Early Years Block	34.881
Schools Block	371.239
High Needs Block	85.868
Central School Services Block	2.812
Total DSG	494.800
Pupil Premium (Based on 2022/23 pupil numbers)	30.609
TOTAL	525.409

340 Note that the total funded through the mainstream primary and secondary formula in Table 16 is different to the total shown in the formula table above because of adjustments in respect of funding set aside in previous years for estimated non-domestic rates that was not required.

341 Schools Block funding allocated to academies through formula funding will be recouped by the Education and Skills Funding Agency which provides this funding to academy trusts as part of the General Annual Grant. The total recouped will be adjusted during the year for subsequent academy conversions.

Recommendation(s)

342 It is recommended that Members:

- (a) note the position on the Dedicated Schools Grant;
- (b) approve the formula set out in Table 15 and authorise the Corporate Director of Resources to approve any amendments required following review by the DfE.

Prudential Code, Treasury Management and Property Investment

343 This section outlines the council's prudential indicators for 2023/24 to 2025/26, sets out the expected treasury operations for this period and provides details on the council's Property Investment Strategy. The content fulfils five legislative requirements:

- (a) the **reporting of the prudential indicators**, setting out the expected capital activities as required by the CIPFA Prudential Code for Capital Finance in Local Authorities as shown at Appendix 12;
- (b) the **cash investment strategy** which sets out the council's criteria for choosing investment counterparties and limiting exposure to the risk of loss. This strategy is in accordance with the DHLUC Investment Guidance and is also shown in Appendix 12;

- (c) the **Treasury Management Strategy statement** which sets out how the council's treasury service will support the capital decisions taken above, the day-to-day treasury management and the limitations on activity through treasury prudential indicators. The key indicator is the 'Authorised Limit', the maximum amount of debt the council could afford in the short term, but which would not be sustainable in the longer term. This is the Affordable Borrowing Limit required by section 3 of the Local Government Act 2003. This is in accordance with the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code and shown at Appendix 12;
- (d) the council's **Minimum Revenue Provision (MRP) Policy**, which sets out how the council will pay for capital assets through revenue each year (as required by Regulation under the Local Government and Public Involvement in Health Act 2007) as shown at Appendix 12;
- (e) the **Property Investment Strategy** seeks to ensure that the council only enters into investments which provide a reasonable level of return for the council after considering all risks as part of a robust business case and due diligence process. The Property Investment Strategy is appended at Appendix 13.

344 Due to the current level of cash balances a review has been undertaken on the Council's counterparty money limits. This has been done in consultation with the Council's treasury management advisers and the following increases have been factored into the counterparty limits included in the Treasury Management Strategy at Appendix 12:

Banks/Building Societies AA-	Increase of £5 million
Banks/Building Societies A	Increase of £5 million
Banks part nationalised	Increase of £5 million
Money Market Funds (Total)	Increase of £25 million
Money Market Funds CNAV, LVNAV, VNAV	Increase of £5 million

Recommendation(s)

345 It is recommended that Members:

- (a) agree the Prudential Indications and Limits for 2023/24 – 2025/26 contained within Appendix 12 of the report, including the Authorised Limit Prudential Indicator;
- (b) agree the Minimum Revenue Provision (MRP) Statement contained within Appendix 12 which sets out the council's policy on MRP;

- (c) agree the Treasury Management Strategy and the treasury Prudential Indicators contained within Appendix 12;
- (d) agree the Cash Investment Strategy 2023/24 contained in the Treasury Management Strategy (Appendix 12 including the detailed criteria);
- (e) approve the Property Investment Strategy at Appendix 13.

Background papers

- Autumn Statement, published 25 November 2022
- Provisional Local Government Finance Settlement, published 19 December 2022

Other useful documents

- Medium Term Financial Plan (12), 2022/23 to 2025/26 – Report to Council 23 February 2022
- Medium Term Financial Plan (13), 2023/24 to 2026/27 – Report to Cabinet 13 July 2022
- Medium Term Financial Plan (13), 2023/24 to 2026/27 – Report to Cabinet 12 October 2022
- Local Council Tax Reduction Scheme 2023/24 – Report to Council 19 October 2022
- Council Tax Base 2023/24 and Forecast Deficit on the Council Tax Collection Fund as at 31 March 2023 – Report to Cabinet 16 November 2022
- Forecast of Revenue and capital Outturn 2022/23 – Period to 30 September 2022 and Update on Progress towards achieving MTFP(12) savings – Report to Cabinet 16 November 2022
- Medium Term Financial Plan (13), 2023/24 to 2026/27 – Report to Cabinet 18 January 2023
- Medium Term Financial Plan (13), 2023/24 to 2026/27 – Report to Cabinet 8 February 2023
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Appendix 1: Implications

Legal Implications

The council has a statutory responsibility to set a balanced budget for 2023/24. It also has a fiduciary duty not to waste public resources.

Section 47 of the Local Government Finance Act 1988 and subsequent amending legislation provides the provisions and criteria for awarding discretionary rate relief. The Localism Act 2011 amended Section 47 Clause 69 of the Local Government Finance Act 1988 to allow local authorities to reduce the business rates of any local ratepayer (not just those who can currently be granted discretionary relief), via a local discount scheme.

Statutory guidance states that any discretionary rate relief or local council tax discount scheme must be in the interests of the wider council taxpayer.

The proposals set out in this report seek to ensure that the council's policy is in line with legislative requirements. Any changes to the Discretionary Rate Relief and Hardship Relief Policies or the Discretionary Council Tax Discount and Hardship Relief Schemes need to be approved by Cabinet.

Finance

The report sets out various recommendations on the 2023/24 Budget and for the MTFP(13) period 2023/24 – 2026/27.

Consultation

Full information on the MTFP(13) consultation process are contained in the report.

Equality and Diversity / Public Sector Equality Duty

Under section 149 of the Equality Act 2010 all public authorities must, in the exercise of their functions, "have due regard to the need to" eliminate conduct that is prohibited by the Act. Such conduct includes discrimination, harassment and victimisation related to protected characteristics but also requires public authorities to have due regard to the need to advance equality of opportunity and foster good relations between persons who share a "relevant protected characteristic" and persons who do not. This means consideration of equality analysis and impacts is an essential element that Members must take into account when considering these savings proposals.

The October Cabinet report contained summary details of the impact assessment on the proposed savings that were subject to consultation. An updated Equality Impact Assessment factoring in the consultation feedback and further work

undertaken since the initial screening was undertaken in October is included at Appendix 12 and summarised in the body of the report.

Savings proposals for MTFP(13) are considered to have limited equality implications. Impact assessments for saving proposals which involve staff restructures have been carried out where relevant and a summary provided in the body of the report which confirms there are no equality impacts in terms of service delivery. Mitigation has been identified where savings proposals could potentially adversely impact on people with protected characteristics

Climate Change

The report details additional revenue and capital investments to support the council in achieving its net zero targets. This investment is in addition to the financial investment set out in the council's Climate Change Emergency Response Plan.

Human Rights

Any human rights issues will be considered for each of the proposals as they are developed, and decisions made to take these forward. There are no human right implications from the information within the report.

Crime and Disorder

It is recognised that the changes proposed in this report could have a negative impact on crime and disorder in the county. However, the council will continue to work with the Police and others through the Safe Durham Partnership on strategic crime and disorder and to identify local problems and target resources to them.

Staffing

The impact of the MTFP upon staffing is detailed within the report.

It is estimated that there will a 118 FTE reduction across the four years. HR policies will be strictly adhered to in terms of any restructure activity and priority will continue to be placed on seeking voluntary redundancies and early retirements to mitigate against the need for compulsory redundancies.

The staffing / HR implications arising from the action that will need to be taken to meet the £23.177 million shortfall over the next four years are yet to be determined and will need to be outlined in future reports for MTFP(14) and beyond.

Accommodation

The council's Corporate Asset Management Plan is aligned to the corporate priorities contained within the Council Plan. Financing for capital investment priorities is reflected in the MTFP Model.

Risk

A robust approach to Risk Assessment across the MTFP process has been followed including individual risk assessment of savings plans.

Procurement

Wherever possible procurement savings are reflected in service groupings' savings plans.

Appendix 2: Budget Consultation Feedback 2022

Format of response

	Frequency	Percent
Mobile	240	35.9%
PC	356	53.3%
Tablet	32	4.8%
Paper	40	6.0%
Total	668	100.0%

Do you agree or disagree with this approach?

	Frequency	Percent
Strongly agree	31	5.1%
Agree	157	25.8%
Neither agree nor disagree	111	18.2%
Disagree	164	26.9%
Strongly disagree	146	24.0%
Total	609	100.0%

Please tell us why.

	Frequency
Council tax increase negative: Generic disagree	106
Miscellaneous positive: Generic agree	69
Miscellaneous negative: Generic disagree	62
Council tax increase negative: Will make families struggle	55
Back-office reductions negative: Generic disagree	42
Council tax increase negative: Already high	38
Miscellaneous negative: Review services council provides	33
Back-office reductions negative: Will impact upon services	30
Service cuts negative: Incorrectly directed at front line workers/management instead	29
Use of reserves negative: Generic disagree	22
<i>47 categories <20 responses</i>	<i>324</i>
Total	810

Please tell us why.

	Frequency
Council tax increase negative: Generic disagree	106
Miscellaneous positive: Generic agree	69
Miscellaneous negative: Generic disagree	62

	Frequency
Council tax increase negative: Will make families struggle	55
Back-office reductions negative: Generic disagree	42
Council tax increase negative: Already high	38
Miscellaneous negative: Review services council provides	33
Back-office reductions negative: Will impact upon services	30
Service cuts negative: Incorrectly directed at front line workers/management instead	29
Use of reserves negative: Generic disagree	22
Service cuts negative: Will impact upon services	19
Additional income/charges positive: Selling renewable energy	15
Council tax increase positive: Generic agree	15
Miscellaneous negative: No redundancies/staff cuts	15
Miscellaneous negative: Will impact staff wellbeing/safety	15
Service cuts negative: Protect services for the vulnerable	15
Service cuts negative: Theatres/leisure centres/sport/cultural services	14
Use of reserves positive: Generic agree	14
Miscellaneous negative: Review council buildings/land	13
Miscellaneous negative: New council headquarters	12
Additional income/charges positive: Generic agree	11
Back-office reductions negative: Cut councillors allowances	11
Back-office reductions positive: Generic agree	10
Miscellaneous positive: Savings need to be made	10
Additional income/charges positive: Explore commercial opportunities & profit making further	9
Service cuts negative: Review use of contractors and management of commercial services	9
Use of reserves negative: Uncertainty of future reserves	9
Additional income/charges negative: Don't use FPNs	8
Council tax increase negative: Stop council tax concessions	8
Additional income/charges negative: Don't increase green waste charges	7
Additional income/charges negative: Generic disagree	7
Back-office reductions negative: Need to be targeted	6
Council tax increase positive: Charge student properties	6
Back-office reductions positive: Needs to be balanced	5
Miscellaneous negative: DLI	5
Service cuts positive: Protect leisure centres etc	5
Additional income/charges positive: Increase FPNs	4
Council tax increase negative: Will cost money	4
Council tax increase positive: Agree with social care precept	4
Council tax increase positive: Increase further	4
Additional income/charges negative: Penalises the public	3

	Frequency
Back-office reductions negative: Loss of knowledge and experience	3
Council tax increase negative: Reduce council tax	3
Generic neutral	3
Miscellaneous positive: Partnership working/AAPs	3
Service cuts negative: Generic disagree	3
Additional income/charges negative: Questions money attainable	2
Miscellaneous negative: Sliding scale of council tax	2
Miscellaneous negative: Stop capital outlay	2
Service cuts negative: Keep CAPs open	2
Service cuts positive: Generic agree	2
Use of reserves positive: Use more reserves	2
Additional income/charges negative: Don't charge those with financial appointees	1
Back-office reductions negative: Outsource staff	1
Council tax increase negative: Disagree with social care precept	1
Long term information	1
Miscellaneous negative: Increase parking	1
Total	810

What do you feel will be the impact of this approach upon you?

	Frequency	Percent
Extremely positive	8	1.3%
Positive	24	4.0%
Neither negative nor positive	145	24.0%
Negative	261	43.1%
Extremely negative	167	27.6%
Total	605	100.0%

Why do you believe this to be the case?

	Frequency
Less money/increased cost of living	165
Less services (generic)	117
Can't afford/can't pay	39
Less staff	29
Staff less secure/worried	28
Pressure on staff/mental health	21
<i>10 categories <20 responses</i>	<i>54</i>
Total	453

Why do you believe this to be the case?

	Frequency
Less money/increased cost of living	165
Less services (generic)	117
Can't afford/can't pay	39
Less staff	29
Staff less secure/worried	28
Pressure on staff/mental health	21
Small change to council tax	13
Unhappy residents	10
Change of employment circumstances	7
Not impacted	7
Affordable change	5
Services protected	5
Improved efficiency	3
Need to protect services	2
Alienate vulnerable CAP users	1
Required	1
Total	453

Do you have any alternatives to the approach, whilst making the required savings?

	Frequency
Cut the fat/make available savings	85
Reduce senior wages	37
Reduce number of buildings/land	36
Stop Capital project expenditure	34
Decrease management numbers	29
Reduce staff travelling/WFH	29
Increase charges for services/fines/parking	22
Remove non-essential services	22
Increased use of solar power/wind power/renewables /energy	19
Reduce cost of Councillors (numbers/pay/benefits/projects)	19
Stop DLI	19
<i>28 categories < 15 responses</i>	<i>190</i>
Total	541

Do you have any alternatives to the approach, whilst making the required savings?

	Frequency
Cut the fat/make available savings	85
Reduce senior wages	37
Reduce number of buildings/land	36
Stop Capital project expenditure	34
Decrease management numbers	29
Reduce staff travelling/WFH	29
Increase charges for services/fines/parking	22
Remove non-essential services	22
Increased use of solar power/wind power/renewables /energy	19
Reduce cost of Councillors (numbers/pay/benefits/projects)	19
Stop DLI	19
Invest to save programmes	14
Use HQ money/keep CH	14
Expand profitable businesses	13
Cut back on arts projects/public events	12
Pass all ERVR/staff cuts/redeploy into essential services	12
Cut back on grounds maintenance throughout the county	11
Increase higher band CT	11
Look at council licenses, subscriptions, procurement	11
Crosscutting roles/knowledge	10
Get rid of AAPs	9
Look at CT and students including student landlords	9
Reduce/simplify benefits system	8
Stop using consultants and using agency staff	8
Review leisure centres	7
Reduce access to care services	6
Get rid of design and print services/publications	5
Rent council buildings by daily rate	5
Cut back on regeneration projects	4
Don't fill any vacancies	4
Bring people on benefits to work	3
Pursue debts	3
Charge employees to park	2
Charges on council parking for public	2
Increase general taxes on the wealthy individuals and companies	2

	Frequency
Review council tax rates in rural areas/target group	2
Dissolve Parish Councils	1
Reduce fleet size	1
Support small businesses	1
Total	541

If the government do remove the cap, do you agree or disagree with the council utilising additional council tax raising powers over the current 2.99% forecast?

	Frequency	Percent
Strongly agree	55	9.0%
Agree	112	18.3%
Neither agree nor disagree	55	9.0%
Disagree	114	18.6%
Strongly disagree	276	45.1%
Total	612	100.0%

Please expand here.

	Frequency
Disagree: Will cause hardship/unaffordable	51
Disagree: Too high already	26
Agree: Protects services	19
Disagree: Save in alternative ways	18
Disagree: Will be/has been wasted	14
Agree: Affordable	11
<i>9 categories <10 responses</i>	33
Total	172

Please expand here.

	Frequency
Disagree: Will cause hardship/unaffordable	51
Disagree: Too high already	26
Agree: Protects services	19
Disagree: Save in alternative ways	18
Disagree: Will be/has been wasted	14
Agree: Affordable	11
Neutral: As long as reasonable increase	9
Disagree: House size does not reflect wealth	6

	Frequency
Disagree: Taking from the poor to help the rich/others	5
Agree: Is required	3
Disagree: Deflects blame from Government	3
Disagree: Lobby/protest about the Government	3
Agree: Poor are supported	2
Agree: Use to promote climate change	1
Neutral: DCC will do what they want	1
Total	172

Are you responding as:

	Frequency	Percent
A resident	562	91.5%
A Durham County Council employee	150	24.4%
A business	11	1.8%
An organisation	8	1.3%
Other	2	0.3%
Total	733	119.4%

If other, please specify.

	Frequency
Visit library within County Durham	1
Volunteer within County Durham	1
Total	2

Are you:

	Frequency	Percent
Male	197	38.7%
Female	306	60.1%
Prefer to self-describe	5	1.0%
Non-binary	1	0.2%
Total	509	100.0%

What is your age?

	Frequency	Percent
Under 18	1	0.2%
18-24	6	1.2%
25-34	46	9.0%
35-44	130	25.3%
45-54	120	23.4%

	Frequency	Percent
55-64	113	22.0%
65-74	68	13.3%
75+	29	5.7%
Total	513	100.0%

Do you consider yourself to be a disabled person?

	Frequency	Percent
Yes	101	19.8%
No	409	80.2%
Total	510	100.0%

What is your religion or belief?

	Frequency	Percent
Christian	292	60.3%
Buddhist	4	0.8%
Muslim	2	0.4%
None	179	37.0%
Agnostic	2	0.4%
Atheist	2	0.4%
Pagan	2	0.4%
Spiritualist	1	0.2%
Total	484	100.0%

What is your ethnicity?

	Frequency	Percent
White British	487	97.6%
White Non-British	5	1.0%
Asian or Asian British	1	0.2%
Mixed Race	4	0.8%
Travelling Community	2	0.4%
Total	499	100.0%

How would you describe your sexual orientation?

	Frequency	Percent
Heterosexual/straight	425	94.0%
Gay or lesbian	20	4.4%
Bisexual	7	1.5%
Total	452	100.0%

Appendix 3: MTFP(13) Savings Plans

Adult and Health Services

Savings Proposal	Description	2023/24	2024/25	2025/26	2026/27	TOTAL
		£	£	£	£	£
Adult and Health Services						
Commissioned Services – Efficiencies	Review of contractual arrangements across Adult and Health Services	1,250,000	50,000	50,000	50,000	1,400,000
Market Shaping – Reablement & Direct Payments	Maximising use of reablement and direct payments to promote independence for service users	0	50,000	250,000	300,000	600,000
High Cost Learning Disability Care Packages	Review of specialist/high cost care provision across learning disability services	210,000	210,000	210,484	0	630,484
Review of Non-Assessed Community Based Services	Review of non-assessed community-based commissioned services	113,000	101,283	93,000	0	307,283
Hearing Impaired Review	Review of county-wide hearing impaired services	50,000	0	0	0	50,000

Savings Proposal	Description	2023/24	2024/25	2025/26	2026/27	TOTAL
		£	£	£	£	£
Extra Care Cleaning	Review of cleaning provision in extra care schemes	52,000	8,000	0	0	60,000
Car Mileage Reduction	Reduction in staff travel costs due to new ways of working	100,000	0	0	0	100,000
Total – Adult and Health Services		1,775,000	419,283	603,484	350,000	3,147,767
Children and Young People Services						
Review of Support Services	Delivering resource efficiencies in the provision of non-frontline services through greater automation of tasks and simplifying systems.	0	0	210,000	0	210,000
New approach to delivering One Point activities	Planned reduction in physical activities held in centres with increased use of technology and virtual services for Families, which support the new work on development of Family Hubs	50,000	50,000	50,000	0	150,000
Early help, Inclusion and Vulnerable Children Services review	Achieving efficiencies within Early Help services through turnover of staff, reviewing deployment of	41,000	41,000	84,000	84,000	250,000

Savings Proposal	Description	2023/24	2024/25	2025/26	2026/27	TOTAL
		£	£	£	£	£
	staffing resources and use of non-council funding to support activity					
Cross Service Accommodation	Streamlining the use of Council staff accommodation to achieve savings in maintenance and running costs.	0	50,000	71,000	100,000	221,000
Restructure of Education Services	Implementation of the Councils education review programme to align to the future direction of Education Services and national policy	350,000	0	0	0	350,000
Restructure of Adult Learning Service	Changes to the Councils Adult Learning Service to align to the future direction of Education, Employment and Training opportunities for disadvantaged Young People	0	100,000	70,000	0	170,000
Reductions in Mileage	Efficiencies in staff mileage budgets as a result of the greater use of technology and new ways of working	100,000	100,000	0	0	200,000

Savings Proposal	Description	2023/24	2024/25	2025/26	2026/27	TOTAL
		£	£	£	£	£
Reduction in Historic FE Liabilities	Planned reduction in Service Pension liabilities	40,000	10,000	0	0	50,000
Total – Children & Young People Services		581,000	351,000	485,000	184,000	1,601,000
Neighbourhood and Climate Change						
Clean and Green Efficiency Review	Savings opportunities will be identified associated with maintenance, increased income, flower displays and improved efficiencies resulting from staff restructuring	70,000	0	0	0	70,000
Income and Efficiencies from Destination Parks	Income generation opportunities will be explored at both Wharton Park and Hardwick Park, and the play offer at Wharton Park will be reviewed	66,000	0	0	0	66,000
Income Generation in Refuse & Recycling	The fees and charges relating to Trade Waste, Bulky Waste and replacement bins will be increased	206,000	0	0	0	206,000

Savings Proposal	Description	2023/24	2024/25	2025/26	2026/27	TOTAL
		£	£	£	£	£
Additional Fixed Penalty Notice income	This proposal will see an increase in the number of FPN's issued, and therefore income through stricter enforcement	25,000	0	0	0	25,000
Review of Cemetery fees	Increase in cemetery fees	40,000	0	0	0	40,000
Reduce Allotments investment	This proposal will see a delay to the planned allotment service investment	69,000	0	0	0	69,000
Review of Neighbourhood Protection	This proposal will see improved operational efficiencies arising from a review of neighbourhood protection, including wardens and civic pride.	70,000	0	0	0	70,000
Power Purchase Agreements	Additional income will be generated by selling renewable energy to commercial energy suppliers	60,000	0	0	0	60,000
Review of Garden Waste income	The price of an annual sign up to the Garden Waste scheme will be increased	190,000	0	0	0	190,000

Savings Proposal	Description	2023/24	2024/25	2025/26	2026/27	TOTAL
		£	£	£	£	£
Increase in Power Generation income at Joint Stocks	Additional income will be generated by selling the power generated from landfill gas	750,000	0	0	0	750,000
Deletion of vacant post in Highways Estimating Team	Deletion of vacant post in Highways Estimating Team	34,000	0	0	0	34,000
Restructure of Highways Adoption team	Savings will be generated from a staffing restructure with funding for the team from increased development supervision fee income	64,000	0	0	0	64,000
Capitalise the cost of Strategic Highways staff working on LTP	A number of staff directly dealing with the capital programme will in future be funded by the LTP capital grant allocation instead of revenue	299,000	0	0	0	299,000
New charging system for Vehicle Crossing applications	Introduce a new system of vehicle crossing application fees, plus additional license fees for hire of adopted highway space by businesses	20,000	0	0	0	20,000
Supplies & services saving in Strategic Street Lighting	This is associated with an area of the budget that consistently underspends	16,000	0	0	0	16,000

Savings Proposal	Description	2023/24	2024/25	2025/26	2026/27	TOTAL
		£	£	£	£	£
Review of Community Protection Structure & Income Generation	A restructure of the service will deliver efficiency savings along with some income generation opportunities	95,000	110,000	145,000	0	350,000
Review of structure in Partnerships team	A restructure of the service will deliver efficiency savings	25,000	0	0	0	25,000
Review of AAPs	Savings to be identified following an independent review of the council's community engagement mechanisms including the Area Action Partnerships	183,750	61,250	0	0	245,000
Restructure within Civil Contingencies Unit (CCU) and Corporate Policy	A restructure of the service to improve operational delivery will provide savings in employee costs	47,000	0	0	0	47,000
Savings in Car Mileage due to hybrid working	As many staff continue to work from home for a significant portion of the working week, many meetings are now held virtually which will reduce car mileage costs	60,000	0	0	0	60,000
TOTAL – Neighbourhood and Climate Change		2,389,750	171,250	145,000	0	2,706,000

Savings Proposal	Description	2023/24	2024/25	2025/26	2026/27	TOTAL
		£	£	£	£	£
Regeneration, Economy and Growth						
Strategic Car Park Review	A review of parking arrangements and tariffs across the county to allow a more equitable charging regime	0	279,000	0	0	279,000
Moving vehicle/Bus Lane enforcement income.	Introduction of camera enforcement intended to address moving traffic offences, and to increase compliance at existing Framwellgate Moor bus lane restrictions	40,000	0	0	30,000	70,000
Park and Ride Discount Rate.	Removal of current POP card option and associated discount & replace with standard on-board payment facilities	20,000	0	0	0	20,000
Reduction in Concessionary Fares	Reduction in concessionary fares budget as a result of behaviour changes & reduced concessionary passenger numbers	50,000	0	0	0	50,000
Increase surplus rental income on	Additional rental income generated from commercial	100,000	0	48,438	0	148,438

Savings Proposal	Description	2023/24	2024/25	2025/26	2026/27	TOTAL
		£	£	£	£	£
commercial properties	properties managed by Business Durham					
Theatre ticketing – introduce dynamic pricing	A revised approach to how and when tickets are sold to increase income and offer customers more choice	0	30,000	0	0	30,000
Theatre Marketing – contract out	Contracting out design, print and brochure production	7,000	7,000	0	0	14,000
Review daytime café offer at Empire theatre	Consideration of aligning daytime café services with theatre and cinema programme	13,000	0	0	0	13,000
Library Transformation including Sevenhills Lease	Review of built service offer with regard to co-location opportunities, delivery models and tech solutions	75,000	105,000	0	0	180,000
Library Transformation – Clayport Library Restructure & Remodel	Remodel and update the library to create a high quality environment to meet modern public requirements	0	200,000	0	0	200,000
Planning Income Volumes	Increase budget for planning fees income to reflect higher levels of	350,000	100,000	0	0	450,000

Savings Proposal	Description	2023/24	2024/25	2025/26	2026/27	TOTAL
		£	£	£	£	£
	planning applications in recent years					
Review of the Housing Solution Team	Reduction of one vacant project manager post	49,672	0	0	0	49,672
International Team Restructure	Review of staffing within the International Team and amalgamate operations	25,000	0	0	0	25,000
Service Review of Catering, Cleaning & Facilities Management	Service efficiencies from catering, cleaning and facilities management through strategic service review including commercial opportunities, opening hours, levels of service etc	0	0	90,000	95,000	185,000
Review of Office Accommodation – New HQ costs	Saving in running costs generated from the move from County Hall	0	0	0	275,000	275,000

Savings Proposal	Description	2023/24	2024/25	2025/26	2026/27	TOTAL
		£	£	£	£	£
Withdrawal of the Free after Two Car Parking Initiative for On Street Parking in Durham City	Removal of the temporary Free After Two Free Parking for On Street Parking, which was a temporary scheme to aid high street recovery post covid and after a review to address concerns regarding demand, turnover and availability of spaces and removing the disincentive to use other sustainable transport measures such as Park and Ride.	250,000	0	0	0	600,000
TOTAL – Regeneration, Economy and Growth		979,672	721,000	138,438	400,000	2,239,110
Resources						
Review of Corporate Policy Planning and Performance Team	Review and restructure of the Strategy Team	43,473	75,473	0	0	118,946
Review of HR and Employee Services and Training budgets	Review and restructure of the HR and Employee Services Team and Efficiencies in Training budgets through digitisation of learning	0	0	152,892	86,940	239,832

Savings Proposal	Description	2023/24	2024/25	2025/26	2026/27	TOTAL
		£	£	£	£	£
Review of Procurement Sales and Business Services, including opportunities to increase income	Increase procurement income and restructure of team/reallocation of duties due to reduction in management	100,000	0	0	0	100,000
Review of Business Support (administration)	Review and restructuring of the Business Support service	200,000	150,000	0	517,000	867,000
Review of Internal Audit and Insurance	Review and restructure of Internal Audit and Risk, including a review of services to external clients to generate additional income	12,043	53,433	0	0	65,476
Review of Corporate Finance and Commercial Services	Review and restructure focussing on management posts	70,000	41,000	0	0	111,000
Review of Corporate Finance and Commercial Services non-employee budgets	Review / Reduction of Non-Staffing Budgets	102,837	0	0	0	102,837
Review of Legal Services	Review and restructuring of Legal Services Team	11,360	0	0	127,640	139,000

Savings Proposal	Description	2023/24	2024/25	2025/26	2026/27	TOTAL
		£	£	£	£	£
Review of Legal and Democratic Services non-employee budgets	Review / Reduction of Non-Staffing Budgets	103,000	0	0	12,000	115,000
Review of Digital Services	Review and restructure of Digital Services Team	0	0	164,011	0	164,011
Review of Digital Services non-employee budgets	Review / Reduction of Non-Staffing Budgets	19,718	65,000	65,000	0	149,718
Review of Charging for Deputee and Appointee Team	Introduction of charging in line with arrangements in place in other authorities	80,275	80,275	0	0	160,550
Review of Transactional and Customer Services non-employee budgets	Review / Reduction of Non-Staffing Budgets (including income budgets)	0	0	0	102,120	102,120
Review of Customer Services	Review of Customer Access Point provision and service model in line with changing customer demands	68,500	68,500	0	0	137,000

Savings Proposal	Description	2023/24	2024/25	2025/26	2026/27	TOTAL
		£	£	£	£	£
Review of Transactional and Customer Services	Review and restructure of Transactional and Customer Services Team through Introduction of new systems, process review and new ways of working	0	28,813	119,558	0	148,371
Review of Digital Services Applications and Hosting	Review / Reduction of Non-Staffing Budgets	36,916	0	0	0	36,916
Total – Resources		848,122	562,494	501,461	845,700	2,757,777
Corporate Savings						
Reduction in Corporate Subscriptions and Supplies and Services	Review of all non-staffing expenditure in the Centrally Administrated costs budget	66,000	0	0	0	66,000
Increase in provision for Staff Turnover	Current staff turnover allowance included in budget build is 3.5%. Proposal is to increase this to 3.75%	463,000	0	0	0	463,000

Savings Proposal	Description	2023/24	2024/25	2025/26	2026/27	TOTAL
		£	£	£	£	£
Savings in Capital Financing / Investment Income Budgets	Recent borrowing costs have been lower than previous forecasts generating a saving whilst current higher interest rate levels are resulting in higher than forecast investment returns	2,500,000	0	0	0	2,500,000
Savings in Capital Financing budget	Reduction in interest paid on external loans following early redemption of loans in 22/23	200,000	0	0	0	200,000
Savings in the corporate General Contingencies Budget	Reduction in the current level of general contingencies	1,500,000	0	0	0	1,500,000
Review of Extended Management Team	Review and restructure of Heads of Service posts – reduction of x1 post following appointment of the Head of Corporate Affairs	81,000	0	0	0	81,000
Buyout of CLUK Contract – Retention of all income generated by DCC gyms	The buyout of this contract from a corporate reserve will result in an increase in leisure income	1,000,000	0	0	0	1,000,000
Total – Corporate		5,810,000	0	0	0	5,810,000

Savings Proposal	Description	2023/24	2024/25	2025/26	2026/27	TOTAL
		£	£	£	£	£
TOTAL COUNCIL SAVINGS FOR MTFP (13)		12,383,544	2,225,027	1,873,383	1,779,700	18,261,654

Appendix 4: Gross and Net Expenditure by Service

Budget Summary - by Service Grouping

2022/23			2023/24		
Original Budget	Projected Outturn		Gross Expenditure	Gross Income	Net Expenditure
£000	£000		£000	£000	£000
		- Council Controlled Budgets -			
		-			
136,741	138,107	Adult and Health Services	428,794	272,498	156,296
141,886	178,691	Children and Young People's Services	378,310	209,859	168,451
112,985	113,716	Neighbourhoods and Climate Change	214,677	93,832	120,845
54,934	65,227	Regeneration, Economy and Growth	192,943	136,264	56,679
25,249	28,263	Resources	118,263	93,181	25,082
3,816	4,087	Corporate Costs	4,388	110	4,278
17,078	9,873	Contingencies	16,119	0	16,119
492,689	537,964		1,353,494	805,744	547,750
		Non Council Controlled Budgets			
0	0	Schools	283,566	283,566	0
0	0	Benefits	104,245	104,245	0
0	0		387,811	387,811	0
492,689	537,964	NET COST OF SERVICES	1,741,305	1,193,555	547,750
-61,873	-61,873	Reversal of Capital Charges			-55,916

2022/23			2023/24		
Original Budget	Projected Outturn		Gross Expenditure	Gross Income	Net Expenditure
£000	£000		£000	£000	£000
-2,900	-6,505	-			-9,900
48,780	43,350	Interest and investment income			39,812
0	-250	Interest payable and similar charges			0
		DSG deficit reserve adjustment			
		Levies			
15,634	15,634	North East Combined Authority			16,954
470	479	Environment Agency - Flood Defence			480
72	72	North East Inshore Fisheries Conservation Authority			72
492,872	528,871	NET OPERATING EXPENDITURE			539,252
-52,873	-52,873	Business Rates - local share			-55,712
-72,780	-72,780	Top up Grant			-75,956
-29,100	-29,100	Revenue Support Grant			-32,991
9,788	9,788	Estimated net -Surplus/Deficit on Collection Fund			3,895
-4,082	-4,082	New Homes Bonus			-1,860
-25,026	-25,026	Section 31 Grant			-34,468
-30,955	-30,955	Adult/Childrens Pressures Grant			-49,564
-8,776	-8,776	Services Grant			-5,148
-786	-786	Lower Tier Services Grant			0
-25,072	-54,153	Use of Earmarked Reserves			-18,378
-1,068	-3,399	Use of Cash Limit Reserves			-698
0	-4,587	Use of General Reserve			0
252,142	252,142	AMOUNT REQUIRED FROM COUNCIL TAXPAYERS			268,372

Appendix 5: Gross and Net Expenditure by Expenditure Detail

Budget Summary - by Expenditure and Income Type

	Original Budget 2022/23	2022/23 Projected Outturn Position	Original Budget 2023/24
	£000	£000	£000
Employees	530,451	551,132	572,150
Premises	49,218	59,054	59,356
Transport	51,131	60,620	64,740
Supplies & Services	112,850	132,520	117,689
Agency & Contracted	490,599	514,769	551,457
Transfer Payments	159,814	150,989	152,814
Central Costs	129,781	133,984	150,634
Direct Revenue Financing	734	2,696	430
Capital Charges	61,873	61,873	55,916
Contingencies	17,078	9,873	16,119
GROSS EXPENDITURE	1,603,529	1,677,510	1,741,305
Income			
- Specific Grants	591,183	610,386	626,348
- Other Grants & contributions	86,074	91,070	92,434
- Sales	6,779	6,070	6,737
- Fees & charges	108,833	110,140	114,848
- Rents	10,161	12,625	10,834
- Recharges	293,827	300,824	320,961
- Other	13,983	8,431	21,393
Total Income	1,110,840	1,139,546	1,193,555
NET COST OF SERVICES	492,689	537,964	547,750
Capital charges	-61,873	-61,873	-55,916
Interest and Investment income	-2,900	-6,505	-9,900
Interest payable and similar charges	48,780	43,350	39,812
DSG deficit reserve adjustment	0	-250	0

	Original Budget 2022/23	2022/23 Projected Outturn Position	Original Budget 2023/24
Levies			
North East Combined Authority	15,634	15,634	16,912
Environment Agency - Flood Defence	470	479	503
North East Inshore Fisheries Conservation Authority	72	72	91
Net Operating Expenditure	492,872	528,871	539,252
Movement in Reserves:			
Use of Earmarked Reserves	-25,072	-54,153	-18,378
Use of Cash Limit Reserves	-1,068	-3,399	-698
Use of General Reserve	0	-4,587	0
Net Budget Requirement	466,732	466,732	520,176
Financed by:			
Business Rates - local share	-52,873	-52,873	-55,712
Top up Grant	-72,780	-72,780	-75,956
Revenue Support Grant	-29,100	-29,100	-32,991
Amount required from council tax payers	-252,142	-252,142	-268,372
Estimated Net - Surplus/Deficit on Collection Fund	9,788	9,788	3,895
New Homes Bonus	-4,082	-4,082	-1,860
Section 31 Grant	-25,026	-25,026	-34,468
Adult/Childrens Pressures Grant	-30,955	-30,955	-49,564
Services Grant	-8,776	-8,776	-5,148
Lower Tier Services Grant	-786	-786	0
Total Financing	-466,732	-466,732	-520,176

Appendix 6: MTFP(13) Model

	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000
Government Funding				
Revenue Support Grant (10.1%, 6%,0%,0%) - incl. rolled in grants	-3,891	-1,900	0	0
Social Care Grant - includes rolled in Independent Living Fund	-18,609	-7,800	0	0
Better Care Fund - ASC Discharge Grant	-4,327	-2,800	0	0
Market Sustainability and Improvement Grant	-4,704	-3,200	0	0
Lower Tier Services grant reduction	786	0	0	0
New Homes Bonus grant reduction	2,222	1,860	0	0
Services Grant reduction	3,628	120	0	0
B Rates/S31 - S31 Adj & CPI increase (10.1%/6%/1.5%/1.5%)	-7,800	-5,000	-1,100	-1,100
Top Up - CPI increase (10.1%/6%/1.5%/1.5%)	-7,300	-4,700	-1,050	-1,050
Other Funding Sources				
Council Tax Increase (4.99%/4.99%/2.99%/2.99%)	-12,600	-12,900	-8,200	-8,500
Council Tax Base increase	-3,400	-2,300	-2,500	-2,600
Business Rate Tax Base increase	-500	-500	-500	-250
Estimated Variance in Resource Base	-56,495	-39,120	-13,350	-13,500
Pay Inflation (5%/2%/2%/2%)	12,200	5,300	5,400	5,500
Holiday Pay Adjustment	380	0	0	0
Pay Inflation 22/23 Shortfall (Average of 6.6% plus one day leave)	7,000	0	0	0
Employers National Insurance (Health & Social Care Levy)	-1,500	0	0	0
Price Inflation (5%/1.5%/1.5%/1.5%) - excludes social care fees	5,300	1,600	1,650	1,700

Base Budget Pressures				
Social Care Fee Uplift - includes NLW and CPI	21,900	13,200	3,300	3,500
Better Care Fund - New Spending Requirements	4,327	2,800	0	0
Specific Grants Rolled into RSG and Social Care Grant	2,482	0	0	0
Adults Charging Reforms	0	0	1,750	1,750
National Living Wage Other Service Areas	350	400	50	50
Pension Fund Revaluation	-5,100	0	0	0
Energy Price Increases	6,000	-2,000	-2,000	-1,250
Social Care System Licenses	100	0	0	0
Adults Demographic Pressures	1,000	1,500	1,500	1,500
Children's Demographic Pressures	13,800	5,000	5,000	5,000
Tees Valley SPV Set Up Costs	0	0	30	0
Low Carbon Team - staffing & partnership development	84	0	0	0
Vehicle Fleet - Transfer to electric vehicles	0	0	1,328	3,238
Community Protection Workforce Development	218	196	-200	-200
Woodland Protection / Nature Reserves / Public Rights of Way	0	0	-145	0
Waste Services	-1,000	0	0	0
Waste Inflation	2,600	0	0	0
Transport Inflation (Local Buses)	1,200	0	0	0
Transport Inflation (School Transport)	8,300	0	0	0
Core ICT System Inflation	193	0	0	0
CYPS Social Care Preventative Strategies	808	0	0	0
CYPS Fostering Investment	1,738	0	-1,200	0
CYPS Social Workers	811	0	0	0
NCC Tree Inspections	90	0	0	0
NCC Humanitarian Support	123	0	0	0
NCC Civil Contingencies	30	0	0	0
REG Park and Ride Reprocurement	220	0	0	0
REG Durham Bus Station	100	0	0	0

REG Buildings Repair and Maintenance	100	0	0	0
REG History Centre Front of House Team	148	0	0	0
REG North East Screen Industries Partnership	206	0	0	0
RES Barrister Support for CYPS Social Care	513	0	0	0
RES ICT Licencing	85	0	0	0
External Audit Fees	350	0	0	0
Homelessness	750	0	0	0
Aykley Heads Cultural Venue (Former DLI Building)	0	600	0	0
Unfunded Superannuation	0	0	-100	-100
Investment Income	-7,000	7,000	0	0
Prudential Borrowing	0	6,400	3,400	3,000
Net Collection Fund Position after 75% Grant applied	0	-450	0	0
TOTAL PRESSURES	78,906	41,546	19,763	23,688
Use of One Off funds				
Adjustment for use of BSR in previous year	0	10,028	0	0
Use of MTFP Support Reserve in year	-10,028	0	0	0
Savings				
Savings Agreed in MTFP(10)	0	0	0	-275
MTFP(13) Savings	-12,383	-2,225	-1,873	-1,505
SAVINGS SHORTFALL	0	10,229	4,540	8,408
	TOTAL SHORTFALL			23,177

Appendix 7: Current Capital Programme 2022/23 to 2025/26

Scheme	2022/23	2023/24	2024/25	2025/26
	£	£	£	£
ADULT AND HEALTH SERVICES				
Drug & Alcohol Premises Upgrade	0	0	0	0
LD Provider Services	100,000	1,589,225	0	0
ADULT AND HEALTH SERVICES TOTAL	100,000	1,589,225	0	0
CHILDREN AND YOUNG PEOPLE'S SERVICES				
Belmont School - New build	1,434,579	23,250,000	0	0
Bowburn New Build Primary	346,784	250,000	0	0
Building Schools for the Future	0	0	380,218	0
Children's Services - AAP	4,930	0	0	0
Children's Services - Planning & Service Strategy	597,313	120,000	0	0
DFE School Capital Incl. Basic Need	9,193,644	20,872,668	870,540	0
DFE Special Provision Capital Fund	0	627,893	0	0
Greenfield Community College – New Build	902,500	9,765,000	2,710,000	0
High Needs Capital Provision Fund	15,068	7,096,032	0	0
Private Finance Initiative	48,870	0	0	0
School Devolved Capital	2,623,882	5,023,619	0	0
Secure Services	1,164,481	427,106	0	0
Spennymoor-New Build Primary School	900,000	9,187,921	3,534,298	440,239
Support for Children's Homes	796,707	2,845,535	0	0
Thirty Hours Free Childcare	19,435	0	0	0
CHILDREN AND YOUNG PEOPLE'S SERVICES TOTAL	18,048,193	79,465,774	7,495,056	440,239
NEIGHBOURHOODS AND CLIMATE CHANGE				

Scheme	2022/23	2023/24	2024/25	2025/26
	£	£	£	£
AAP Capital Budgets	500,545	469,690	0	0
AAP Initiatives	5,968	5,380	0	0
AAP Schemes – Community Protection	14,108	0	0	0
AAP Schemes - Environmental Services	298,128	10,000	0	0
Community Buildings	40,000	1,128,370	0	0
Community Protection	0	398,652	200,000	0
Consett Community Facilities	61,199	0	0	0
Crematorium	65,000	175,000	0	0
Depots	1,764,453	5,057,435	0	0
Environment & Design	278,688	200,885	0	0
Highway Operations	123,977	10,000	0	0
Members Neighbourhood Fund	1,206,271	4,266,046	0	0
Strategic Highways	34,245,582	35,318,352	0	0
Strategic Highways Bridges	2,923,151	3,895,000	0	0
Street Scene	1,291,992	2,681,761	0	0
Sustainability & Climate Change	12,195,888	8,919,690	0	0
Vehicle and Plant	2,798,591	324,964	0	0
Waste Infrastructure Capital	101,350	2,486,439	0	0
NEIGHBOURHOODS AND CLIMATE CHANGE TOTAL	57,914,891	65,347,664	200,000	0

Scheme	2022/23	2023/24	2024/25	2025/26
	£	£	£	£
REGENERATION, ECONOMY AND GROWTH				
AAP Schemes – Sport and Leisure	4,500	8,972	0	0
Beamish Capital Project	2,608,638	0	2,979,032	0
Capitalised Structural Maintenance	3,081,000	5,724,598	2,535,076	0
Chapter Homes	260,000	500,000	1,320,000	500,000
Culture and Museums	3,499,884	11,742,919	8,741,000	0
Disabled Facilities/Financial Assistance	7,230,571	6,160,906	75,000	0
Durham History Centre	9,426,841	4,805,339	152,393	0
Eastgate	0	0	150,000	360,830
Forrest Park Development	400,000	0	0	0
Housing Development	580,429	771,550	7,768,704	0
Housing Renewal	15,878,829	756,337	2,838,395	0
Industrial Estates	4,161,764	13,306,330	29,423,761	6,322,482
Leisure Centres	6,718,194	5,891,811	20,786,905	8,485,275
Local Transport Plan - Integrated Transport	2,420,289	2,766,714	0	0
Milburngate	3,109,088	3,170,000	0	0
Minor Development & Housing Schemes	180,000	150,000	0	0
Minor Strategy Programmes & Performance Schemes	55,472	300,000	15,649,044	396,499
Minor Transport & Contracted Services	15,360	0	0	0
North Dock Seaham	25,000	25,000	48,808	0
Office Accommodation	8,285,150	11,393,201	19,074,871	16,444,287
Outdoor Sports & Leisure Facilities	33,911	303,560	0	0
Spennymoor Festival Walk	24,679	713,631	246,369	0
Town Centres	3,162,520	12,050,278	6,872,300	3,123,997
Town & Village Centres	1,167,569	4,130,971	1,192,601	0
Traffic and Community Engagement	428,444	221,620	0	0
Transport - Major Schemes	11,977,687	45,541,470	40,349,971	15,066,022

Scheme	2022/23	2023/24	2024/25	2025/26
	£	£	£	£
REGENERATION, ECONOMY AND GROWTH TOTAL	84,735,819	130,435,207	160,204,230	50,699,392
RESOURCES				
Applications and Development	258,666	230,000	0	0
Design and Print	1,795	0	58,164	0
Digital Durham	219,050	4,110,857	0	0
Digital Engagement	0	46,491	23,460	0
Digital Workforce- HR/Payroll System	16,490	0	0	0
Policy Planning and Performance	1,530,000	800,000	0	0
Resources – Equality	129,629	204,661	0	0
Resources – Head of Service	2,332	0	0	0
Resources -Technical Services	2,117,141	4,137,896	800,000	0
RESOURCES TOTAL	4,275,103	9,529,905	881,624	0
COUNTY COUNCIL TOTAL	165,074,006	286,367,775	168,780,910	51,139,631

Appendix 8: Capital Strategy 2023/24

Introduction

- 1 Capital expenditure is a strategic investment involving major expenditure on assets that provide benefits to the Council and the services it provides for more than one year. The Council works with a wide range of partners from the public, private, voluntary and community sectors, all of which have an influence over its spending priorities.
- 2 The Capital Strategy provides a framework to enable the Council to consider carefully how it prioritises spending to meet corporate and service aims and objectives. It also takes account of the resources which are likely to be available to the Council to fund capital investment and the effect of that investment on the Council's revenue budget.

Objectives for Capital Investment

- 3 The main objectives for the Capital Strategy are to:
 - (a) support the Council's vision and priority themes as set out in the Council Plan;
 - (b) support service delivery strategies;
 - (c) support asset management plans for Council assets;
 - (d) ensure that investments are affordable and sustainable;
 - (e) ensure use of resources and value for money is maximised;
 - (f) support 'Invest to Save' opportunities; and
 - (g) encourage inward investment into County Durham.

The Council's Corporate Vision and Priorities

- 4 The Council Vision and priorities are developed together with partners and are based on consultation with local people and Area Action Partnerships.
- 5 The County Durham Partnership reviewed its vision for the county following extensive consultation with partners and key stakeholders which included:
 - (a) all 14 Area Action Partnerships;
 - (b) 11 County Durham Partnership thematic partnerships and sub-groups;

- (c) 11 other groups including Cabinet Transformation Board and Corporate Overview and Scrutiny Management Board with invitation extended to all other non-executive members.
- 6 The agreed Vision for 2035 is that County Durham is a place where there are more and better jobs, people live long and independent lives and our communities are well connected and supportive of each other.
- 7 The Council Plan is our primary corporate planning document. It details the council's contribution towards achieving the objectives set out in the Vision for County Durham 2035, together with our own objectives and improvement agenda. The Vision for County Durham is structured around four ambitions:
- (a) **more and better jobs:**
- (i) our young people will achieve their full potential by having access to good quality education and training to prepare them for employment. We will work together to help them find rewarding work and reduce the number of people living in poverty;
 - (ii) we will help people to create more and better jobs by developing major employment sites across the county to build a strong, competitive, and low carbon economy establishing the county as a premier place in the North East to do business;
 - (iii) we will build on our successful tourist economy through culture-led regeneration to broaden the leisure experience for residents and visitors to the county. Our visitor experience will compete with the best offered by other comparable destinations.
- (b) **people live long and independent lives:**
- (i) our children and young people will have the best start in life and enjoy good health and emotional wellbeing. We will work with families to make sure that children and young people with special educational needs and disabilities can achieve the best possible outcomes;
 - (ii) we will design the physical environment to give people greater opportunity for exercise, and to cycle and walk more for everyday journeys. We will reduce carbon emissions and mitigate the impact of climate change on people's lives;
 - (iii) we will promote positive healthy behaviours and help people to stop smoking. We will tackle the stigma and discrimination of poor mental health, build more resilient communities, and promote positive mental health;

- (iv) people will be able to live independently for longer. We will further integrate the work of health and social care organisations to improve the lives of people receiving these services. We will also deliver more housing to meet the needs of older people;
 - (v) we will work to tackle health inequality across the county and close the gap in healthy life expectancy between our communities.
- (c) **connected communities:**
- (i) we will deliver new high-quality housing in a range of house types and tenures including affordable homes that are accessible and meet the needs and aspirations of our residents;
 - (ii) properties in our communities will be well used. We will work with owners to help bring more empty homes back into use and ensure that privately rented homes are well managed;
 - (iii) our town and village centres will be well used, clean, attractive, and safe;
 - (iv) our transport network will support cycling and walking and provide good access to workplaces, retail and leisure opportunities and will be relatively free from congestion. Widespread use of electric vehicles will reduce noise and improve air quality;
 - (v) we want our communities to remain welcoming, accept one another and build new relationships to support each other. Children will have a safe childhood and victims of crime will have access to the right services and support that they require.
- (d) **our council:**
- (i) we want to be regarded as an excellent council, with effective governance arrangements and which has a good grip on its performance and finances;
 - (ii) we want a workforce fit for the future and to make best use of the latest technology to provide an effective service for our residents;
 - (iii) we want to make the optimum use of data to better serve our residents and become a more analytical and data-driven organisation;

- (iv) we want to be known as a council which listens to the views of our residents and service users and takes them into account in our decision-making.
- 8 The current Council Plan covers the period 2022/23 – 2025/26 and was agreed at Council in June 2022. It provides members, partners, and the public with a summary of our priorities for the county and is used to inform future spending decisions in our medium-term financial plan. The council Plan is now refreshed annually in line with the associated budget and will be presented to Council in February each year in conjunction with the MTFP. An updated Council Plan covering the period 2023/24 – 2026/27 is to be considered by Council on 22 February 2023
- 9 The structure and format of the Council Plan was agreed last year. The updated / refreshed plan is structured around five themes being:
- (i) **Our economy** – capturing the council’s contribution to the **more and better jobs** ambition within the Vision together with the council’s agenda as set out in our Inclusive Economic Strategy.
 - (ii) **Our people** – capturing the council’s contributions to the **long and independent lives** ambition within the Vision together with our priorities set out in the Joint Health and Wellbeing Strategy.
 - (iii) **Our communities** – capturing the **connected communities** ambition within the Vision and supplementing it with specific actions around helping those communities most in need of support.
 - (iv) **Our environment** – capturing the council’s priorities and plans around a climate emergency and an economic emergency together with our role in waste management, pollution and custodianship of the natural environment.
 - (v) **Our council** – capturing Durham County Council’s organisational priorities around effective resource management, creating a workforce for the future and making best use of data and technology to provide the best services to our customers.

Identification and prioritisation of Capital Investment needs

- 10 The purpose of the capital budgeting process is to ensure that the money available for capital expenditure is prioritised in the way which best meets the council's priorities and strategic objectives.
- 11 The Council has an annual process in which it assesses and prioritises capital projects that can be funded from available resources. A key factor that is considered in the assessments is the revenue implication of any capital investment – particularly any prudential borrowing requirement.

- 12 The annual capital investment process begins in the summer of each year when service groupings are asked to identify capital investment proposals and prioritise them. The bids in the main should be for two years hence. This forward planning ensures that time is available after the approval of a bid to plan a scheme effectively. These are detailed on capital bid forms containing the following headings:
- (a) name of scheme;
 - (b) background;
 - (c) justification of inclusion in the capital programme;
 - (d) benefits - Outputs/Outcomes;
 - (e) investment by Financial Year;
 - (f) what the impact would be if the Council did not go ahead with the proposal;
 - (g) are there any ongoing revenue costs and, if yes, how will these be financed?
- 13 When each service grouping has identified and prioritised its own capital projects proposals, all of the bids are consolidated. The bids are then considered for prioritisation at a corporate level under which the bids are challenged and assessed.
- 14 In the autumn of each year capital proposals are presented at a capital budget review meeting of the Capital Member Officer Working Group (MOWG) that considers capital matters.
- 15 The full timetable for capital proposals proceeding into the capital programme is as follows:

June/July	Service Groupings consider options and receive Service Management Team approval.
August	Challenge sessions between Corporate Director Resources and Corporate Directors
September	Corporate Management Team (CMT) discussion on bids and agreement of bids to go onto MOWG
October / December	MOWG consider bids submitted

February	Cabinet and County Council approval
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- 16 There is a mechanism in place at the Council where services are encouraged to drive innovation in service provision, which delivers savings and can fully meet the revenue cost of the capital investment. This invest-to-save, or self-financing facility can be accessed at any time, not just during the budget setting process.
- 17 A good capital proposal is likely to be one which:
- (a) makes a significant contribution to the Council's vision and priority themes;
 - (b) has been thoroughly researched including utilising option appraisals and whole life costing for major projects;
 - (c) considers fully the ongoing revenue implications;
 - (d) has been developed in conjunction with stakeholders, including Members and any other services or partners affected;
 - (e) has identified and secured external funding;
 - (f) has identified realistic and achievable outcomes and outputs.

Overview of the Capital Programme

- 18 The outcome from this process is the Council's Capital Programme, which is a set of capital projects that the Council plans to undertake within a specific timeframe. The capital programme being presented as part of the 2023/24 budget and MTFP(13) setting process totals circa £778 million and covers the financial years 2022/23 to 2025/26. The spending is broken down by service grouping and into each financial year as follows:

Service Area	2022/23	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m	£m
Adult and Health Services	0.100	1.589	0.000	0.000	1.689
Children and Young People's Services	18.048	79.466	29.552	10.440	137.506
Neighbourhoods and Climate Change	57.915	68.890	39.261	0.000	166.066
Regeneration, Economy and Growth	84.736	131.502	187.086	53.946	457.270

Service Area	2022/23	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m	£m
Resources	4.275	9.530	1.958	0	15.763
Total Capital Programme	165.074	290.977	257.857	64.386	778.295

Managing the Capital Programme

- 19 The Council maintains comprehensive and robust procedures for managing and monitoring its Capital Programme. Briefly, this comprises the following:
- (a) the Capital Programme is managed at programme and service level as well as individual project level;
 - (b) each scheme has a nominated project manager who is responsible for the successful completion of the scheme against factors such as time, budget, quality, scope, and benefit;
 - (c) the Senior Leadership are responsible for ensuring delivery objectives are met for all projects, but with a particular focus on ensuring that:
 - (i) high-profile projects are delivered on time and achieve the intended outcomes;
 - (ii) good progress is being made in delivering the programme generally;
 - (iii) the overall use of capital and revenue funding is as close as possible to the plans set out in the current year's budget, the capital programme, and the medium-term financial strategy.
 - (d) the performance of the capital programme and implications arising from capital monitoring are brought to the attention of the Service Grouping Management Teams, Corporate Management Team, and Cabinet;
 - (e) capital budget monitoring is reported to Cabinet on a quarterly basis, including consideration of any required amendments to the programme for slippage and budget amendments (additions and deletions);
 - (f) at year end, the outturn position for each capital scheme is determined and consideration is given to any required slippage and budget carry forwards. The Council's Asset Register and Statement of Accounts are updated with new acquisitions within the year;
 - (g) reviews of projects are conducted once they have been completed to consider what extent the key delivery objectives – such as time, cost and quality were met. Lessons learned should be used to improve the

organisation's processes for selecting, developing and delivering capital projects.

Funding of the Capital Programme

- 20 The sources of funding that may be available to finance the Council's capital programme include:
- (a) external grants and contributions;
 - (b) capital receipts from the disposal of fixed assets and VAT Shelter arrangements;
 - (c) revenue contributions; and
 - (d) prudential borrowing.

External Grants and Contributions

- 21 Grants from external sources are a valuable source of capital funding for the Council and have enabled the Council to realise a substantial number of capital developments that it would not otherwise have been unable to progress. Some capital projects are financed wholly or partly through external grants and contributions that are specific to projects and cannot be used for other purposes.
- 22 This includes specific capital grants received from central government. Schools benefit from a significant amount of capital grants to fund their expansion and improvement projects as well as helping to invest in underlying condition backlogs. Another example is funding from the Department of Transport to fund capitalised highways maintenance and improvement works.
- 23 Also included in this category are statutory contributions from developers towards the cost of providing infrastructure or other public assets related to a development, e.g., such as funding a new play area when building a housing development.

Capital Receipts

- 24 In the main capital receipts are the proceeds from the disposal of assets, usually land and buildings. The Council's Land Disposal Strategy is expected to secure resources over the next few years through the release of surplus land and assets. The resulting capital receipts that are generated from the sale of surplus assets are an important funding source for the capital programme.
- 25 The Council's policy is to treat all capital receipts as a corporate resource, enabling the funds from all asset disposals to be used to support the priorities

identified by the Council through the capital programme. This means that individual service groupings are not reliant on their ability to generate capital receipts. On that basis schemes are selected and progressed on a prioritised basis based upon Council priorities.

- 26 In 2022/23 the council received a £70 million capital receipt from the sale of the Sands building (net of VAT charged on the sale which was paid to HM Revenues and Customs). In a departure from the Capital Strategy previously agreed, the receipt has been largely ring-fenced against the forecast capital expenditure cost for the alternative accommodation strategy (Plot C, Plot D and Stanley Front Street), which is £54.432 million. This means that there was a forecast surplus receipt of £15.568 million.
- 27 In developing the capital investment plans for MTFP(13) £5 million of the surplus capital receipt is to be utilised to help finance the future demolition of County Hall, with the remaining £10.568 million being utilised to finance the MTFP(13) capital programme.

Revenue and Reserves

- 28 Although the opportunities to fund capital expenditure directly from the base revenue budget are limited, there are occasions where service groupings fund capital expenditure through one-off revenue contributions e.g., from service grouping revenue reserves or in-year forecast underspends. Another example relates to schools, where some schools allocate funds from their revenue budgets to supplement the capital resources allocated to improvement and expansion projects.
- 29 The Council also has earmarked reserves that can be used to support capital expenditure. These are one-off in nature and once used the financing is no longer available.
- 30 As part of the development of MTFP(13) and in lieu of the financial position the council finds itself in, the use of earmarked reserves to fund major investments going forward is being limited, to retain corporate capacity to balance the annual revenue budget going forward, with an increased reliance being placed on prudential borrowing to meet capital investment requirements.

Borrowing

- 31 Local authorities are subject to a capital financing regime. This prescribes what may be classed as capital expenditure and how it may be financed. All other expenditure must be met from revenue funding. Authorities have discretion to borrow in accordance with the Prudential Code and they are required to make a prudent provision from their revenue budgets to cover their borrowing commitments. This means that the ability to borrow to finance capital expenditure is determined largely by the authority's revenue budget position.

- 32 The Council seeks to minimise the level of borrowing required to finance capital expenditure by maximising grants and contributions received and ensuring that any surplus assets are sold. The Council can then decide how much to borrow to fund the capital programme. The current policy is to borrow only the amount that the Council considers to be prudent and affordable within its annual budget and MTFP setting processes.

Overview of Funding of the Capital Programme

- 33 The table below shows how the MTFP(13) capital programme is estimated to be financed and covers the financial years 2022/23 to 2025/26.

Funding Source	2022/23	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m	£m
Grants and Contributions	82.518	89.514	66.126	14.396	252.554
Revenue & Reserves	7.992	1.879	3.142	0.032	13.046
Capital Receipts	74.563	10.890	4.023	0	89.477
Borrowing	0	188.693	184.566	49.958	423.218
Total Financing	165.074	290.977	257.857	64.386	778.295

Conclusion

- 34 The arrangements set out here in the Capital Strategy provide a framework that enables the Council to allocate its capital resources to schemes that meet agreed corporate priorities. The arrangements will be subject to ongoing review to ensure they continue to meet requirements after any changes in the regulatory and financial environment.

Appendix 9: MTFP(13) New Capital Schemes

SERVICE	SCHEME	BACKGROUND	2023/24	2024/25	2025/26	TOTAL
			£	£	£	£
CYPS	School Condition Funding & Basic Need	This element of Capital Grant is allocated by the DfE to LA's and is determined by both school condition and weighted pupil numbers with the level of funding dictated by the DfE's Condition Data Collection data. The £7.3 million is the estimate of the likely government grant.	0	7,306,514	0	7,306,514
CYPS	Schools Devolved Capital	This capital grant is allocated to individual schools to invest in school infrastructure.	0	1,100,000	0	1,100,000
CYPS	Rebuild Belmont Community School and Belmont C.E. Primary on existing site	Both of these schools are second on the Education Review as a high priority for change. The scheme is circa £37 million in total and will fund a new build campus making better use of the site and replacing the current buildings with two improved school buildings. A new innovative design has been developed to make better use of the site providing a shared campus facility. It will address the poor condition of both schools and future proof the secondary school for the projected increase in pupil numbers.	0	11,850,000	0	11,850,000

SERVICE	SCHEME	BACKGROUND	2023/24	2024/25	2025/26	TOTAL
			£	£	£	£
CYPS	Refurbish Greenfield School (Aycliffe)	Cabinet decided following a report dated 04/04/22 to close the Shildon site of Greenfield school and rebuild the Newton Aycliffe site - key decision CYPS 01/2022. The Shildon site closed on 31 August 2022 and feasibility work on the design for the rebuild at the Newton Aycliffe site has started. This will have a positive impact for pupils, their families, and the wider community. It will enhance the quality of educational provision and help make the school more sustainable for the long term. Previous MTFP's provided funding for demolition at the Shildon site and approved £10 million for works at the Newton Aycliffe site. The additional £10 million included here will enable the completion of the works.	0	0	10,000,000	10,000,000

SERVICE	SCHEME	BACKGROUND	2023/24	2024/25	2025/26	TOTAL
			£	£	£	£
CYPS	Children's Home Sufficiency Strategy	There is a growing need for smaller children's homes in Durham to accommodate complex young people and to enable young people to transition from out of county, high cost placements, step down from hospital placements, secure homes, and children with disabilities. The increasing demand for smaller homes is clearly documented in the Council's Sufficiency Strategy. It is important that we develop a network of smaller homes given the ongoing pressures and demand for this type of service, particularly when there are few providers that operate smaller homes. This will also reduce our reliance on the use of unregistered placement provision which was identified as an area of concern in a focused Ofsted visit in 2021.	0	1,800,000	0	1,800,000
		CYPS Sub-Total	0	22,056,514	10,000,000	32,056,514
NCC	Morrison Busty Master Plan-Ph-7 - Create new access road and road	The current Depot supplies services across many areas of the county including refuse, household waste, highways, street lighting, fleet maintenance, clean and green, plant nursery, waste transfer station, MOT test station, full circle, care and connect	0	2,842,684	0	2,842,684

SERVICE	SCHEME	BACKGROUND	2023/24	2024/25	2025/26	TOTAL
			£	£	£	£
	changes to the waste transfer station	and neighbourhood wardens as well as a large private haulier and the general public who use the HWRC, the garden nursery and the full circle team. At the moment the depot has one road in and it currently serves all these areas but due to traffic volume, concerns have been raised over its safety. The work would include the removal of the current roundabout, create a new junction into the waste transfer station with a relocated weighbridge and wagon stacking areas so removing the risk of wagons moving around the current HWRC and creating a dedicated HGV route into the depot.				
NCC	Joint Stocks Landfill-Phase 1 capping and surface water management works.	As Premier Waste Management approached the date they were to enter liquidation (May 31st 2013) they wound back a significant number of essential works and activities on sites in their control or which they leased as in the case of Joint Stocks. This has resulted in the County Council inheriting a range of environmental issues which the Environment Agency require resolving, particularly relating to gas and leachate control. The Environment Agency have highlighted that if the Environmental	827,247	0	0	827,247

SERVICE	SCHEME	BACKGROUND	2023/24	2024/25	2025/26	TOTAL
			£	£	£	£
		Control measures are not undertaken, then the County Council will fail to meet the standards required as part of the transferred Environmental Permit and as such will be open to prosecution and financial penalty. The capping works (and associated costs) would also still be required to be completed even after prosecution/fine. Recent Environment Agency audits on site have highlighted that capping is still to complete and the Agency are currently expecting this to be completed during 2023.				
NCC	Coxhoe East - Design, Build and Commission a Leachate Treatment Facility	This investment will enable the construction of a leachate plant to treat the leachate from Coxhoe East in order to comply with the Environmental Permit. The basic treatment currently occurring (aeration) is not reducing contamination levels sufficiently to meet the requirements of the discharge consent and is resulting in breach of the Environment Permit. Upscaling the plant to a design that can treat leachate from Joint Stocks and the compost pad will have the added benefit of additional annual cost savings exceeding £70,000/yr. The facility has a 30 year+ design life.	0	2,177,409	0	2,177,409

SERVICE	SCHEME	BACKGROUND	2023/24	2024/25	2025/26	TOTAL
			£	£	£	£
		It is estimated that the cost of construction of a treatment plant on this scale would be approx. £3.1m. The upscaling of the plant to provide a long term solution to the Coxhoe East leachate problem and also to reduce the operating costs from other sites would require an estimated additional capital of £2,177,409. Failure to manage the leachate issue at Coxhoe East will result in eventual prosecution and fine from the Environment Agency.				
NCC	Net Zero - Electrical Upgrades & Buildings	The decarbonisation of heat and transport are our main challenges to meet the 2030 corporate carbon emissions reduction target and would include the replacement of over 700 gas and oil boilers across the non-school's estate. This would be dependent on replacing at least 100 boilers per year up to 2030 with air source heat pumps (ASHPs) or equivalent renewable heating, as well as replacing almost the entire council fleet vehicles with non-fossil fuel alternatives. Factoring in schools would increase the figure to 1,886 boilers and heaters over the target period and the total cost of decarbonising the estate is likely to be	0	2,000,000	0	2,000,000

SERVICE	SCHEME	BACKGROUND	2023/24	2024/25	2025/26	TOTAL
			£	£	£	£
		circa £100m. Electrical capacity will also need careful consideration with appropriate upgrades, which would vary from site to site.				
NCC	Department for Transport (DfT) - Local Transport Plan (LTP) - Adopted Highway Maintenance Grant Funding	The LTP Adopted Highway Maintenance Grant Funding is annual capital grant funding from the Department for Transport. The grant is provided to support local authorities with their statutory responsibility to maintain the adopted highway in a safe condition.	0	14,841,000	0	14,841,000
NCC	A690 Landslip, Durham	The A690 is of strategic importance and catastrophic failure of the highway would impact significantly on County Durham as an economy, the local environment and potentially increased traffic flows on the A1 and surrounding networks. The	1,200,000	13,800,000	0	15,000,000

SERVICE	SCHEME	BACKGROUND	2023/24	2024/25	2025/26	TOTAL
			£	£	£	£
		forecast total cost of the scheme is £15 million.				
NCC	The Weirs, Durham City	Failure of the Framwellgate weir would alter the dynamics of the river and rather than a wide slow flowing river, the flow channel would reduce to a faster moving narrow feature. This could also have a significant negative impact on the footings of Milburngate bridge. In addition, the hydro generator relies on the weir for the generation of electricity, any weir damage reduces the ability to generate energy.	410,000	1,000,000	0	1,410,000
NCC	Framwellgate Peth, Milburngate Development	During the construction of the Milburngate Development, the carriageway has suffered from structural failure. Discussions with the Developer are continuing but it is imperative that repair works are carried out. Site investigation has confirmed that the construction is not to the current standards and includes shale over the existing cobbled carriageway, underlying	1,000,000	0	0	1,000,000

SERVICE	SCHEME	BACKGROUND	2023/24	2024/25	2025/26	TOTAL
			£	£	£	£
		drainage issues have also contributed to the failure.				
NCC	Back office ICT system development	Currently there are two main ICT back office systems in operation within Community Protection which are also shared with Environment Services and Housing Solutions. These systems are under contract which is due to review within the next 24 months and following an ongoing discovery exercise proposals for further investment or alternative systems will be identified within next 12 months for further capital investment.	0	300,000	0	300,000
NCC	Members Neighbourhood Budget Capital Element	In order to fulfil their roles as community champions and work in partnership with AAPs to address local priorities in their communities, since 2009 elected members have been allocated a Neighbourhood Budget alongside a smaller Member Initiative Fund. The capital allocation is £14,000 per member	0	1,764,000	0	1,764,000

SERVICE	SCHEME	BACKGROUND	2023/24	2024/25	2025/26	TOTAL
			£	£	£	£
NCC	Area Action Partnerships - Capital Element	AAPs have been set up to give people in County Durham a greater choice and voice in local affairs. The partnerships allow people to have a say on services and give organisations the chance to speak directly with local communities. Each AAP receives a £24,000 capital allocation.	0	336,000		336,000
NCC		NCC Sub Total	3,437,247	39,061,093	0	42,498,340
REG	LTP - Integrated Transport	This DfT grant funding is essential to deliver the Local Transport Plan. The allocation is at the core of delivery of transport improvements across County Durham.	0	2,748,094	0	2,748,094
REG	Disabled Facilities Grant	Disabled Facilities Grant is a specific grant which provides significant support to the most vulnerable client groups across County Durham. Adaptations enable clients to remain within their own homes and to live independently. Current figures advise that most grants are awarded to the over 60 age group. Support for the grant is of significant importance as it plays a key role in increasing independence and enabling clients to live at home longer.	0	6,988,139	0	6,988,139

SERVICE	SCHEME	BACKGROUND	2023/24	2024/25	2025/26	TOTAL
			£	£	£	£
REG	Finance Durham Investment Fund	To date the council has invested £14.25 million in the Finance Durham investment fund. The funding is invested in either equity investment or loans to growing businesses in the county. The sale receipts from equity release and from loan repayments are reinvested to form an evergreen fund. It is forecast that additional investment of £0.750 million will be required over the next two years based upon the pipeline of scheme investments	0	750,000	0	750,000
REG	Levelling Up Match Funding	In the 2021 Budget, Central Government announced the new Levelling Up Fund (LUF), to provide investment in regeneration and growth in places with low productivity and poor connectivity. County Durham, with six parliamentary constituencies, would be in a position to be able to submit six bids up to the value of £120 million. The Government guidance suggests that a minimum of 10% match funding is recommended in support of each bid, but this is not stated as a mandatory requirement. Five further Levelling Up Fund bids were unsuccessful in the latest bidding round but it is expected that there will be one further opportunity to bid with £3 million	0	3,000,000	0	3,000,000

SERVICE	SCHEME	BACKGROUND	2023/24	2024/25	2025/26	TOTAL
			£	£	£	£
		of additional match funding required if all were successful.				
REG	Demolition of County Hall	Once County Hall is demolished it will enable the delivery of a Strategic Employment Site providing up to 38,468sqm of floorspace, creating circa 4,000 jobs,	0	2,500,000	2,500,000	5,000,000
REG	Structural Capitalised Maintenance	Continuing programme of planned work, alterations, and adaptations to reduce the backlog maintenance of the Councils non-school's property portfolio and to meet obligations under relevant legislation such as the Equalities Act and Fire Safety Orders.	0	5,000,000		5,000,000
REG	Care Connect Digital Upgrade	Safety, Security & Support to County Durham's most vulnerable and elderly residents. Ensuring County Durham is a place where people can enjoy fulfilling, long and independent lives. In line with council and service priorities, delivering homes to meet the needs of older people within our communities and support people to live independently for as long as possible. Using digital technology to improve our services and the use of data to	766,686	746,685	746,685	2,260,056

SERVICE	SCHEME	BACKGROUND	2023/24	2024/25	2025/26	TOTAL
			£	£	£	£
		continually improve those services - improving service efficiency through digitisation of programmes. Digital equipment and infrastructure in Care Connect will support better integration between social care, health, and other community services.				
REG	Town & Villages - Redhills	Contribution towards a budget shortfall on the scheme to refurbish the Durham Miners Association building at Redhills.	300,000	0	0	300,000
REG	Towns & Villages Investment	Capital investment in our town and village centres. Part driven by changes in shopping trends, transport and accessibility, and a greater focus on leisure opportunities, the challenges faced by our town centres in remaining thriving and vibrant economic centres are diverse and complex, further compounded by many long established high street names disappearing in recent years. Many of our town centres face the issue of having too much retail floor space given recent retailer failures, corporate portfolio rationalisation, slightly higher than average retail vacancy rates and the impact of the	0	9,180,071	0	9,180,071

SERVICE	SCHEME	BACKGROUND	2023/24	2024/25	2025/26	TOTAL
			£	£	£	£
		<p>structural shift in consumer shopping patterns caused by the rapid growth in online retail.</p> <p>The town centre function needs to be rebalanced to provide a diverse range of functions, including employment, commercial, leisure, community, residential, healthcare and education to meet the needs and/or wishes of local communities. This investment will bring total investment in the T&V programme to £25 million</p>				
REG	NetPark Phase 3 Funding gap	<p>Development of 250,000 sq. ft of lab and grow on space on NETPark. Initial £49.6m has been approved by members. An application has also been made to the NELEP for £2.965m. There is evidence of strong interest and demand in Phase 3 from existing NETPark tenants, including the North East Satellite Applications Centre of Excellence, totalling some 270,000 sq. ft over the next three years. The forecast scheme cost has risen to circa £60.6 million requiring this budget uplift.</p>	0	10,968,846	0	10,968,846
		REG Sub Total	1,066,686	41,881,835	3,246,685	46,195,206

SERVICE	SCHEME	BACKGROUND	2023/24	2024/25	2025/26	TOTAL
			£	£	£	£
RES	Replacement of Mail Fulfilment Equipment	There are currently 2 machines which complete the mail fulfilment for the Council. This is the physical side of the mailing as the software associated with it is still current and does not require replacement. The main large Quadient G4 and smaller backup DS200 machine. Both complete both C4 and C5 mailing which is a current requirement and process all the day to day post from the hybrid mail system and the bulk mailing from areas like Financial Support Services. In 2024/25 the current DS200 will be 7 years old and the C4 unit of the G4 will be 7 years old and the main part will be 5 years old, and this would be considered the profile for replacing this equipment.	0	206,860	0	206,860
RES	Endpoint Replacement	The end user equipment fleet (Desktops, Laptops and Tablets) currently consists of around 9,000 items. This total has risen due to requirements to support hybrid working. In order to comply with security standards, equipment should be supportable and have updates available from the manufacturer, i.e., not obsolete. Where practical, all users now have a laptop or tablet device to facilitate agile, hybrid	0	870,000	0	870,000

SERVICE	SCHEME	BACKGROUND	2023/24	2024/25	2025/26	TOTAL
			£	£	£	£
		working. Previously, this equipment was replaced on a four-year cycle to ensure that the equipment is fit for purpose and maintainable. As equipment is more reliable and suppliers can provide longevity of support, the effective life cycle of user computing devices can be extended to over 5 years and will be replaced on a 'break/fix' and obsolescence basis, rather than every 4 years.				
		RES Sub Total	0	1,076,860	0	1,076,860
		TOTAL	4,503,933	104,076,302	13,246,685	121,826,920

Appendix 10: Equality Impact Assessment Detail

Adult and Health Services

Saving Description	Element of saving with equality impact	Equality impact and analysis	Mitigation
<p>Efficiencies from Commissioned Services</p>	<p>Budget prioritisation exercise resulting in a range of proposed efficiencies linked to County-wide commissioned services.</p>	<p>Any budget reduction restricts investment in commissioned services and key priority areas.</p> <p>Any pressure on currently commissioned services due to increased costs will not be supported which may adversely impact service delivery and service users, potentially including vulnerable groups with protected characteristics.</p> <p>A key age group accessing the services identified as being in scope are anticipated to be the 18-55 age group. There may be impact on services that provide support to vulnerable groups with protected characteristics.</p> <p>Disproportionate impact is likely for some reductions, for example where more men access these services.</p>	<p>Continual monitoring of impact to ensure fulfilment of service responsibilities.</p> <p>Analysis of service user data to identify impact and any necessary mitigation.</p> <p>Profiling exercise to identify timeline for contracts to apply savings to and when these can take effect in line with contractual terms and conditions.</p> <p>Prioritise fulfilment of Public Health statutory responsibilities</p> <p>Service reviews will focus on reviewing service delivery models to limit the impact of any service changes.</p>

Saving Description	Element of saving with equality impact	Equality impact and analysis	Mitigation
		Reduction in spend could reduce capacity within services and hinder future expansion/development of services that support communities.	
Market Shaping – Reablement and Direct Payments	As the saving proposal develops in subsequent years equality analysis will be added.		
High Cost Learning Disability Care Packages	Reducing costs for high-cost learning disability support packages.	<p>The proposal impacts those with a learning disability accessing support packages and their carers.</p> <p>Potential options include reducing support hours and developing more efficient models of care that will lower running costs; reducing void costs in supported living schemes; decommissioning and development of some services; moves from high-cost residential care and suboptimal supported living schemes to alternative services that achieve equitable or improved outcomes in a more cost-effective way.</p> <p>Clinical demands and needs change constantly, making this a fluid situation.</p>	<p>Any models of care developed for individuals will create services with an improved model of care/support, encourage independence and improve welfare. This will include reducing less restrictive models of care.</p> <p>Support packages are considered on a case-by-case basis and always tailored to meet individual need. Any change of service provision follows the completion of a Care Act Assessment that addresses the individual needs of the service user and seek to achieve the best possible outcomes.</p>

Saving Description	Element of saving with equality impact	Equality impact and analysis	Mitigation
<p>Review of Non-Assessed Community Based Services</p>	<p>Review and options development for future preventative (non-assessed) services as existing contracts approach their expiry date. Services comprise of preventative accommodation based and floating support services for individuals or families who are not eligible, or not yet eligible, for adult social care.</p>	<p>Those accessing non-assessed services are likely to have protected characteristics, potentially disability, including physical/sensory disability and/or poor mental health.</p>	<p>Following careful management and financial review, there will be no impact to services for 23/24 and therefore no impact on service delivery.</p> <p>A review of non-assessed services is underway and any recommendations to service delivery will have to reflect savings and changes to the ways of working.</p>
<p>Hearing Impaired Review</p>	<p>Review of commissioned services currently in place for people who are deaf, deafened or living with a hearing impairment. Currently two contracts:</p> <ul style="list-style-type: none"> • Adults who are 'pre-lingual deaf' • Adults who have 'acquired hearing loss' 	<p>There are impacts in terms of disability and age. However, no negative impact is expected as part of re-commissioning of the two contracts. Redistribution of funding will ensure greater equity for people with acquired hearing loss. The number of referrals into this service has increased significantly so this will ensure continuity of service for these service users.</p> <p>In relation to 'age' we anticipate that greater accessibility to hubs will result in an increase in older people</p>	<p>Whilst the amount of funding has been reduced, we expect the impact on service users to be positive. The retender is now in place and has led to a more equitable service for all people who are either pre-lingual deaf or have an acquired hearing loss. This has been achieved by:</p> <ul style="list-style-type: none"> • Redistributing core contract funding across the 2 contracts to address the increasing number of referrals being received into the acquired hearing loss service. • The number of services users accessing the office base are

Saving Description	Element of saving with equality impact	Equality impact and analysis	Mitigation
		<p>receiving services. More than 40% of people over 50 years old have hearing loss, rising to more than 70% of people over the age of 70.</p>	<p>extremely low, therefore, future service delivery will be centred around Information, Advice and Guidance hubs (IAG's) based within the community.</p> <ul style="list-style-type: none"> • The retender has resulted in an increase from 2 IAG sites to 9 countywide all of which will support accessibility, encourage social inclusion, and enable more service users to access support. For service users unable to access an IAG hub, 1-1 floating support is still available. • Some underspend on core contract funding was identified, supporting the ability to make MTFP savings with minimal impact on service users. • Whilst a new provider won the contract, a TUPE transfer of staff took place affording existing service users the benefit of continuation of support from the same support workers and service Manager.
Extra Care Cleaning	None	<p>Reduction in annual budget to reflect spend, with no disruption to current service delivery.</p> <p>No disproportionate equality impact.</p>	

Saving Description	Element of saving with equality impact	Equality impact and analysis	Mitigation
Car Mileage Reduction	None	Changing working practises as we exit the covid pandemic have resulted in a reduction in car mileage claims. No disproportionate equality impact.	

Children and Young People

Saving Description	Element of saving with equality impact	Equality impact and analysis	Mitigation
Review of Support Services	As the saving proposal develops in subsequent years equality analysis will be added.		
New approach to delivering One Point activities	Reduction of expenditure from the DCC One Point activities budget through rationalisation of activities with families.	There will be an impact in terms of age, parents and carers, children and young people 0-19 years and up to 25 years for those with Special Educational Needs and/or a disability. Negative impact is expected to be minimal due to greater use of virtual technology and phased reductions over three years helping us to monitor impact.	Greater use of virtual technology to minimise impact and partnership working activity to enhance levels of non DCC funded activity. The development and implementation of the DfE and DHSC Family Hub and Start for Life programme will provide a focus integration across services including HDFT / CDDFT and DCC to seek to ensure duplication is reduced across the system and impact maximised for families. A focus on developing a universal offer in the antenatal and the first two years of a child's life provides an opportunity to provide a strong preventative approach as well as the identification of children and

Saving Description	Element of saving with equality impact	Equality impact and analysis	Mitigation
			families requiring more intensive support at the earliest opportunity.
Early help, Inclusion and Vulnerable Children service's review	Staffing reduction by 1FTE	Phased reduction in posts over 4 years, 1FTE vacant post reduction for 2023/4 as per business case recommendation.	<p>Through the development and implementation of Family Hubs and Start for life programme there will be an opportunity to rationalisation of a number of posts within the service due to improved integration with partners.</p> <p>A greater focus on development and use of digital platforms to minimise impact.</p>
Cross Service Accommodation	As the saving proposal develops in subsequent years equality analysis will be added.		
Restructure of Education Services	Restructure of Education Service, including deletion of vacant posts	<p>The restructure was completed in July 2022 with full staff and union consultation resulting in the progression of ER/VR requests. All those leaving the service were over 55 years of age.</p> <p>Changing service delivery and reducing staff capacity was necessary to reflect the increasing academisation of schools and an anticipated reduction in SLA income. There is no equality impact to remaining service functioning.</p>	Restructure complete with HR processes followed to ensure fair and transparent treatment.

Saving Description	Element of saving with equality impact	Equality impact and analysis	Mitigation
Restructure of Adult Learning Service	As the saving proposal develops in subsequent years equality analysis will be added.		
Car Mileage Reduction	None	Changing working practises as we exit the covid pandemic have resulted in a reduction in car mileage claims. No disproportionate equality impact.	
Reduction in Historic FE Liabilities	None	No equality impact.	

Neighbourhood and Climate Change

Saving Description	Element of saving with equality impact	Equality impact and analysis	Mitigation
Clean and Green Efficiency Review	Review of grounds maintenance staff	There will be an environmental impact in reduction of grounds maintenance and planting although there is no direct equality impact as a result of this. Staff impact is likely to disproportionately impact men.	ER/VR will be sought where possible. HR processes will be followed to ensure fair treatment.
Income and Efficiencies from Destination Parks	Cease operation of miniature cars at Wharton Park and replace with free activity. Review of parking and café	The miniature cars (chargeable) at Wharton Park are commercially unviable and will be replaced with more free children's play equipment and outdoor classes which is positive.	Alternative funding streams have been secured to improve the overall activity programme for children, young people, and their families at our destination parks. Funding has also been secured to upgrade

Saving Description	Element of saving with equality impact	Equality impact and analysis	Mitigation
	charges to be considered alongside Countywide Parking Strategy Review.	<p>The review of café and parking charging may disproportionately impact working age families and carers with young children.</p> <p>There are no staff reductions.</p>	<p>play areas, leading to a much improved play offer for all.</p> <p>Any increase in charges from the review will be offset by the improved activity programme and free play equipment offer going forward.</p>
Income Generation in Refuse and Recycling	Increase bulky waste collection charging from £16 to £18.	<p>There are approximately 31,000 total requests for this service a year from 246,000 households across the county, so a significant majority of households do not use this service in a given year.</p> <p>Notwithstanding the above, whilst any price increases impact all customers there is a potential disproportionate impact on disabled and older residents due to the fact that they may not be able to easily use alternative means of disposing of bulky waste, such as using household waste recycling centres (tips) and may therefore have no option but to pay the cost of receiving this service.</p>	<p>Bulky waste collection charges remain the lowest within the region.</p> <p>The service will ensure the increase in charging is comprehensively communicated.</p> <p>The service will continue to provide assisted bulky good collections (e.g., from yard/garden rather than kerbside) for those that require support and/or reasonable adjustments due to a disability.</p>
Additional Fixed Penalty Notice Income	None	No disproportionate equality impact.	

Saving Description	Element of saving with equality impact	Equality impact and analysis	Mitigation
Review of Cemetery Fees	Review of burial fees	Deaths are generally within older age groups with interment or cremation arrangements falling to their partner or wider family, impacting the general public as a whole, affecting all groups. Proposed increased cemetery fees would take the charges to around mid-point of the regional average.	Durham operates two crematoria with prices amongst the lowest in the region and options to reduce costs through direct cremation or early slots being available to customers. There are also facilities run by Town and Parish and Faith groups. The government provides 'Funeral Expenses Payments' to those on certain benefits which is promoted and supports with the costs of a funeral where appropriate.
Reduce Allotments Investments	Removal of two vacant posts from the six Additional posts built into 2022/23 Budget	Additional investment built into 2022/23 budget resulted in a growth in the team from 2 to 8 posts. Two posts remain vacant and will be deleted in 2023/24. These vacant posts have never been recruited to therefore no disproportionate equality impact.	
Review of Neighbourhood Protection	Removal of management within the Neighbourhood Protection Team	Review of staffing will reduce the numbers in the neighbourhood protection team by 2 posts, this is out of 60 staff overall and will impact on management and vacant posts only. Minimal impact on the general public is expected.	HR processes will be followed to ensure fair treatment of any temporary staff involved.
Power Purchase Agreements	None	Income stream with no disproportionate equality impact.	

Saving Description	Element of saving with equality impact	Equality impact and analysis	Mitigation
Review of Garden Waste Income	Review of volumes and prices	Although any price increases impact all customers there is a potential disproportionate impact on disabled and older residents due to the fact that they may not be able to easily use alternative means of disposing of garden waste, such as using household waste recycling centres (tips) and may therefore have no option but to pay the cost of receiving this service.	Assisted bin collections and bin pull outs, are in place for disabled residents (with no other household assistance). Where appropriate impacted residents are encouraged to share bins with Neighbours. The council encourages the use of composters to dispose of garden waste which can be purchased through the council at heavily subsidised rates. The service will ensure the increase in charging is comprehensively communicated.
Increase in Power Generation Income at Joint Stocks	None	Income stream with no disproportionate equality impact.	
Deletion of vacant post in Highways Estimating Team	None	Deletion of a vacant post with no disproportionate equality impact.	Functions absorbed within existing team
Restructure of Highways Adoption Team	None	Changes to funding stream for posts with no disproportionate equality impact.	The restructuring will be funded from the supervision fees levied against developers for the monitoring of works.
Capitalise the cost of Strategic Highways staff working on LTP	None	Changes to funding stream for posts with no disproportionate equality impact.	Capital investment will still be targeted at those assets warranting repair/maintenance.
New charging system for vehicle crossing applications	None	Charging for services with no disproportionate equality impact.	The initial application charge will be taken from the overall licence fee meaning no impact on residents who apply and have a crossing installed.

Saving Description	Element of saving with equality impact	Equality impact and analysis	Mitigation
Supplies and services saving in Strategic Street lighting	None	Supplies and services underspend with no disproportionate equality impact.	Services maintained effectively and efficiently within existing budgets.
Review of Community Protection structure & Income Generation	Reduction in community protection staff.	<p>Saving will involve a phased reduction of staff over 4 years to ease impact, with a reduction of 2FTE for 2023/24.</p> <p>There will be a Countywide impact on service delivery affecting the general public, visitors and businesses which may indirectly impact protected groups.</p>	<p>ER/VR will be sought where possible. HR processes will be followed to ensure fair treatment.</p> <p>A phased reduction in staff over several years aims to allow for a more timely reduction in services.</p>
Review of structure in Partnerships Team	Reduction of 1 FTE Voluntary and Community Sector (VCS) Support Officer	Reduction in a VCS officer will impact capacity to support the voluntary and community sector with potential impacts for protected groups supported by this sector.	<p>HR processes will be followed to ensure fair treatment.</p> <p>The roles of the remaining team members will be reviewed to ensure the impact on the voluntary and community sector are minimised. In addition, as partnership working with the sector has improved, the need for detailed coordination of that relationship has reduced.</p>
Review of AAPs	Independent review of AAPs including potential grant funding and staff reductions	<p>The review of AAPs is expected to conclude in December 2022.</p> <p>It is anticipated that the savings will mainly be made up of reductions in</p>	<p>HR processes will be followed to ensure fair treatment.</p> <p>Based on recent practice with AAPs, it is envisaged that any reduction in their core</p>

Saving Description	Element of saving with equality impact	Equality impact and analysis	Mitigation
		AAP grant funds (which benefit initiatives across protected groups), and any potential staffing reductions would be managed through vacancies/ERVR.	grant funds would be supplemented by their securing alternative, often externally funded, programmes to manage that would minimise the impact of the reduction on the VCS.
Restructure within Civil Contingencies Unit (CCU) and Corporate Policy	Review of management arrangements	Management responsibilities will be reviewed with no disproportionate equality impact as a result of this saving.	HR processes will be followed to ensure fair treatment.
Car mileage reduction	None	Changing working practises as we exit the covid pandemic have resulted in a reduction in car mileage claims. No disproportionate equality impact.	

Regeneration Economy and Growth

Saving Description	Element of saving with equality impact	Equality impact and analysis	Mitigation
Strategic Car Park Review	As the saving proposal develops in subsequent years equality analysis will be added		
Moving vehicle/Bus Lane enforcement income	None	No disproportionate equality impact.	

Saving Description	Element of saving with equality impact	Equality impact and analysis	Mitigation
Park and Ride Discount Rate	Removal of discount rate of £1.70 per day for regular users who pay on the bus using a POP (Pay as you Go) Card and reconfiguration of the on-bus ticket machines to accept contactless debit/credit card payment.	<p>Removal of the discount POP card user rate will negatively impact the most regular users who access this discount rate (4.5% of all transactions), and will most likely be of working age, although it will create price equity for all users.</p> <p>Proposed improvements in flexibility in payment methods for all customers through reconfiguration of on-bus ticket machines to accept contactless debit/credit card payment will benefit all customers, in particular some people with disabilities who may find using contactless on-bus payments more accessible.</p>	<p>Communication strategies will be key in the promotion of more flexible payment methods for majority of users.</p> <p>Concession pass holders will continue to travel for free (50p charge before 09:30)</p>
Reduction in Concessionary Fares	None	One off saving due to reduced ridership of concessionary passengers. No equality impact.	
Increased surplus rental income on commercial properties	None	No equality impact.	
Theatre ticketing – introduce dynamic pricing	As the saving proposal develops in subsequent years		

Saving Description	Element of saving with equality impact	Equality impact and analysis	Mitigation
	equality analysis will be added.		
Theatre Marketing – contract out	None	No equality impact.	
Review daytime café offer at Empire Theatre	None	Underuse of daytime café at the Empire Theatre. There are a number of more established independent cafes nearby for use. The café offer will however remain available when the theatre/cinema is open. There is no impact on staff and no further equality impact.	
Library Transformation – Sevenhills lease	None	No equality impact as saving refers to lease agreements only.	
Library Transformation – Clayport Library remodel	As the saving proposal develops in subsequent years equality analysis will be added.		
Planning Income volumes	None	Planning and building control fees with no equality impact.	
Review Housing Solutions Team	None	Deletion of vacant post with no equality impact.	
International Team Restructure	Reduced staffing by one post within the International Team and amalgamate	Reduced capacity of the international team from will adversely impact opportunities for young people to participate in	The proposal is felt to both reflect the reducing demand for the service, post Brexit and pandemic which has reduced the level of school travelling, while still retaining sufficient

Saving Description	Element of saving with equality impact	Equality impact and analysis	Mitigation
	operations within the existing Employability team.	international / intercultural events. Although reduced in team capacity, an international service offer will remain available after a merger of remaining staff with the employability team.	capacity to provide an effective service offer going forward. HR processes will be followed to ensure fair treatment of staff involved.
Service review Catering, Cleaning and Facilities Management	As the saving proposal develops in subsequent years equality analysis will be added.		
Withdrawal of the 'Free after 2pm' Car Parking Initiative for On Street Parking in Durham City	Removal of 'free after 2pm' parking for On Street Car Parking in Durham City	Removal of free after 2pm parking for On Street Car Parking in Durham City will impact users of chargeable on-street parking equally, there is no disproportionate impact on any particular group.	On street dedicated blue badge bays will remain free and on street pay and display bays and time limited bays will remain free of charge and without limit of stay for blue badge holders. Charging after 2pm, on street, will encourage users to migrate to cheaper parking on the outskirts making more spaces available closer to central areas for use by blue badge holders who can park free of charge and without time limit.
Review of Office Accommodation – New HQ costs	None		

Resources

Saving Description	Element of saving with equality impact	Equality impact and analysis	Mitigation
<p>Review of Corporate Policy and Performance Team</p>	<p>Staff Reduction within the strategy team.</p>	<p>Removal of posts in the Strategy Team, facilitated through the Data Insight & Business Intelligence Programme.</p> <p>The saving is expected to be made through progression of ER/VR and there is no disproportionate equality impact.</p>	<p>HR processes will be followed to ensure fair treatment of staff involved.</p> <p>Data Insight & Business Intelligence improvements will ensure service continuity and minimize impact on wider team.</p>
<p>Review of HR and Employee Services and training budgets</p>	<p>As the saving proposal develops in subsequent years equality analysis will be added.</p>		
<p>Review of Procurement, Sales and Business Services including opportunities to increase income</p>	<p>Reduction of 1FTE procurement manager.</p>	<p>Reduction of one procurement manager with realignment of responsibilities, with no impact on service delivery.</p> <p>The saving is expected to be made through progression of ER/VR and there is no disproportionate equality impact.</p>	<p>HR processes will be followed to ensure fair treatment of staff involved.</p> <p>Realignment of responsibilities with remaining managers/staff will ensure service continuity.</p> <p>Projected further income generation in procurement will contribute towards saving.</p>
<p>Review of Business Support (administration)</p>	<p>Service review and restructure of business services.</p>	<p>Proposed staffing reductions over a 4-year period. Initial phase 2023/24 will involve a review of the management positions across the service with any impact to be</p>	<p>HR processes will be followed to ensure fair treatment of staff involved.</p> <p>A full equality impact assessment will be undertaken.</p>

Saving Description	Element of saving with equality impact	Equality impact and analysis	Mitigation
		<p>managed by progressing ER/VR and deletion of vacant posts, where possible, but some compulsory redundancies may be required</p> <p>The level of staff reductions will result in reduced/removed service in some areas which requires further study to understand impact on equality.</p>	<p>Ongoing business improvement and digitisation to mitigate impact.</p>
<p>Review of Internal Audit and Insurance</p>	<p>Deletion of two audit manager posts with realignment of responsibilities and creation of deputy chief auditor post.</p>	<p>Proposed staffing reductions/realignment within Internal Audit are in response to service change and the increasing need for a strategic approach.</p> <p>Negative equality impact is not expected as this can be managed with ER/VR requests.</p>	<p>HR processes will be followed to ensure fair treatment of staff involved.</p> <p>The proposal will ensure that the level of service is maintained with greater support to the Chief Internal Auditor and Corporate Fraud Manager.</p>
<p>Review of Corporate Finance and Commercial Services</p>	<p>Deletion of senior manager vacant post with expected retirement of another post.</p>	<p>This proposal involves deletion of a senior management vacancy and although this will impact staff workload in picking up additional responsibilities, no disproportionate impact in terms of equality is expected.</p>	<p>HR processes will be followed to ensure fair treatment of staff involved.</p>

Saving Description	Element of saving with equality impact	Equality impact and analysis	Mitigation
Review of Corporate Finance and Commercial Services non-employee budgets	None	Reduction in non-employee expenditure budgets with no equality impact.	
Review of Legal Services	Staff reductions	For 2023/24 saving involves a voluntary reduction in staff hours with no equality impact. As the saving proposal develops in subsequent years equality analysis will be added to.	
Review of Legal and Dem Services non-employee budgets	None	Reduction in non-employee expenditure budgets with no equality impact.	
Review of Digital Services	As the saving proposal develops in subsequent years equality analysis will be added.		
Review of Digital Services non-employee budgets	None	Reduction in supplies with no equality impact.	
Review of charging for Deputee and Appointee Team	As the saving proposal develops and appropriate consultations are undertaken, the equality analysis will be added.	The service will be looking at current charging for services provided where the Council provides additional support within the Deputy and Appointee Team	The proposal will be subject to consultation with the service users affected, and this will lead to Analysis of service user data to identify impact and any necessary mitigation. A full equality impact will be undertaken and updated post consultation. This will be used

Saving Description	Element of saving with equality impact	Equality impact and analysis	Mitigation
			to inform and be fully considered as part of the decision making process.
Review of Transactional and Customer Services non-employee budgets	None	Reduction in non-employee expenditure budgets with no equality impact.	
Review of Customer Services	Demand led review of the service offer within Customer Services. As the saving proposal develops in subsequent years equality analysis will be added.	A consultation will be carried out with users of the service to understand preferences and demand in terms of contact, so that resources can be directed where they are needed the most. The outcomes from the consultation will inform proposals for making changes to the service offer to make savings.	The review aims to better understand customer need and will ensure the customer service offer meets demand. The proposal is still under development and will be subject to consultation. The consultation aims to establish the impact of reducing opening times and not closure of any sites. All service requests can be fully completed via alternative channels were required. HR processes will be followed to ensure fair treatment of affected staff.
Review of Transactional and Customer Services	As the saving proposal develops in subsequent years equality analysis will be added.		
Review of Digital Application and hosting	None	Reduction in goods and services with no equality impact.	

Corporate

Saving Description	Element of saving with equality impact	Equality impact and analysis	Mitigation
Reduction in corporate subscriptions, supplies and services	None		
Increase in provision for Staff turnover	None		
Savings in Capital financing/investment income budgets	None		
Savings in Capital Financing Budget	None		
Savings in corporate General Contingencies budget	Reduction of one head of service post	<p>No adverse or disproportionate equality impact expected in terms of service delivery.</p> <p>The restructure which has resulted in the saving was approved by the Chief Officer Appointments Committee in September 2022 and noted by Council in December 2022.</p> <p>The saving sees the deletion of two HoS roles (one of which was vacant, and one made through progression of an ER/VR) and the creation of a new combined HoS role – a net reduction of x1 HoS. There is no</p>	<p>Roles and responsibilities will be transferred in line with the restructure which brings together Corporate Planning, Strategy, Policy and Performance with Corporate Communications to form a new Head of Corporate Affairs role reporting to the Chief Executive. There will be no adverse impact on service delivery and there has been a managed transfer of functions and a hand over process in place to ensure continuity of service provision.</p> <p>HR processes have been followed to ensure fair treatment of staff involved.</p>

Saving Description	Element of saving with equality impact	Equality impact and analysis	Mitigation
		disproportionate staff equality impact.	
Review of Extended Management Team	None		

Appendix 11: Pay Policy Statement 2023/24

Introduction

- 1 This policy outlines the key principles of Durham County Council's (DCC) pay policy for 2023/24 aimed at supporting the recruitment and remuneration of the workforce in a fair and transparent way. The policy complies with government guidance issued under the Localism Act 2011 and includes commentary on:
 - (a) the approach towards the remuneration of Chief Officers;
 - (b) the remuneration of the lowest paid employee;
 - (c) the relationship between the remuneration of its Chief Officers and the remuneration of its employees who are not Chief Officers.
- 2 The Local Government Transparency Code published in February 2015 sets out key principles for local authorities in creating greater transparency through the publication of public data. As part of the code, the government recommended that local authorities should publish details of senior employee salaries. This pay policy forms part of the council's response to transparency of senior pay through the publication of a list of job titles and remuneration.
- 3 Durham County Council is mindful of its obligations under the Equality Act 2010 and is an equal opportunity employer. The overall aim of our Single Equality Scheme is to ensure that people are treated fairly and with respect. The scheme also contains a specific objective to be a diverse organisation, which includes recruiting and retaining a diverse workforce and promoting equality and diversity through working practices. This pay policy forms part of our policies to promote equality in pay practices. By ensuring transparency of senior pay and the relationship with pay of other employees, it will help ensure a fair approach which meets our equality objectives.
- 4 In setting the pay policy arrangements for the workforce, the council seeks to pay competitive salaries within the constraints of a public sector organisation.
- 5 As a result of Local Government Reorganisation in the County in 2009, the significant opportunity existed to bring together the pay and conditions arrangements of the eight previous authorities into one cohesive pay policy for the new organisation. In response, Durham County Council's approach towards the workforce pay and conditions of employment were fundamentally reviewed and a new pay structure and revised conditions of employment for the majority of the workforce were agreed during 2012, in order to ensure

that the council is able to operate as a modern, fit for purpose and streamlined organisation.

- 6 A further review of higher principal officer posts across the council was undertaken during 2018 as these posts did not form part of the job evaluation/single status exercise in 2012. The review affected Strategic Manager (Tier 4 roles) and some roles below Tier 4 and involved formal job evaluation of each post. This resulted in a new pay structure for strategic managers being implemented, effective from 1 December 2018.

Posts defined within the Act as Chief Officers

- 7 The policy in relation to Chief Officers relates to the posts of Chief Executive, five Corporate Directors, Director of Integrated Community Services, Director of Public Health and the Head of Legal and Democratic Services (who undertakes the Monitoring Officer role for the Authority).

Governance Arrangements

- 8 The Chief Officer Appointments Committee is defined within the council's constitution as performing the functions under section 112 of the Local Government Act 1972 in relation to these officers. This includes the setting of the pay arrangements for these posts and in doing so the Committee takes into account:
 - (a) the prevailing market in which the organisation operates;
 - (b) the short and long-term objectives of the council;
 - (c) the council's senior structure, financial situation, and foreseeable future changes to these;
 - (d) the expectations of the community and stakeholders;
 - (e) the total remuneration package;
 - (f) the links with how the wider workforce is remunerated and national negotiating frameworks;
 - (g) the cost of the policy over the short, medium, and long term.
- 9 The Committee also has access to appropriate external independent expert advice on the subject where required.

Key Principles

- 10 The Chief Officer pay policy is designed to be easily understood and to be transparent to the post holders and key stakeholders. The structure and

level of the pay arrangements will enable the council to attract, motivate and retain key senior talent for the authority.

- 11 The policy is based upon spot salaries with clear differentials between levels of work/job size, within a range that is affordable now, will remain so for the medium term, and will be subject to review to ensure it continues to remain fit for purpose. In the first instance it is intended that the Authority will market test the rates of pay when vacancies arise, as part of consideration on whether roles continue to be required within the context of the council's priorities and commitments at that time.
- 12 A values and behaviours framework is established within the organisation which links to individual job descriptions, person specifications and performance and development reviews. Leaders' behaviours are clearly defined, and this ensures that the individual standards of achievement and performance are met and clearly linked to the achievement of the council's objectives and priorities, and the authority's expectations are delivered by post holders within these roles.
- 13 These posts do not attract performance related pay, bonuses, or any other additions to basic salary. This approach enables the council to assess and budget accurately in advance for the total senior pay bill over a number of years.
- 14 The council is currently the eighth largest single tier authority in the country and in setting the pay policy a market position has been established that aims to attract and retain the best talent available at a senior level within a national recruitment context, to lead and motivate the council's workforce that is rewarded under a nationally agreed negotiating framework.
- 15 Roles at this level have all been subject to an externally ratified job evaluation scheme that is transparent and auditable to ensure equality proofing of pay levels.
- 16 Other terms and conditions of employment for this group are as defined within the Joint Negotiating Committee for Chief Officers of Local Authorities Conditions of Service handbook, with discretion to set actual pay levels at a local level, but within a national negotiating framework. These posts are part of the nationally defined Local Government final salary pension scheme.

Pay Levels

- 17 Individual elements of the remuneration package are established as follows at the point of recruitment into the posts:

Role	Salary @ 1.4.2022
Chief Executive	£206,693
Corporate Directors	£156,884
Director of Integrated Community Services	£144,392
Head of Legal and Democratic Services	£123,678
Director of Public Health	£116,870

- 18 In addition to Chief Officers, there are a range of senior roles identified as Heads of Service that are evaluated using the same principles and scheme as the Chief Officers and these roles are remunerated at three levels based on job size.

Head of Service Level	Salary @ 1.4.2022
HOS 3	£86,600
HOS 2	£109,180
HOS 1	£123,678
HOS 1*	£121,485

- 19 Increases are made in accordance with the appropriate Joint Negotiating Committee (JNC) Pay Agreements. The JNCs for the Chief Executives and Chief Officers both agreed a salary increase of £1,925 with effect from 1 April 2022.
- 20 *JNC Pay Award for Chief Officers does not apply to one Head of Service post (which is joint funded by DCC/NHS).
- 21 This council has agreed a salary structure for its senior posts and agrees that appointment to any vacancies on this structure at the salaries referred to in this statement are permitted. Council has delegated responsibility for approving the creation of new posts paying over £100,000 or special severance payments over £100,000 to the Chief Officer Appointments Committee. Such authorisations must then be reported to Council for information at the next suitable / available opportunity. The Council also has regard to relevant statutory guidance in relation to local authority pay.
- 22 For the majority of the rest of the council's workforce, the NJC pay agreement for 2018/19 included the introduction of a new pay spine on 1 April 2019. The 2019 pay spine is mandatory. Agreements reached by the NJC are collective agreements and if they are incorporated into employee contracts of employment then the changes will take effect. The new pay spine replaced entirely the previous spine and accordingly employees assimilated across from the previous SCP to the new corresponding SCP in

April 2019. The NJC produced a circular on 14 June 2018, which provided technical advice on issues relating to assimilating employees onto the new pay spine. The council has complied with the NJC guidance (i.e., one approach to be applied consistently and a maximum of five spinal column points for each grade).

- 23 The designated Returning Officer for the council also carries out the role of 'Returning Officer' or 'Counting Officer' in Parliamentary and other national referenda or electoral processes. These additional roles carry an entitlement to payment from central government at levels set by order in relation to each national poll and according to scale of fees agreed by the council in relation to Local Elections.
- 24 Set out in Annex 1 is a scale of fees for the conduct of any County Council and Parish by-elections that arise. The fees are based on the principle that the Returning Officer and nominated deputies will be remunerated in line with personal responsibilities, but at a rate below that of national elections. National rates are given for other posts such as Presiding Officers, Poll Clerks, Count Staff, and postal vote sessions to ensure sufficient interest is maintained in undertaking these roles.

The Authority's Policy on the Remuneration of its Lowest Paid Workers

Definition of Lowest Paid Workers

- 25 In order to promote equity, former manual worker grades in the authority have been incorporated into the national framework, as outlined in the National Joint Council for Local Government Services "Agreements on Pay and Conditions of Service".
- 26 This ensures that the lowest paid workers and the wider workforce share equitable terms and conditions and access to pay and condition arrangements that are set within a national negotiating framework.
- 27 This approach ensures fairness, provides market rates in the region for jobs, graded by job size, but with a reference also to the national local government family.
- 28 Following the implementation on 1 January 2015 of the 'Durham Living Wage' the lowest paid workers now receive the minimum of Spinal Column Point 10 for all Durham County Council employees. The hourly rate from 1 April 2022 is £10.7874 (and new SCP 3 replaced the old SCP 10 on the new National Pay Spine) which equates to workers (outside of apprenticeship schemes) remunerated in Durham on a minimum full time equivalent annual rate of pay of £20,812 (excluding any allowances). This is the council's definition of 'lowest paid workers'.

The Policy Relationship between Chief Officers Pay, the Lowest Paid Workers, and the Wider Workforce

Current Position

- 29 At the inception of the new unitary council in 2009 the authority had defined:
- (a) the strategy for senior pay within the authority and had recruited into these posts;
 - (b) the plan for the approach towards harmonising the pay and conditions of the workforce longer term;
 - (c) taking this approach, also now enables the authority to publish and support recommendations within Will Hutton's review 2011 'Review of Fair Pay in the Public Sector' around publishing the ratio of pay of the organisation's top earner to that of a median earner and tracking this over time, taking corrective action where necessary.
- 30 In setting the relevant pay levels, a range of background factors outlined at paragraph 2.2 were taken into consideration for senior pay alongside the significant scope and scale of the authority in the national context.
- 31 For example, the scope and scale of the Chief Executive's post encompasses responsibilities commensurate with the largest authorities in the country including responsibility for:
- (a) the provision of wide-ranging services to over 500,000 residents of County Durham;
 - (b) a gross budget of £1.4 billion for service delivery;
 - (c) undertaking the role of the Head of Paid Service to over circa 15,000 employees; and
 - (d) Lead Policy Advisor to the council's 126 Elected Members.
- 32 At 31 March 2022, the ratio between the pay of the Chief Executive in Durham County Council and the lowest paid workers is 8.55:1, against figures published by government of an expectation to always be below 20:1 in local government.
- 33 During 2022/23 the employer contributed 18.5% of pensionable pay to the Durham County Council Pension Fund for all employees in the Local Government Pension Scheme. From 1 April 2023 the rate has been set at

18.1% of pensionable pay following the completion of the triennial revaluation review of the Pension Fund.

Long Term Planning

- 34 In line with the original long-term plan, Durham County Council successfully completed the implementation of a new pay and conditions framework for the wider workforce. This pay scheme is based upon a nationally agreed job evaluation system and the national spinal column points of pay and will see the authority remain within the existing national pay negotiating machinery.

Pay Policy Objectives

- 35 This planned approach towards pay for the wider workforce, and the use of established and equality impact assessed job evaluation schemes in the exercise will ensure:
- (a) a planned approach towards pay policy for the organisation that enables the council to establish a relationship between pay for senior officers, the low paid and the wider workforce to align to the national guidance;
 - (b) the provision of accountability, transparency and fairness in setting pay for Durham County Council.
- 36 A report detailing the council's Gender Pay Gap figures for the position as at 31 March 2021 was published on the council's website (<http://www.durham.gov.uk/genderpaygap>), this includes the council's long term plans for improving the pay gap. The updated figures, based on the position as at 31 March 2022 will be published on the council's website before 31 March 2023.

Pay Policy Decisions for the Wider Workforce

- 37 The decision-making power for the implementation of the new pay arrangements is one for the full council for the Authority, ensuring that decisions in relation to workforce pay are taken by those who are directly accountable to local people.

The Approach towards Payment for those Officers Ceasing to Hold Office Under or be Employed by the Authority

- 38 The council has an agreed policy in relation to officers whose employment is terminated via either voluntary or compulsory redundancy. This policy provides a clear, fair, and consistent approach towards handling early retirements and redundancy for the wider workforce, including Chief Officers.

- 39 In setting policy, the Authority does currently retain its discretion to utilise the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales Regulations) 2006.

Policy towards the Reward of Chief Officers Previously Employed by the Authority.

- 40 The council's arrangements for payments on severance are outlined in the Early Retirement/Voluntary Redundancy policy approved by Council on 29 October 2014.
- 41 Chief Officers leaving the authority under regulations allowing for early access to pension are leaving in circumstances where there is no longer a suitable role for them, and in such circumstances, they leave the employment of the council. Immediate re-engagement in another role would negate redundancy by operation of the Redundancy Payments (Continuity of Employment in Local Government, etc.) (Modification) Order 1999.
- 42 The council would not expect such officers to be offered further remunerated employment with the council or any controlled company without such post being subject to external competition.
- 43 The administering authority for the Local Government Pension Scheme does not currently have a policy of abating pensions for former employees who are in receipt of a pension, although this is an area that is kept under review.
- 44 The council is mindful of its obligations under equality legislation and as such is limited in its ability to adopt a policy that it will not employ people of an age that has entitled them to pension access on leaving former employment in the public sector or to propose that such applicants be employed on less favourable terms than other applicants. It expects all applicants for any posts to compete and be appointed on merit.

Annex 1: Proposed Scale of Fees for the conduct of individual By-Elections

Set out in Annex 1 is a scale of fees for the conduct of individual By-Elections. These fees were agreed by the former District Authorities of the County in 2007.

Election Fees – By-Elections

Returning Officer	£67.00 per 1000 electors or part thereof (per division/ward)
Polling Station:	
Presiding Officer	£232.50 (plus 20% fee for combined election)
Poll Clerk	£172.48 (plus 20% fee for combined election)
Polling Station Inspector	£ 19.50 per station
Mileage	0.45p
Postal Votes Issue:	
Postal Votes Issuing Manager	£120.00
Postal Votes Issuing Supervisor	£60.00
Postal Votes Issuing Assistant	£40.00
Postal Votes Opening:	
Postal Votes Opening Manager	£150.00
Postal Votes Opening Supervisor	£75.00
Postal Votes Opening Assistant	£60.00
Count:	
Count Manager	£260.00
Count Supervisor	£140.00
Count Assistant	£80.00
Miscellaneous:	
Elector Assistance	£17.00 per visit
Attending Training	£25.00
Providing Training	£150.00
Clerical	£89.00 per 1000 electors or part thereof
Preparation of Poll Cards	£1.90 per 100 cards or part thereof
Delivery of Poll Cards	0.15p per card
Ballot Box Preparation	£5.15
Checking of Ballot Papers	£1.60 per 1000 or part thereof

Appendix 12: Durham County Council Annual Treasury Management Strategy Statement 2023/24

Purpose

- 1 In accordance with statutory guidance and the Council's Financial Procedure rules, this report presents the 2023/24 position for the proposed Treasury Management Strategy, the Annual Investment Strategy, Prudential Indicators, Minimum Revenue Provision (MRP) Policy and Treasury Management Policy Statement and Practices (which are attached at Annex 1).

Background

- 2 Treasury management is defined as 'the management of the local authority's borrowing, investments, and cash flows, including its banking, money market and capital market transactions, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks'.
- 3 The Council operates a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management function is to ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, commensurate with the Council's low risk appetite, providing sufficient liquidity and security, with the achievement of the best possible investment returns ranking as less important.
- 4 The second main function of the treasury management service is to arrange the funding of the Council's capital programme, which will support the provision of Council services. Part of the capital programme is financed through borrowing so longer term cash flows need to be planned, to ensure capital spending requirements can be met. The management of longer term cash may involve arranging long or short term loans, utilising longer term cash flow surpluses and, occasionally, restructuring debt to meet Council risk or cost objectives.
- 5 The Council adopts the latest CIPFA Code of Practice on Treasury Management which is regarded as best practice to ensure there is adequate monitoring of the Council's capital expenditure plans and its Prudential Indicators (PIs). It is recommended in the Treasury Management Code that Members are appraised of the Councils treasury management activity through regular reports, that include the following as a minimum:

- (a) an annual Treasury Management Strategy Statement in advance of the year (this report);
 - (b) a mid-year Treasury Management Review report, covering the first six months of the financial year (the 2022/23 mid-year review was reported to Council on 7 December 2022);
 - (c) an annual review following the end of the year describing the activity compared to the strategy (the 2021/22 review was reported to Council on 21 September 2022).
- 6 The 2021 Prudential Code introduced a requirement for the monitoring and reporting of treasury management performance against forward looking indicators at least quarterly. A report is not required to be taken to full Council, but the information is reported as part of the Council's integrated revenue and capital monitoring.
- 7 This report provides a summary of the following for 2023/24:
- (a) summary Treasury position;
 - (b) borrowing Strategy;
 - (c) other Debt and Long Term Liability Plans
 - (d) annual Investment Strategy;
 - (e) non-Treasury Investments
 - (f) treasury management Indicators;
 - (g) prudential indicators;
 - (h) MRP Policy Statement;
 - (i) other matters.
- 8 These elements cover the requirements of the various laws, codes and guidance that cover the treasury management activity, including the Local Government Act 2003, the CIPFA Prudential Code, Statutory Guidance on Minimum Revenue Provision, the CIPFA Treasury Management Code and Statutory Guidance on Local Government Investments.

(a) **Summary Treasury Position**

- 9 The Council's debt and investment position is organised to ensure adequate liquidity for revenue and capital activities, security for investments, and to manage risks within all treasury management activities.
- 10 The following table shows the Council's treasury position (excluding borrowing through leasing and the Private Finance Initiative [PFI]) as at 31 March 2022, mid-year as at 30 September 2022, and the expected position at 31 March 2023:

	Actual 31.03.22 £ Million	Interest Rate %	Actual 30.09.22 £ Million	Interest Rate %	Estimate 31.03.23 £ Million	Interest Rate %
Borrowing	418	3.25	468	3.17	440	3.11
Investments	342	0.48	418	2.04	385	2.96
Net Debt	76		50		55	

- 11 The main factors representing the movement throughout the year in the Council's borrowing level are:
- New borrowing undertaken in April 2022 to take advantage of low rates available (£50 million);
 - Early redemption of borrowing with Commerzbank in October 2022 (£6.5 million);
 - Maturity of PWLB borrowing in November 2022 (£10 million);
 - Early redemption of borrowing with Barclays in December 2022 (£9.9 million)
- 12 The main factors representing the movement throughout the year in cash balances invested are:
- Additional borrowing taken in April 2022 (£50 million)
 - Cash receipt for the sale of The Sands development in November 2022 (£70 million)

(b) **Borrowing Strategy**

- 13 The Council held £418 million of loans at 31 March 2022. The balance had increased to £468 million at 30 September 2022 and is expected to be £440 million at 31 March 2023. The table below provides a breakdown of the Council's borrowing portfolio:

	Actual 31.03.22 £ Million	2022/23 Estimated Movement £ Million	Estimate 31.03.23 £ Million	Interest Rate %	Average Life Years
Public Works Loan Board (PWLB)	309.0	39.0	348.0	3.08%	18.09
Private Sector	108.9	(16.9)	92.0	3.25%	38.65
Pension Fund	0.1	(0.1)	0	0	0
Total borrowing	418.0	22.0	440.0	3.11%	22.39

- 14 The Council's chief objective when borrowing is to strike an appropriate risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required.
- 15 The difference between the Council's borrowing requirement and the actual borrowing undertaken is met by internal borrowing. This represents the ability of the Council to use its balance sheet reserves to delay the date that loans are taken out. The strength of the Council's balance sheet means it has no immediate need to borrow to fund its capital outlays and this means that using internal balances is generally the most cost-effective option. However, in the medium term the Council will need to borrow to fund its capital programme and the Council may elect to borrow earlier if available borrowing rates make this the best option.
- 16 The following sources of long-term and short-term borrowing have been identified for approval:
- (a) public Works Loan Board ("PWLB");
 - (b) UK local authorities;
 - (c) any institution approved for investments (see paragraph 38);
 - (d) UK public / private sector pension funds;
 - (e) European Investment Bank; and
 - (f) local authority special purpose vehicles created to enable local authority bond issues (for example the Municipal Bonds Agency).

- 17 A major source of the Council's borrowing is the PWLB, which is a lending facility operated by the UK Debt Management Office on behalf of HM Treasury. To have access to PWLB loans, the current arrangements require the Council to confirm that they are not buying investment assets primarily for yield and that they are not borrowing in advance of need, with the aim of making a profit from the sums borrowed.
- 18 The Council meets the borrowing criteria so taking out PWLB loans is an available option. Loan rates are fluid (PWLB rates change twice daily), and the Council will continue to work with its treasury management advisers, Link Asset Services, to monitor rates and cash flow requirements to determine the timing for taking out further loans.

Policy on Borrowing in Advance of Need

- 19 The Council will not borrow more than, or in advance of, its needs, purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be made based on its estimate of borrowing need, also called its Capital Financing Requirement (CFR) and following careful consideration, to demonstrate value for money and ensure the security of funds received.
- 20 Any risks associated with activity to borrow in advance will be subject to prior appraisal and will be subsequently accounted for in the Treasury Management report that follows.

Debt Rescheduling

- 21 As short term borrowing rates are in general cheaper than longer term fixed interest rates, there may be opportunities to generate savings by switching from long term debt to short term debt. Advantages of debt rescheduling can include:
 - (a) generating cash savings and / or discounted cash flow savings;
 - (b) helping to fulfil the treasury strategy; and
 - (c) enhancing the balance of the portfolio (amend the maturity profile and/ or the balance of volatility).
- 22 However, these savings need to be considered in light of the current treasury position and the cost of early debt repayments (i.e. premiums).
- 23 Consideration will be given to identifying if there is any residual potential for making savings by running down investment balances to repay debt

prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

(c) Other Debt and Long Term Liabilities Plans

- 24 Although not classed as borrowing, the Council has capital finance liabilities (i.e., commitments to make lease payments) in the form of finance leases, for replacement fleet vehicles and equipment, and for PFI projects. The leasing liabilities will continue to grow as a programme to replace previously capital funded fleet vehicles is completed. The cost effectiveness of leasing arrangements will continue to be monitored to ensure they are the best financing option for fleet replacements.
- 25 Members have previously been advised on the effects arising from the application of a new accounting standard - International Financial Reporting Standard (IFRS) 16 – Leases, the implementation of the standard has now been delayed until April 2024.
- 26 From this time assets held under operating leases (which differ from finance leases as the assets retain a significant part of their value and revert to the owner at the end of the lease period) will be accounted for in the same way as finance leases. The changes mean that the Council will hold fixed assets used under operating leases on its balance sheet. It will also hold the associated financial liabilities. The estimated impact on the Council's balance sheet will be reported during the financial year 2023/24.

(d) Annual Investment Strategy

- 27 The Department of Levelling Up, Housing and Communities (DLUHC) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, as managed by the treasury management function.
- 28 The Council's investment policy has regard to the following:
- DLUHC's Guidance on Local Government Investments
 - CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021
 - CIPFA Treasury Management Guidance Notes 2021
- 29 The Council's investment priorities will be security first, portfolio liquidity second and then yield (return). The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity and with regard to the Council's risk appetite.

- 30 The above guidance from the DLUHC and CIPFA places a high priority on the management of risk. The Council has adopted a prudent approach to managing risk and defines its risk appetite by the followings means:
1. minimum acceptable credit criteria are applied in order to generate a list of creditworthy counterparties, with investment limits set so that investments are diversified. The key ratings used to monitor counterparties are the short term and long term ratings;
 2. credit ratings agencies will be used but will not be the sole determinant of investment quality and the assessments will also take account of other information that reflects the opinion of the markets. To this end the Council will engage with its advisers to maintain a monitor on market pricing (e.g., “credit default swaps”) and overlay that information on top of the credit ratings;
 3. information in the financial press, share price and other banking sector information will also be used as appropriate.
- 31 There are a wide range of investment instruments which are available for the Council to consider. These can be classified as either Specified or Non-Specified Investments and are listed below:

Specified Investments

- 32 These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are considered to be low risk assets where the possibility of loss of principal or investment income is small and are not defined as capital expenditure. These would include the following sterling investments:
- (a) deposit with the UK Government – e.g., the Debt Management Office deposit facility, UK treasury bills or gilts with less than one year to maturity;
 - (b) term deposits with a body that is considered of a high credit quality e.g., UK banks and building societies;
 - (c) global bonds of less than one year’s duration;
 - (d) deposits with a local authority, parish council or community council;
 - (e) certificates of Deposit;
 - (f) pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency.

Non-Specified Investments

- 33 These are investments which do not meet the specified criteria as outlined above. The Council is therefore required to examine non-specified investments in more detail. As well as any of the above sterling investments that are of more than one-year maturity, non-specified investments include the following sterling investments:
- (a) gilt edged securities with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of principal on maturity;
 - (b) deposits with the Council's own banker if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible;
 - (c) equity shareholding in businesses, which shall be not more than £30 million in total, and £15 million in any one company. This will only be after undertaking significant due diligence checks. These investments will facilitate a more balanced approach to investing by diversifying the investment portfolio and reducing concentration risk;
 - (d) loans and shares in local businesses, to encourage regeneration and economic development in the area. Any new investments will only be agreed after significant due diligence checks have been carried out;
 - (e) property funds, with not more than £25 million in an individual fund and not more than £50 million in total.

Creditworthiness Policy

- 34 The primary principle governing the Council's investment criteria is the security of its investments; although the yield or return on the investment is also a material consideration. After this main principle, the Council will ensure that:
- (a) it maintains a policy covering the categories of investment types it will invest in, the criteria for choosing investment counterparties with adequate security and arrangements for monitoring their security; and
 - (b) it has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

- 35 The Corporate Director of Resources maintains an approved counterparty list in compliance with the following criteria and will revise the criteria and submit these to Council for approval as necessary. These criteria provide an overall pool of counterparties considered to be high quality which the Council may use, rather than defining what types of investment instruments are to be used.
- 36 Link Asset Services' creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue weight to only one agency's ratings.
- 37 Typically the minimum credit ratings criteria used by the Council will be a short term rating (Fitch or equivalents) of F1 and a long term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available or other topical market information to support their use.
- 38 All credit ratings will be monitored regularly. The Council is alerted to changes to ratings of all three agencies (Fitch, Moody's and Standard and Poor's) through its use of Link's creditworthiness service.
- 39 If a downgrade results in the counterparty/ investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- 40 In addition to the use of credit ratings, the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in the downgrade of an institution or removal from the Council's lending list.
- 41 Sole reliance will not be placed on the use of the service provided by Link. The Council will also use market data and market information, information on sovereign support for banks and the credit ratings of that supporting government. This additional market information, for example credit default swaps and negative rating watches/ outlooks, will be applied to compare the relative security of differing investment counterparties. The relative value of investments will be reviewed in relation to the counterparty size to ensure an appropriate ratio.

Investment Criteria

- 42 The criteria for providing a pool of high quality investment counterparties (both specified and non-specified investments) are:
- (a) banks 1 – good credit quality. The Council will only use banks which are:

- (i) UK banks and/or;
- (ii) non UK banks domiciled in a country which has a minimum sovereign long term rating of AA- and have, as a minimum, the following credit ratings (where rated):

	Fitch	Moody's	Standard & Poor's
Short Term	F1	P1	A-1
Long Term	A-	A3	A-

(n.b. viability, financial strength and support ratings have been removed and will not be considered in choosing counterparties).

- (b) banks 2 – Part nationalised UK banks - Royal Bank of Scotland. This bank can be included if it continues to be part nationalised or meets the ratings in Banks 1 above;
- (c) banks 3 – The Council's own banker for transactional purposes if the bank falls below the above criteria, although in this case, balances will be minimised in both monetary size and time;
- (d) bank subsidiary and treasury operation. The Council will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings outlined above;
- (e) UK Government (including gilts and the Debt Management Account Deposit Facility [DMADF]);
- (f) local authorities, parish councils, etc.;
- (g) housing Associations which meet the ratings for banks outlined above;
- (h) building societies. The Council will use societies which:
 - (i) meet the ratings for banks outlined above; or
 - (ii) have assets in excess of £1 billion;
- (i) money market funds;
- (j) ultra-Short Dated Bond Funds;
- (k) property Funds.

Time and Monetary Limits applying to Investments

- 43 The time and monetary limits for institutions on the Council's counterparty list, covering specified and non-specified investments, will be as follows:

Investment Type	Long Term Rating	Money Limit	Time Limit
Banks / Building Societies	AA-	£70m	2 years
Banks / Building Societies	A	£50m	1 year
Banks / Building Societies	A-	£30m	6 months
Banks – part-nationalised	N/A	£70m	2 years
Banks– Council's banker	A-	£35m	3 months
DMADF / Treasury Bills	AAA	unlimited	6 months
Local Authorities	N/A	£20m each	5 years
Housing Associations	A-	£15m	6 months
Building Societies	+£1 billion	£20m	6 months
Money Market Funds	AAA	£200m total	liquid
Money Market Funds CNAV	AAA	£40m each	liquid
Money Market Funds LVNAV	AAA	£40m each	liquid
Money Market Funds VNAV	AAA	£40m each	liquid
Ultra-Short Dated Bond Funds	AAA	£10m each	liquid
Property Funds	N/A	£50m total (£25m each)	Unlimited

Due to the current level of cash balances a review has been undertaken on the Council's counterparty money limits. This has been done in consultation with the Council's treasury management advisers and the following increases have been factored into the counterparty limits set out above:

- Banks/Building Societies AA- Increase of £5 million
- Banks/Building Societies A Increase of £5 million
- Banks part nationalised Increase of £5 million
- Money Market Funds (Total) Increase of £25 million
- Money Market Funds CNAV, LVNAV, VNAV Increase of £5 million

(e) Non-Treasury Investments

- 44 Separately from treasury investments, the Council may make loans and investments in support of service priorities, and this may mean they generate a commercial return.
- 45 Service delivery investments are held primarily and directly for the delivery of public services including housing, regeneration, and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is either related to the financial viability of the project in question or otherwise incidental to the primary purpose.
- 46 Investments held for a commercial return are ones with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to a council's financial capacity – i.e., that plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services. An authority must not borrow to invest primarily for financial return.
- 47 The Council recognises that investments such as these, taken for non-treasury management purposes, require careful consideration and that it is important that there are agreed processes to ensure there is effective due diligence and that the investments fit with the Council's agreed risk profile. This is consistent with the Prudential Code guidance, that the investments should be proportionate to the authority's level of resources and the same robust procedures for the consideration of risk and return should be followed as for other investments.
- 48 The Council would also follow the above processes when considering the purchase of investment assets primarily for yield. However, following the change to PWLB borrowing rules, councils with plans to buy investment assets primarily for yield cannot take advantage of the 1% reduction in borrowing costs. This applies to all their borrowing requirements, not just the borrowing for the investment assets. This creates a financial disadvantage that means it is not likely that the council will make investments of this nature, though each potential opportunity would be considered on a case by case basis. More details are included in the council's Property Investment Strategy.

(f) **Treasury Management Indicators**

- 49 There are three debt related treasury activity limits which are designed to manage risk and reduce the impact of an adverse movement in interest rates.

Interest Rate Exposures: This indicator is set to control the Council's exposure to interest rate risk. The upper limits on fixed and variable rate

interest rate exposures, expressed as the proportion of net principle invested is:

	Limit
Upper limit on fixed interest rate exposure	100%
Upper limit on variable interest rate exposure	70%

Maturity Structure of Borrowing: This indicator is set to control the Council's exposure to refinancing risk and measures the amount of projected borrowing maturing in each period expressed as a percentage of total projected borrowing at the start of the period. The upper and lower limits on the maturity structure of fixed rate borrowing are:

	Lower Limit	Upper Limit
Under 12 months	0%	20%
12 months to 2 years	0%	40%
2 years to 5 years	0%	60%
5 years to 10 years	0%	80%
10 years and above	0%	100%

In addition, the Council will not agree to borrowing which will result in more than 20% of total borrowing maturing in any one financial year.

Principal Sums Invested for Periods Longer than 365 days: The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments:

	2023/24	2024/25	2025/26
Principal sums invested > 365 days	£75m	£75m	£75m

(g) Prudential Indicators

- 50 The Local Government Act 2003 requires the Council to have regard to the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow.
- 51 The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent, and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Council has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

Capital Expenditure and Financing: The table below summarises capital expenditure incurred and planned (including amounts included in this budget report) and how the expenditure was and will be financed:

	2021/22 Actual £ Million	2022/23 Estimate £ Million	2023/24 Estimate £ Million	2024/25 Estimate £ Million	2025/26 Estimate £ Million
Capital Expenditure	143.068	165.073	290.871	257.857	64.386
Financed by:					
Capital receipts	7.364	74.563	10.890	4.023	0.000
Capital grants	60.010	82.518	89.514	66.126	14.396
Revenue and reserves	26.279	7.992	1.879	3.142	0.032
Net financing need for the year	49.415	0.000	188.588	184.566	49.958

- 52 The above financing need excludes other long term liabilities, such as PFI and leasing arrangements that already include borrowing instruments.

Capital Financing Requirement (CFR): The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure which has not immediately been paid for through a revenue or capital resource will increase the CFR.

The CFR does not increase indefinitely as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

The CFR includes other long term liabilities (e.g., PFI schemes, finance leases), though these arrangements include an integral borrowing facility so the Council does not need to borrow separately for them.

	2021/22 Actual £ Million	2022/23 Estimate £ Million	2023/24 Estimate £ Million	2024/25 Estimate £ Million	2025/26 Estimate £ Million
Capital Financing Requirement	534.012	529.344	708.969	877.922	909.048
Movement in CFR	42.299	(4.668)	179.625	168.953	31.126
Movement in CFR represented by					
Net financing need for the year (see previous table)	49.415	0.000	188.588	184.566	49.958
Leasing and PFI financing need for the year	8.675	13.432	10.296	6.040	5.348
Less MRP/VRP and other financing movements	(15.791)	(18.100)	(19.259)	(21.653)	(24.180)
Movement in CFR	42.299	(4.668)	179.625	168.953	31.126

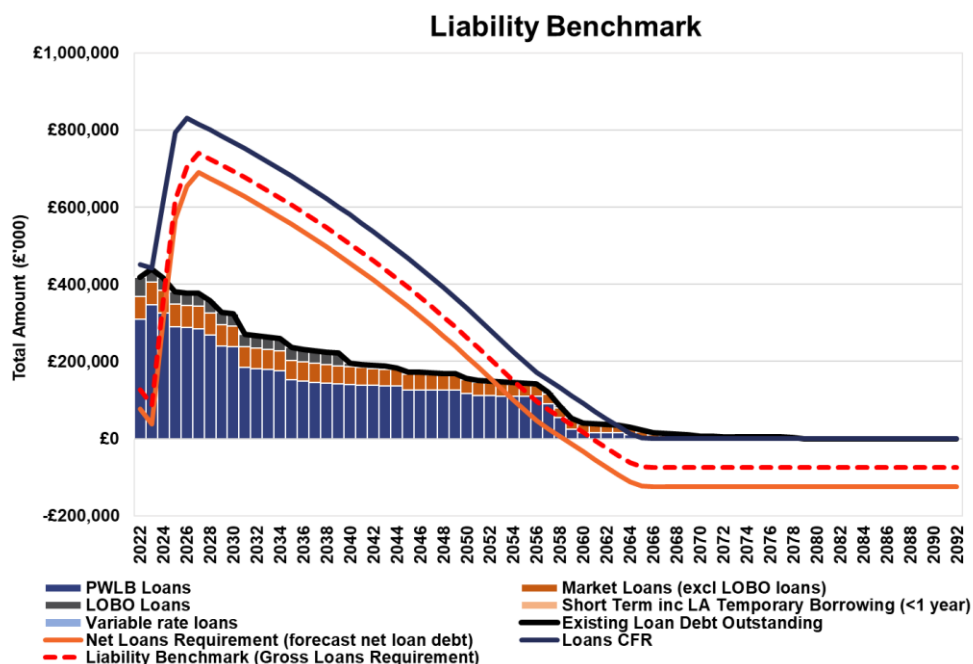
Gross Debt and the Capital Financing Requirement: To ensure that debt held will only be for capital purposes, the Council should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence. The table below shows how the Council plans to comply with this requirement, which shows gross borrowing continues to be less than the CFR:

	2021/22 Actual £ Million	2022/23 Estimate £ Million	2023/24 Estimate £ Million	2024/25 Estimate £ Million	2025/26 Estimate £ Million
Debt at 1 April	363.419	417.985	439.652	416.632	381.064
Expected change in debt	54.566	21.667	(23.020)	(35.568)	(3.174)
Other long-term liabilities at 1 April	81.450	82.741	87.274	87.652	83.509
Expected change in other long-term liabilities	1.291	4.533	0.378	(4.143)	(4.950)
Gross Debt at 31 March	500.726	526.926	504.284	464.573	456.449
Capital Financing Requirement	534.012	529.344	708.969	877.922	909.048
Internal borrowing	33.286	2.418	204.685	413.349	452.599

Liability Benchmark (LB): This benchmark has been introduced to show the link between the Capital Financing Requirement and the profile of the borrowing that the Council has taken out to finance this requirement. There are four components to the LB:

- (a) **existing loan debt outstanding:** the Council's existing loans that are still outstanding in future years;
- (b) **loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP;
- (c) **net loans requirement** – shows the need to borrow after taking account of reserve balances that can be used for internal borrowing;

- (d) **liability Benchmark (Gross loans requirement)** – shows the net borrowing requirement plus a margin to ensure there is an adequate balance to manage cash flows effectively.



Operational Boundary: This is the limit which external borrowing is not normally expected to exceed and approximates to the CFR for a given year. Periods where the actual position is either below or over the boundary is acceptable subject to the authorised limit not being breached.

	2022/23 Estimate £ Million	2023/24 Estimate £ Million	2024/25 Estimate £ Million	2025/26 Estimate £ Million
Borrowing	442	621	794	831
Other long term liabilities	88	88	84	79
Total	530	709	878	910

Authorised Limit for external borrowing: This represents a control on the maximum level of borrowing and is a statutory limit determined under section 3 (1) of the Local Government Act 2003. It reflects the level of external borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

	2022/23 Estimate £ Million	2023/24 Estimate £ Million	2024/25 Estimate £ Million	2025/26 Estimate £ Million
Borrowing	492	671	844	881

Other long term liabilities	93	93	89	83
Total	585	764	933	964

Estimates of the ratio of financing costs to net revenue stream: This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

	2022/23 Estimate %	2023/24 Estimate %	2024/25 Estimate %	2025/26 Estimate %
Ratio of financing costs to net revenue stream	6.3	6.5	8.5	9.2

The estimates of financing costs include current commitments and the proposals in this budget report

Estimates of the ratio of investment income to net revenue stream: This indicator identifies the trend in the reliance of the council on income from treasury management and service and commercial investments against the net revenue stream.

	2022/23 Estimate %	2023/24 Estimate %	2024/25 Estimate %	2025/26 Estimate %
Treasury Management Income	1.3	1.7	0.3	0.3
Commercial & Service Income	1.0	0.8	0.8	0.8

(g) MRP Policy Statement

- 53 The CIPFA Prudential Code for Capital Finance in Local Authorities requires the full Council to agree an annual policy for the Minimum Revenue Provision (MRP).
- 54 The MRP is the amount that is set aside each year to provide for the repayment of debt. The regulations require the authority to determine an amount of MRP which it considers to be prudent. The broad aim of a prudent provision is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Revenue Support Grant (RSG), reasonably commensurate with the support provided

through the RSG. The guidance provides recommended options for the calculation of a prudent provision, but local authorities have significant discretion in determining the level of MRP which they consider to be prudent.

- 55 The Government updated its Statutory Guidance on MRP on 2 February 2018, with some elements of the guidance taking effect from 1 April 2018.
- 56 The Council's annual MRP policy has been set in line with the following principles:
- (i) In respect of the Council's supported borrowing, MRP will be provided for on a 2.5% straight-line basis, i.e. provision for the full repayment of debt over 40 years;
 - (ii) MRP charges for unsupported borrowing will be applied by using the annuity method;
 - (iii) MRP charges for finance leases (non PFI) will be equal to the principal element of the rental or charge that goes down to write down the balance sheet liability created from such arrangements;
 - (iv) MRP charges for PFI to provide MRP on an annuity basis;
 - (v) The Council retains the right to make additional voluntary payments to reduce debt if deemed prudent.
- 57 Capital expenditure incurred during 2023/24 will not be subject to a MRP charge until 2024/25.
- 58 The regulations allow the Authority to review its policy every year and set a policy that it considers prudent at that time. The impact of a revised MRP policy would be kept under regular review to ensure that the annual provision is prudent.

(i) Other Matters

Policy on use of external advisers

- 59 Link Asset Services are the Council's treasury management advisers and whilst they provide professional support to the internal treasury management team, under current market rules and the CIPFA Code of Practice, the final decision on treasury matters remains with the Council. This service is subject to regular review.
- 60 The range of services provided by the advisers currently includes:
- technical support on treasury matters and capital finance issues;

- economic and interest rate analysis;
- debt services which includes advice on the timing of borrowing;
- debt rescheduling advice surrounding the existing portfolio;
- generic investment advice on interest rates, timing and investment instruments;
- credit ratings/ market information service, comprising the three main credit rating agencies.

61 The scope of investments within the Council's operations now includes both conventional treasury investments, (the placing of residual cash from the Council's functions), and more commercial type investments, such as investment properties.

Annex 1: Treasury Management Policy Statement and Practices

Treasury Management Policy Statement

The Council defines its treasury management activities as the management of the organisation's borrowing, investments, and cash flows, including its banking, money market and capital market transactions, the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

The Council regards the successful identification, monitoring, and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council, and any financial instruments entered into to manage these risks.

The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable, comprehensive performance measurement techniques within the context of effective risk management.

Treasury Management Practices

The Council has developed a range of Treasury Management Practices to enable it to implement its Treasury Management Policies.

TMP1 Risk Management

General Statement

The Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that robust due diligence procedures cover all external investment.

The responsible officer will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in *TMP6 Reporting Requirements and Management Information Arrangements*.

In respect of each of the following risks, the arrangements that seek to ensure compliance with these objectives are set out in the detailed schedules within this document.

Credit and Counterparty Risk Management

The Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited or investments made and will limit its treasury management investment activities to the instruments, methods and techniques referred to in *TMP4 Approved Instruments, Methods and Techniques*.

It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing or derivative arrangements.

Liquidity Risk Management

The Council will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives.

The Council will only borrow in advance of need where there is a clear business case for doing so and will only do so to: fund the current capital programme; finance future debt maturities; or ensure an adequate level of short term investments to provide liquidity for the organisation.

Interest Rate Risk Management

The Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with *TMP6 Reporting Requirements and Management Information Arrangements*.

It will achieve this by the prudent use of its approved instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. Before taking action any policy or budgetary implications would be considered and approval would be sought if required. It will ensure that any hedging tools such as derivatives are only used for the management of risk and the prudent management of financial affairs and that the policy for the use of derivatives is clearly detailed in the annual strategy.

Exchange Rate Risk Management

The Council will manage its exposure to fluctuations in exchange rates to minimise any detrimental impact on its budgeted income/expenditure levels.

Inflation Risk Management

The Council will keep under review the sensitivity of its treasury assets and liabilities to inflation and will seek to manage the risk accordingly in the context of the whole organisation's inflation exposures.

Refinancing Risk Management

The Council will ensure that its borrowing and other long-term liabilities are negotiated, structured and documented, and the maturity profile of the monies so raised is managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the organisation as can reasonably be achieved in light of market conditions prevailing at the time.

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid overreliance on any one source of funding if this might jeopardise achievement of the above.

Legal and Regulatory Risk Management

The Council will ensure that all its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP1 *Risk Management - Credit and Counterparty Risk Management*, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may affect with the organisation, particularly with regard to duty of care and fees charged.

The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

Operational Risk, including Fraud, Error and Corruption

The Council will ensure that it has identified the circumstances that may expose it to the risk of loss through inadequate or failed internal processes, people and systems or from external events. Accordingly, it will employ suitable systems and procedures and will maintain effective contingency management arrangements to these ends.

The Council will therefore:

- Seek to ensure an adequate division of responsibilities and maintenance at all times of an adequate level of internal check which minimises such risks.

- Fully document all its treasury management activities so that there can be no possible confusion as to what proper procedures are.
- Staff will not be allowed to take up treasury management activities until they have had proper training in procedures and are then subject to an adequate and appropriate level of supervision.
- Records will be maintained of all treasury management transactions so that there is a full audit trail and evidence of the appropriate checks being carried out.

Price Risk Management

The Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

TMP2 Performance Measurement

The Council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.

Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the organisation's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements.

TMP3 Decision Making and Analysis

The Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past and for accountability, demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time.

TMP4 Approved Instruments, Methods and Techniques

The Council will undertake its treasury management activities within the limits and parameters defined in TMP1 *Risk Management*.

Where the Council intends to use derivative instruments for the management of risks, these will be limited to those set out in its annual treasury strategy. The organisation will seek proper advice and will consider that advice when entering

into arrangements to use such products to ensure that it fully understands those products.

TMP5 Organisation, Clarity and Segregation of Responsibilities, and Dealing Arrangements

The Council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.

The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

If and when the Council intends, as a result of lack of resources or other circumstances, to depart from these principles, the responsible officer will ensure that the reasons are properly reported in accordance with *TMP6 Reporting Requirements and Management Information Arrangements* and the implications properly considered and evaluated.

The responsible officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management and the arrangements for absence cover. The responsible officer will also ensure that at all times those engaged in treasury management will follow the policies and procedures set out.

The responsible officer will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds.

The delegations to the responsible officer in respect of treasury management are set out in the Council's constitution. The responsible officer will fulfil all such responsibilities in accordance with the organisation's policy statement and TMPs and, if a CIPFA member, the *Standard of Professional Practice on Treasury Management*.

TMP6 Reporting Requirements and Management Information Arrangements

The Council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; the effects of decisions taken and transactions executed in pursuit of those policies; the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors

affecting its treasury management activities; and the performance of the treasury management function.

Annual reporting requirements:

- Annual reporting requirements before the start of the year:
 - (a) review of the Council's approved clauses, treasury management policy statement and practices;
 - (b) Treasury Management Strategy report on proposed treasury management activities for the year comprising of the Treasury Management Strategy Statement, Annual Investment Strategy and Minimum Revenue Provision Policy Statement.
- Mid-year review
- Quarterly monitoring and review
- Annual review report after the end of the year

TMP7 Budgeting, Accounting and Audit Arrangements

The responsible officer will prepare, and the Council will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP1 *Risk Management*, TMP2 *Performance Measurement*, and TMP4 *Approved Instruments, Methods and Techniques*. The responsible officer will exercise effective controls over this budget, and will report upon and recommend any changes required in accordance with TMP6 *Reporting Requirements and Management Information Arrangements*.

The Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.

TMP8 Cash and Cash Flow Management

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under the control of the responsible officer, and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the responsible officer will ensure that these are adequate for the purposes of monitoring compliance with TMP1 *Risk Management - Liquidity Risk Management*.

TMP9 Money Laundering

The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this are properly trained.

TMP10 Training and Qualifications

The Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The responsible officer will recommend and implement the necessary arrangements.

The responsible officer will ensure that board/council members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

TMP11 Use of External Service Providers

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times. It recognises that there may be potential value in employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review. It will ensure, where feasible and necessary, that a spread of service providers is used, to avoid overreliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangements rests with the responsible officer.

TMP12 Corporate Governance

The Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

The Council has adopted and has implemented the key principles of the Code and this is considered vital to the achievement of proper corporate governance in treasury management, and the responsible officer will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

TREASURY MANAGEMENT PRACTICES – DETAILED SCHEDULES

The following schedules have been prepared to support the implementation of the TMPs.

TMP1 Risk Management

TMP2 Performance Measurement

TMP3 Decision Making and Analysis

TMP4 Approved Instruments, Methods and Techniques

**TMP5 Organisation, Clarity and Segregation of Responsibilities,
and Dealing Arrangements**

**TMP6 Reporting Requirements and Management Information
Arrangements**

TMP7 Budgeting, Accounting and Audit Arrangements

TMP8 Cash and Cash Flow Management

TMP9 Money Laundering

TMP10 Training and Qualifications

TMP11 Use of External Service Providers

TMP12 Corporate Governance

TMP1 Risk Management

1.1 Credit and Counterparty Risk Management

Credit and counterparty risk

The risk of failure by a counterparty to meet its contractual obligations to the Council under an investment, borrowing, capital, project or partnership financing, particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the Council's capital or current (revenue) resources.

1.1.1 Criteria to be used for creating/managing approved counterparty lists/limits:

- (a) suitable criteria for assessing and monitoring the credit risk of investment counterparties will be formulated and a lending list comprising time, type, sector and specific counterparty limits will be constructed. These criteria will follow Statutory Guidance on Local Government Investments issued in February 2018 to cover financial years from 1 April 2018;
- (b) the primary criteria used in the selection of counterparties is their credit worthiness. However, the Council will also monitor latest market information and reduce the limits imposed on counterparties where appropriate;
- (c) the Council's treasury management advisers provide a regular update of all the ratings relevant to the Council, as well as any changes to the counterparty credit ratings. This information is also available via their website;
- (d) credit ratings will be used as supplied from one or more of the following credit rating agencies:
 - (i) fitch Ratings;
 - (ii) Moody's Investors Services;
 - (iii) standard and Poor's.
- (e) counterparty limits will be as set within the Annual Treasury Management Strategy Statement reported to Council.

1.1.2 Credit ratings for individual counterparties can change at any time. The Corporate Director of Resources is responsible for applying the stated credit rating criteria in 1.1.1 for selecting approved counterparties, and will add or delete counterparties as appropriate to / from the approved counterparty list

when there is a change in the credit ratings of individual counterparties or in banking structures e.g. on mergers or takeovers. This is delegated on a daily basis to the treasury management team.

1.1.3 When there is a change in the credit ratings of individual counterparties or in banking structures (e.g. on mergers or takeovers in accordance with the criteria in 1.1.1) the Corporate Director of Resources will also adjust lending limits and periods. This is delegated on a daily basis to the treasury management function.

1.1.4 The Council is supportive of the Principles for Responsible Investment (www.unpri.org) and will seek to bring environmental, social and governance (ESG) factors into the decision making process for investments. Within this, the Council is also appreciative of the Statement on ESG in Credit Risk and Ratings which commits signatories to incorporating ESG into credit ratings and analysis in a systemic and transparent way.

1.1.5 The Council uses ratings from Fitch, Moody's and Standard & Poor's to support its assessment of suitable counterparties for investments. Each of the rating agencies is a signatory to the ESG in credit risk and ratings statement and as such include an analysis of ESG factors when assigning ratings. Typical ESG factors given consideration by the credit rating agencies include:

- (a) environmental: Emissions and air quality, energy and waste management, waste and hazardous material, exposure to environmental impact;
- (b) social: Human rights, community relations, customer welfare, labour relations, employee wellbeing, exposure to social impacts;
- (c) governance: Management structure, governance structure, group structure, financial transparency.

1.1.6 The Council will continue to evaluate additional ESG-related metrics and assessment processes that it could incorporate into its investment process.

1.2 Liquidity Risk Management

Liquidity Risk

The risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the Council's business/service objectives will be thereby compromised.

1.2.1 Cash Flow

The treasury management function will maintain, on a daily basis, a cash flow projection showing:

- (a) all known income and expenditure;
- (b) all anticipated income and expenditure.

This record will be maintained for a minimum period of 12 months ahead of the current date.

1.2.2 Amounts of approved minimum cash balances and short-term investments

The treasury management function shall seek to ensure that the balance held in the Council's main bank accounts at the close of each working day is held at a level in order to maximize the amount of credit interest receivable. Borrowing or lending shall be arranged in order to achieve this aim.

The target is to achieve a net overall pooled bank balance of nil within the Council's current bank accounts on a daily basis. The performance will be monitored on a daily basis by the treasury management function.

1.2.3 Short-term borrowing facilities

The Council can access temporary loans through approved brokers on the London money market. They can be obtained within the Council's borrowing limits to provide short term finance or to match any cashflow shortfall pending receipt of other revenues or longer term loans.

1.2.4 Closure of Council Offices

When the Council offices are closed on a banking day, then provision will be made for expected clearances and receipts. The actual strategy to be adopted will depend on overall liquidity and market conditions at the time and available staff resources. At such times the staff within the treasury management function will undertake transfers, anticipating cash flow within the Council's accounts.

1.3 Interest Rate Risk Management

Interest rate risk

The risk that fluctuations in the levels of interest rates creates an unexpected or unbudgeted burden on the Council's finances against which the Council has failed to protect itself adequately.

1.3.1 Details of approved interest rate exposure limits

This risk is considered as part of the Treasury Management Strategy Statement approved by Council in February/March each year. The Strategy sets interest rate exposure limits in accordance with the requirements of the CIPFA Prudential Code. A variety of Prudential Indicators are required to be approved and monitored by Council. The Council will have regard to potential fluctuations in interest rates when borrowing or lending surplus cash. Advice will be sought from the Council's treasury management advisers before any non-routine transaction is made.

1.3.2 Maximum proportion of variable rate debt/interest

The requirement to set out a series of Prudential Indicators includes a requirement to set upper limits for exposure to fixed interest rates and variable interest rates.

1.4 Exchange Rate Risk Management

Exchange rate risk

The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the Council's finances, against which the Council has failed to protect itself adequately.

1.4.1 Approved criteria for managing changes in exchange rate levels

The Council rarely deals with foreign currency so an exposure to exchange rate risk will be minimal. However, as a result of the nature of the Council's business, the Council may have an exposure to exchange rate risk from time to time. This will mainly arise from the receipt of income or the incurring of expenditure in a currency other than sterling. Where appropriate the Council will adopt a hedging strategy to control and add certainty to the sterling value of these transactions. This will mean that the Council will minimise all foreign exchange exposures as soon as they are identified.

Where there is a contractual obligation to receive income or make a payment in a currency other than sterling at a date in the future, forward foreign exchange transactions will be considered, with professional advice, to comply with this full cover hedging policy. Unexpected receipt of foreign currency income will be converted to sterling at the earliest opportunity unless the Council has a contractual obligation to make a payment in the same currency at a date in the future. In this instance, the currency may be held on deposit to meet this expenditure commitment, depending on the expected timing of transactions.

1.5 Inflation Risk Management

Inflation risk

The risk that prevailing levels of inflation cause an unexpected or unbudgeted burden on the Council's finances, against which the Council has failed to protect itself adequately.

1.5.1 Managing changes in inflation levels

Inflation risk, also called purchasing power risk, is the chance that the cash flows from treasury instruments (such as investments) won't be worth as much in the future because of changes in purchasing power due to inflation.

Inflation both current and projected will form part of the debt and investment decision-making criteria both within the strategy and operational considerations. The Council will keep under review the sensitivity of its treasury assets and liabilities to inflation and will seek to manage the risk accordingly in the context of the whole organisation's inflation exposures.

1.6 Refinancing Risk Management

Refinancing risk

The risk that maturing borrowings, capital, project or partnership financings cannot be refinanced on terms that reflect the provisions made by the Council for those refinancings, both capital and current (revenue), and/or that the terms are inconsistent with prevailing market conditions at the time.

1.6.1 Debt/other capital financing, maturity profiling, policies and practices

The maturity profile of debt will be monitored and used to minimise any refinancing risk in consultation with the Council's treasury advisers. Any debt rescheduling is likely to take place when the difference between the refinancing rate and the redemption rate is most advantageous and the situation will be continually monitored. The reasons for any rescheduling to take place will include:

- (a) the generation of cash savings at minimum risk;
- (b) to reduce the average interest rate;
- (c) to enhance the balance of the long term portfolio (amend the maturity profile and /or the balance of volatility).

1.6.2 Projected capital investment requirements

The Council will prepare forecasts of capital investment needs and resources covering at least a three-year period within the Medium Term Financial Plan (MTFP). This will identify capital financing requirements and therefore the need to borrow to finance the capital programme. The MTFP provides details of the Council's financial plans covering a three-period and is updated on an annual basis.

1.6.3 Policy concerning limits on affordability and revenue consequences of capital financings

In considering the affordability of its capital plans, the Council will consider all the resources currently available/estimated for the future together with the totality of its capital plans, revenue income and revenue expenditure forecasts for the forth coming year and the following two years and the impact these will have on council tax levels. It will also consider affordability in the longer term beyond this three year period and assess the risks and rewards of significant investments to ensure the long term financial sustainability of the Council.

1.7 Legal and Regulatory Risk Management

Legal and regulatory risk

The risk that the Council itself, or a third party with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements and that the Council suffers losses accordingly.

1.7.1 References to relevant statutes and regulations

The treasury management activities of the Council shall comply with legal statute and the regulations of the Council.

1.7.2 Procedures for evidencing the Council's powers/authorities to counterparties

The Council's powers to borrow and invest are contained in legislation. Investing: Local Government Act 2003, section 12, and Borrowing: Local Government Act 2003, section 1. In addition, the Council will prepare, adopt and maintain, as the cornerstones for effective treasury management:-

- (a) a Treasury Management Policy Statement, stating the overriding principles and objectives of its treasury management activities;

- (b) Treasury Management Practices, setting out the manner in which the Council will achieve those principles and objectives, and prescribing how it will manage and control those activities.

1.7.3 Required information from counterparties concerning their powers/authorities

Lending shall only be made to counterparties on the authorised list which is compiled using advice from the Council's treasury management advisers based on credit ratings supplied by Fitch, Moodys and Standard & Poors. Borrowings will only be undertaken from recognised and reputable counterparties to comply with TMP 9 *Money Laundering*.

The Council holds letters verifying that the approved brokers are regulated by the Financial Services Authority under the provisions of the Financial Services and Markets Act 2000, under which Local Authorities are classified as market counterparties.

Building Societies are members of Building Society Association and are governed by Building Society Act 1986.

Banks are regulated by the Financial Services Authority under the provisions of the Financial Services and Markets Act 2000.

1.7.4 Statement on the Council's political risks and their management

The Council recognises that future political, legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the Council.

1.8 Operational Risk, including Fraud, Error and Corruption

The risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. This includes the risk of fraud, error, corruption or other eventualities in its treasury management dealings.

1.8.1 Details of systems and procedures to be followed, including internet services

The treasury management function is subject to a regular review by the Council's Internal Audit Service. The systems and procedures followed are described below:

Authority:

- The Scheme of Delegation to Officers sets out the appropriate delegated levels. All loans and investments are negotiated by the Corporate Director of Resources or authorised persons.

Occurrence:

- A detailed register of all loans and investments is maintained within our treasury management system, PSLive.
- Adequate and effective cash flow forecasting records are maintained to support the decision to lend or borrow
- Written confirmation is received from the lending or borrowing institution.
- All transactions placed through the brokers are confirmed by a broker note, showing details of the transaction arranged.

Completeness:

- The loans register is updated to record all lending and borrowing. This includes the date of the transaction, applicable interest rate, term and covers both treasury management loans and other loans to third parties that are not part of the routine treasury management activity.

Measurement:

- The treasury management function checks the calculation of repayment of principal and interest notified by the lender or borrower for accuracy.
- The treasury management function calculates periodic interest payments of PWLB and other long-term loans. This is used to check the amount paid to these lenders.

Timeliness:

- The treasury management system, PSLive, notifies when money borrowed, or lent is due to be repaid.

Regularity:

- Lending is only made to institutions on the approved list or as specifically approved by Cabinet for loans that are outside the usual treasury management activity.
- All loans raised and repayments made go directly to and from the institutions bank account.
- Authorisation limits are set for every institution (see 1.1.1).
- A list of named officials authorised to perform loan transactions is maintained.
- There is adequate Fidelity Guarantee Insurance cover for employees involved in loans management and accounting.

1.8.2 Contingency planning and business continuity management arrangements

If the electronic banking system fails, there is a contingency arrangement in place with the Bank whereby cash balances can be obtained from Lloyds Bank, and the Council can make CHAP payment instructions (which are normally input directly into the electronic payment system) to Lloyds, via telephone and/or e-mail.

In the event of a business continuity problem, which prevents access to the electronic payment system, the present contingency management arrangements will be invoked.

1.8.3 Insurance cover details

The officers concerned in the treasury management function are covered by appropriate fidelity guarantee insurance.

1.9 Price Risk Management

Price risk

The risk that, through adverse market fluctuations in the value of the principal sums invested, the Council's stated treasury management policies and objectives are compromised, so it has not protected itself adequately against the effects of the fluctuations.

1.9.1 Details of approved procedures and limits for controlling exposure to investments whose capital value may fluctuate (gilts, CDs, etc.)

The Council does not normally make investments where the capital value may fluctuate. Investment instruments used by external fund managers are subject to fluctuations in capital and exposure to interest rate risk. The Council does not currently use external fund managers but will keep the situation under review. In order to minimise the risk of fluctuations in capital value of investments, capital preservation is set as the primary objective.

TMP2 Performance Measurement

2.1 Evaluation and Review Of Treasury Management Decisions

The Council has a number of approaches to evaluating treasury management decisions:

1. regular reviews carried out by the treasury management function and senior management;
2. regular meetings with our treasury management advisers to review the performance of the investment and debt portfolios ;
3. an annual review after the end of year as reported to Council;
4. quarterly and half yearly monitoring reports to Committee/Council;
5. comparative reviews.

2.2 Policy Concerning Methods For Testing Value For Money In Treasury Management

2.2.1 Frequency and processes for tendering

Tenders are awarded for a minimum of two years, with an option to extend for up to a further two years. The process for advertising and awarding contracts will be in line with the Council's Contract Standing Orders.

2.2.2 Banking services

Banking services will be reviewed every 5 years to ensure that the level of prices reflect efficiency savings achieved by the supplier and current pricing trends.

2.2.3 Money-broking services

The Council will use money broking services in order to make deposits or to borrow, and will establish charges for all services prior to using them. An approved list of brokers will be established which takes account of both prices and quality of services. The Corporate Director of Resources may add brokers to the list during the year, providing they meet the Council's standards and requirements.

2.2.4 Adviser's services

The Council's policy is to separately appoint professional treasury management advisers and leasing advisers.

2.2.5 Policy on External Managers (Other than relating to Superannuation Funds)

The Council's current policy is not to use an external investment fund manager to manage a proportion of surplus cash. This will be kept under review.

2.3 Methods To Be Employed For Measuring The Performance Of The Council's Treasury Management Activities

Performance of the treasury management function will be measured against the Annual Treasury Management Strategy Statement targets and in compliance with the CIPFA Code of Treasury Practice. Performance will be monitored against approved budgets and internally agreed targets.

TMP3 Decision-Making And Analysis

3.1 Funding, Borrowing, Lending, And New Instruments/Techniques:

3.1.1 Records to be kept

- (a) daily cash projections;
- (b) telephone/e-mail rates;
- (c) dealing ticket for all money market transactions;
- (d) PWLB loan schedules;
- (e) local bond certificates (if used);
- (f) market bond certificates (if used);
- (g) temporary loan receipts (if used);
- (h) brokers confirmations for deposits/investments;
- (i) contract notes received from fund managers (if used);
- (j) fund managers valuation statements (if used);
- (k) confirmation notes from borrowers.

3.1.2 Processes to be pursued

- (a) cash flow analysis;
- (b) debt and investment maturity analysis;
- (c) ledger reconciliations;
- (d) review of borrowing requirement;
- (e) monitoring of projected loan charges and interest and expenses costs;
- (f) review of opportunities for debt rescheduling;
- (g) collation of performance information.

3.1.3 Issues to be addressed

3.1.3.1 In respect of every decision made the Council will:

- (a) above all be clear about the nature and extent of the risks to which the Council may become exposed;
- (b) be certain about the legality of the decision reached and the nature of the transaction, and that all authorities to proceed have been obtained;
- (c) be content that the documentation is adequate both to deliver the Council's objectives and protect the Council's interests, and to deliver good housekeeping;
- (d) ensure that counterparties are judged satisfactory in the context of the Council's creditworthiness policies, and that limits have not been exceeded;
- (e) be content that the terms of any transactions have been fully checked against the market, and have been found to be competitive.

3.1.3.2 In respect of borrowing and other funding decisions, the Council will:

- (a) consider the ongoing revenue liabilities created and the implications for the Council's future plans and budgets to ensure that its capital plans and investment plans are affordable, proportionate to the Council's overall financial capacity, and are within prudent and sustainable levels. This evaluation will be carried out in detail for three budget years ahead;
- (b) evaluate the economic and market factors that might influence the manner and timing of any decision to fund;
- (c) consider the merits and demerits of alternative forms of funding, including (but not exclusively) funding from revenue, leasing and private partnerships;
- (d) consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use.

3.1.3.3 In respect of investment decisions, the Council will:

- (a) consider the risks to capital and returns and the implications for the Council's future plans and budgets;
- (b) consider the need for borrowing (both the amount and period): if the investment amount or period is not necessary for treasury management liquidity purposes, the objectives and justification for the investment need to be set out clearly;

- (c) consider the optimum period, in the light of cash flow availability and prevailing market conditions;
- (d) consider the alternative investment products and techniques available, especially the implications of using any which may expose the Council to changes in the value of its capital.

TMP4 Approved Instruments, Methods And Techniques

4.1 Approved Activities Of The Treasury Management Function

- (a) borrowing;
- (b) lending;
- (c) debt repayment and rescheduling;
- (d) consideration, approval and use of new financial instruments and treasury management techniques;
- (e) managing the underlying risk associated with the Council's capital financing and surplus funds activities;
- (f) managing cash flow;
- (g) banking activities;
- (h) leasing.

4.2 Approved Instruments For Investments

All investments will comply with the Council's Annual Investment Strategy (which takes into account guidance issued by the Secretary of State concerning Local Authority investments). The instruments used will be:

- (a) term deposits with banks and building societies;
- (b) term deposits with non-rated subsidiaries of an institution meeting the basic credit criteria;
- (c) Debt Management Office;
- (d) Treasury Bills;
- (e) term deposits with other Local Authorities and Parish Councils;
- (f) Money market funds that meet the criteria set in the investment policy;
- (g) Ultra-Short dated Bond Funds;
- (h) Property Funds.

4.3 Approved Methods And Sources Of Raising Capital Finance

Finance will only be raised in accordance with the Local Government Act 2003, and within this limit the Council has a number of approved methods and sources of raising capital finance.

Borrowing will only be undertaken in keeping with the contents of the Prudential Code and within the limits determined through the approved Prudential Indicators and Treasury Management Strategy and, in respect of any long term borrowings, following consultation with the Corporate Director of Resources.

All forms of funding will be considered dependent on the prevailing economic climate, regulations and local considerations. The Corporate Director of Resources has delegated powers through this policy and the strategy to take the most appropriate form of borrowing from the approved sources.

TMP5 Organisation, Clarity And Segregation Of Responsibilities, and Dealing Arrangements

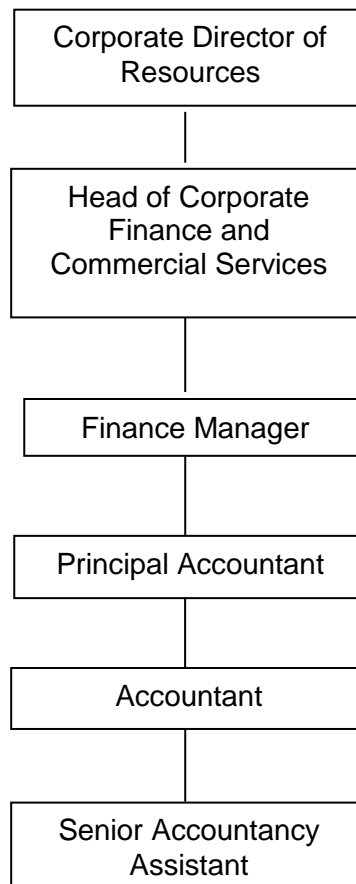
5.1 Limits To Responsibilities/Discretion At Council/Director Levels

- (a) The Council will receive and review reports on its treasury management policies, practices and activities, including as a minimum, an annual Treasury Management Strategy and plan in advance of the year, a mid-year review and an annual report after its close.
- (b) The Council will approve the annual Treasury Management Strategy.
- (c) The Corporate Director of Resources will be responsible for amendments to the Council's adopted clauses, treasury management policy statement and treasury management practices.

5.2 Principles And Practices Concerning Segregation Of Duties

The Corporate Director of Resources will ensure there is always adequate segregation of duties in all transactions.

5.3 Treasury Management Organisation Chart



5.4 Statement Of Duties/Responsibilities Of Each Treasury Post And Other Officers Involved With Treasury Management

5.4.1 Corporate Director of Resources

- (a) the responsible officer is the person charged with professional responsibility for the treasury management function and in this Council is the Corporate Director of Resources. They will:
 - (i) recommend clauses, treasury management policy/practices for approval, review the same regularly and monitor compliance;
 - (ii) submit treasury management reports to Council;
 - (iii) authorise and maintain TMPs and Schedules;
 - (iv) set, submit and monitor budgets;
 - (v) review the performance of the treasury management function;
 - (vi) ensure the adequacy of treasury management resources and skills and the effective division of responsibilities within the treasury management function;
 - (vii) ensure the adequacy of internal audit and liaise with external audit;
 - (viii) recommend the appointment of external service providers and brokers where appropriate;
 - (ix) approve and authorise investment deals (within dealing limits – see 5.6).
- (b) the Corporate Director of Resources has delegated powers to take the most appropriate form of borrowing from the approved sources and to take the most appropriate form of investments in approved instruments;
- (c) prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the Corporate Director of Resources to be satisfied, by reference to legal and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the Council's Financial Regulations;
- (d) the Corporate Director of Resources may delegate power to borrow and invest to members of staff to conduct all dealing transactions. All transactions must be processed by at least two specified named

officers. Alternatively staff can be authorised to act as temporary cover for leave/sickness.

5.4.2 Head of Corporate Finance and Commercial Services

The treasury responsibilities of this post will be to assist the Corporate Director of Resources to:

- (a) formulate the Treasury Management Strategy;
- (b) identify and recommend opportunities for improved practices;
- (c) supervise treasury management staff;
- (d) monitor performance;
- (e) review the performance of treasury management functions.

5.4.3 Finance Manager

The treasury responsibilities of this post will be to assist the Corporate Director of Resources and the Head of Corporate Finance and Commercial Services to:

- (a) formulate the Treasury Management Strategy;
- (b) produce the treasury management reports to Council;
- (c) identify and recommend opportunities for improved practices;
- (d) supervise treasury management staff;
- (e) monitor and review the performance of treasury management functions;
- (f) implement the Treasury Management Strategy;
- (g) approve and authorise investment deals (within dealing limits – see 5.6);
- (h) approve CHAPS payments/Faster Payments according to the limits in the Table of Payment Approval Responsibilities below;
- (i) arrange rescheduling or premature repayment of existing borrowings.

5.4.4 Principal Accountant

This posts responsibilities are to assist the Finance Manager – Commercial Capital Treasury to:

- (a) formulate the Treasury Management Strategy;
- (b) identify and recommend opportunities for improved practices;
- (c) supervise treasury management staff;
- (d) monitor and review the performance of treasury management functions;
- (e) implement the Treasury Management Strategy;
- (f) approve and authorise investment deals (within dealing limits – see 5.6);
- (g) approve CHAPS payments/Faster Payments according to the limits in the Table of Payment Approval Responsibilities below.

5.4.5 Accountant

This post has responsibilities to:-

- (a) calculate daily cash balances;
- (b) monitor performance and market conditions on a day to day basis and recommend investments;
- (c) adhere to agreed policies and procedures on a day to day basis;
- (d) enter transmission of monies via Lloyds Banking system;
- (e) approve CHAPS payments/Faster Payments according to the limits in the Table of Payment Approval Responsibilities below;
- (f) select Brokers from approved list;
- (g) submit management information reports;
- (h) maintain cash flow projections;
- (i) record investment deals and obtain third party loan confirmation;

- (j) identify and maintain relationships with third parties and external partners;
- (k) ensure counterparty limits are not exceeded.

5.4.6 Senior Accountancy Assistant

This post has responsibilities to:-

- (a) calculate daily cash balances;
- (b) enter transmission of monies via Lloyds Banking system;
- (c) select Brokers from approved list;
- (d) adhere to agreed policies and practices on a day to day basis;
- (e) submit management information reports;
- (f) maintain cash flow projections;
- (g) obtain third party loan confirmation;
- (h) ensure counterparty limits are not exceeded.

Table of Payment Approval Responsibilities

Monetary Limit per Investment	Number of Approvers	Level of Approver Required
Up to £100,000	1	Any one of Accountant/Principal Accountant/Finance Manager
£100,000 to £20,000,000	2	Any two of Accountant/Principal Accountant/Finance Manager
£20,000,000 to £30,000,000	2	Any two of Principal Accountant/Finance Manager

5.5 **Absence Cover Arrangements**

The Corporate Director of Resources has ensured that adequate arrangements are in place to cover staff absences.

5.6 **Investment Dealing Limits**

Investments must be with approved counterparties and be within money and time limits determined by the Treasury Management Strategy. Dealing approval limits are detailed in the table below:

Officers	Dealing Approval Limits	
	Call Deposits	Notice & Fixed Term Deposits
Corporate Director of Resources and Head of Corporate Finance and Commercial Services	As per counterparty list, and within money and time limits set out in the Treasury Management Strategy (para 44).	As per counterparty list, and within money and time limits set out in the Treasury Management Strategy (para 44).
Finance Manager	As per counterparty list, and within money and time limits set out in the Treasury Management Strategy (para 44).	As per counterparty list, within money limits set out within the Treasury Management Strategy (para 44) and up to a time limit of 12 months
Principal Accountant	As per counterparty list, and within money and time limits set out in the Treasury Management Strategy (para 44).	As per counterparty list set out within the Treasury Management Strategy (para 44), up to a money limit of £5m and up to a time limit of 6 months

5.7 List Of Approved Brokers

A list of approved brokers can be found at paragraph 11.1.2.

5.8 Policy On Brokers' Services

It is the Council's policy to divide business between brokers.

5.9 Policy On Recording Of Conversations

It is not Council policy to record broker's conversations

5.10 Direct Dealing Practices

It is an acceptable practice for the Council to make direct dealings with suitable counterparties if the use of brokers does not provide a satisfactory financial arrangement at any time.

5.11 Settlement Transmission Procedures

All payments and repayments resulting from the treasury management function will be made via the authority's bank account using the electronic payment facility (with Lloyds Banking system). Only authorised officers can transmit, approve or release payments, protected by appropriate passwords and a card operated security arrangement. A manual back up facility, agreed with Lloyds Bank, is in place to cover system failure.

5.12 Documentation Requirements

For each deal undertaken a record is prepared giving details of the amount, period, counterparty, interest rate, dealing date, payment date(s), broker.

5.13 Arrangements Concerning The Management Of Third-Party Funds

The Council manages funds under delegated powers for the Office of the Durham Police, Crime and Victims' Commissioner, the Durham County Council Pension Fund and the North East Combined Authority.

TMP6 Reporting Requirements And Management Information Arrangements

6.1 Annual Treasury Management Strategy Statement

The Treasury Management Strategy Statement sets out the specific expected treasury activities for the forthcoming financial year. This strategy will be submitted to Council for approval before the commencement of that financial year.

The formulation of the annual Treasury Management Strategy Statement involves determining the appropriate borrowing and investment decisions in light of the anticipated movement in both fixed and shorter term variable interest rates.

The Treasury Management Strategy Statement is concerned with the following elements:

- (a) summary Treasury Position;
- (b) borrowing Strategy;
- (c) other Debt and Long Term Liability Plans;
- (d) annual Investment Strategy;
- (e) non-Treasury Investments;
- (f) treasury Management Indicators;
- (g) prudential Indicators;
- (h) MRP Policy Statement;
- (i) other Matters.

6.2 Mid-Year Review Of Treasury Management Activity

The Council reviews its treasury management activities and strategy on a quarterly and half yearly basis. A report will be presented to Council detailing performance for the six months to 30th September against the items reported in the annual strategy. The report will be presented to Council at the earliest practicable meeting after the mid-year point.

6.3 Annual Performance Report

An annual report will be presented to the Council at the earliest practicable meeting after the end of the financial year, but in any case, by the end of September. This report will include the following:

- (a) summary Treasury Position;
- (b) borrowing Activity;
- (c) other Debt and Long Term Liability Activity;
- (d) investment activity;
- (e) treasury Management Indicators;
- (f) prudential Indicators;

6.4 Quarterly Performance Reports

The reporting of treasury management performance against forward looking indicators is reported quarterly as part of the Council's integrated revenue and capital monitoring. A report is not required to be taken to full Council.

TMP7 Budgeting, Accounting And Audit Arrangements

7.1 Statutory/Regulatory Requirements

The Council's accounts are drawn up in accordance with the Code of Practice on Local Authority Accounting in Great Britain. This is recognised by statute as representing proper accounting practices.

7.2 Accounting Practices And Standards

The Council adopts in full the principles set out in:

- (a) the CIPFA Code of Practice on Treasury Management in the Public Services;
- (b) the CIPFA Prudential Code for Capital Finance in Local Authorities;
- (c) the Code of Practice on Local Authority Accounting in the United Kingdom (Statement of Recommended Practice);
- (d) Statutory Guidance on Local Authority Investments;
- (e) Statutory Guidance on Minimum Revenue Provision; and
- (f) any other mandatory guidance covering this service area.

7.3 Budgeting And Accounting Arrangements

The Finance Manager will prepare an annual budget for treasury management, which will bring together all the expenditure incurred with regard to this activity, as well as the associated income. The Finance Manager will exercise effective controls over this budget, and will report upon and recommend any changes required in accordance with section TMP6 *Reporting Requirements and Management Information Arrangements*.

All transactions for loans, repayments and interest paid and received are recorded to general ledger codes reserved for these purposes.

7.4 List Of Information Requirements Of Internal And/Or External Auditors

The Council will ensure that all those charged with regulatory review, including internal and external auditors, have access to all information and papers supporting the activities of the treasury management function.

TMP8 Cash And Cash Flow Management

8.1 Arrangements For Preparing/Submitting Cash Flow Statements

Cash flow projections are prepared annually, monthly and daily. The annual and monthly cash flow projections are prepared from the previous years' cash flow records, adjusted for known changes in levels of income and expenditure and also changes in payment and receipts dates. These details are supplemented on an ongoing basis by information received of new or revised amounts to be paid or received as and when they are known.

TMP9 Money Laundering

9.1 Procedures For Establishing Identity/Authenticity Of Lenders

The Council will only accept loans from individuals where the funds are transferred through a United Kingdom domiciled bank account. All other loans are obtained from the PWLB or from authorised institutions under the Financial Services and Markets Act 2000. The Financial Conduct Authority (FCA) is responsible for maintaining a register of authorised institutions. This register can be accessed through their website at <https://register.fca.org.uk/>

9.2 Reconciliation of Deposits

All deposits are identified and reconciled on a daily basis. The source of each deposit is verified so they can be allocated to the appropriate fund within the main accounting system. Staff will be kept aware of developments in money laundering regulations and will be encouraged to keep abreast of money laundering issues through specific training, publications and the internet. The Council's nominated Money Laundering Reporting Officer (MLRO), the Chief Internal Auditor & Corporate Fraud Manager is responsible for reporting on the Council's Anti-Money Laundering Policy. The latest policy was approved by [Audit Committee on 28 November 2022](#)

TMP10 Staff Training And Qualifications

10.1 Details Of Training Arrangements

The Corporate Director of Resources will ensure that staff engaged in treasury management activities are appropriately trained, so they can carry out their duties to the required standards.

Staff employed in the treasury management function will be qualified to the level that is appropriate to their post. All staff will be given appropriate basic training before fulfilling their treasury management duties for the first time and will be expected to undertake continuous training as appropriate to enable them to keep up to date with all aspects of treasury management within their responsibility.

Training courses run by CIPFA and other training providers such as our treasury management advisors will form the major basis of ongoing staff and member training. Records will be kept of all courses and seminars attended by staff and Members.

CIPFA members are required to abide by CIPFA's Ethics Standard on Professional Practice (SOPP).

TMP11 Use Of External Service Providers

11.1 Details Of Contracts With Service Providers, Including Bankers, Brokers, Consultants, Advisers

11.1.1 Banking services

- (a) the supplier of banking services is Lloyds Bank plc. The branch address is:

19 Market Place
Durham
DH1 3NL
- (b) the current contract commenced on 5 January 2015 for an initial 5 year period (the 'minimum period'), and subject to the terms of the contract will continue after the expiry of the minimum period until terminated by either party giving not less than one years written notice;
- (c) cost of service is variable depending on schedule of tariffs and volumes agreed at the beginning of the contract.

11.1.2 Money-broking services

Name of suppliers of service:

- (a) Martin Brokers (UK) plc;
- (b) tradition (UK) Ltd;
- (c) King and Shaxson;
- (d) BGC Brokers;
- (e) Tullett Prebon (Europe) Limited.

The Corporate Director of Resources may add brokers to the list during the year, providing they meet the council's standards and requirements. No commission is paid by the Council to any money broker.

11.1.3 Consultants/advisers services

- (a) Treasury Consultancy Services are provided by:

Link Asset Services
65 Gresham Street
London
EC2V 7NQ

- (b) Leasing Consultancy Services are provided by:
Link Asset Services
65 Gresham Street
London
EC2V 7NQ

- (c) External Fund Managers:

There are none at present.

External Fund Managers and other consultancy services may be employed on short term contracts as and when required.

TMP12 Corporate Governance

12.1 List Of Documents To Be Made Available For Public Inspection

To support the implementation of a robust corporate governance policy, the following documents are available for public inspection:

- (a) treasury Management Policy Statement;
- (b) treasury Management Strategy Statement;
- (c) annual Investment Strategy;
- (d) minimum Revenue Provision Policy Statement;
- (e) mid-year Treasury Management Review;
- (f) annual Treasury Management Review Report;
- (g) annual Statement of Accounts; and
- (h) annual Budget.

Appendix 13: Property Investment Strategy

Purpose

- 1 The purpose of the Property Investment Strategy is to set out the Council's objectives relating to investing in property. It identifies the benefits, risks and approach to acquiring property in order to support the Council's priorities.

Definition of an Investment Property

- 2 This strategy defines an investment property as "an asset acquired by the Council for the purposes of income generation and profit creation", in line with the definition in the Statutory Guidance issued under Section 15(1)(a) of the Local Government Act 2003. Through the acquisition there may be secondary benefits achieved, such as new jobs created or existing jobs safeguarded. However, the primary purpose of the acquisition as an investment will be to provide a source of income to the Council.

Introduction

- 3 Over the past five years local authority investment within the commercial property market has grown, due to the return on investment opportunities presented by this market segment. As a result of the changing nature of budgets in local government, the Council is looking towards this market to support its overall priorities.
- 4 To ensure that investment decisions fit with the Council's requirements, this strategy has been prepared to set out the investment framework and policy to apply to the acquisition of commercial property investments. This will ensure that any opportunities considered are evaluated against agreed criteria and the risks and returns associated with these investments are fully appraised.
- 5 The overall aim of the strategy is to create a framework that ensures that all relevant issues are considered when the Council analyses a property investment opportunity. The Council will need to balance commercial risks against the opportunity to delivering term, sustainable revenue streams for the Council, together with potential for capital growth from investments. Investments could also help to generate economic growth and secure or protect jobs. The objectives of this strategy will ensure acquisition, management and returns relating to investments made continue to deliver against the Council's priorities throughout their lifespan.
- 6 Set against key objectives the strategy will not only cover the income opportunities for the Council, but also the wider regeneration benefits that will

be delivered, particularly in relation to acquisitions within the County boundary.

Objectives

- 7 The key objectives of the Property Investment Strategy are consider investment opportunities which achieve the following:
 - (a) delivers a sustainable revenue stream;
 - (b) contributes towards a balanced investment portfolio;
 - (c) protects existing capital value or delivers capital growth opportunities, as the market dictates;
 - (d) maximises income within the agreed acceptable risk levels;

Investment Proposal

- 8 The Council have already taken opportunities to invest in property located within the County, where this decision has met the wider council objectives. This consists of surplus freehold Council properties, that have been converted to successful commercial lets and leasehold properties sublet for income generation and to support regeneration.
- 9 Examples include the surplus Priory House now leased to Northumbria Water and the Council taking the head lease at Freemans Reach to support the retention of civil service jobs in Durham. Investment properties are defined separately for accounting purposes and will be identified as such within the asset register. Annex 1 provides a list of current properties held by the Council for investment purposes, which provide a rental income of approximately £540,000 per annum. This level of income is comparably small when compared with council gross expenditure of almost £1.4 billion.
- 10 This strategy forms the basis for the council investing in property on a balanced and risk assessed basis. The Council will consider acquiring investment interests in property, including the acquisition of head leases benefitting from the security of tenure the Council covenant can provide to investment institutions and developers. In addition freehold opportunities are not to be discounted, to provide the Council with flexibility should appropriate opportunities arise.

Investment Criteria

- 11 In order to assess whether an investment meets the objectives set out in the strategy, clear criteria have been established that forms the basis of an initial appraisal. These are set out in Table 1 below:

Table 1 - Investment Criteria

A. Location	<p>The priority of the strategy is to invest in the geographical and administrative boundary of County Durham as this meets the key objectives and minimises risk to the Council, in addition to providing wider benefits to the County's economy. This could also include investment opportunities that sit on the periphery of the County boundary, where it is proven that they meet the key objectives.</p>
B. Economic Development	<p>Opportunities in relation to economic development require consideration for any investment, in order to understand the wider benefits to the County. This should take into account relevant factors, including but not limited to inward investment potential, job creation and the quality of jobs created.</p>
C. Sector	<p>The consideration of sectors will be specific to each investment opportunity and will need to be appraised as such. Market performance, growth, alignment with key partners and supply and demand within sectors will need to be considered in terms of location within County Durham.</p> <p>To ensure an appropriate risk profile is achieved investments should be cross sector to enable diversification of risk and a spread across sectors. This will prevent over exposure in specific sectors.</p>
D. Tenure	<p>The acquisition of head leases will be considered and fully appraised, although freehold opportunities will also be considered, should appropriate opportunities arise. The strategy will prioritise the opportunities for return on investment balancing commercial risk and regeneration benefits against commercial risk.</p>
E. Tenant Performance	<p>Head lease and freehold options would result in the Council subletting in order to raise income. The initial appraisal will need to review the quality of tenants and the ability to observe rental commitments. This tenant risk profiling exercise is essential as it directly affects the risk profile of the investment.</p>

	<p>Full legal and financial due diligence will be required as part of the appraisal process. In addition, the activities undertaken by the tenant will need to be reviewed by the Council to ensure they are considered appropriate for public investment.</p>
<p>F. Occupier's Lease Length</p>	<p>The length of lease agreements is a key consideration for any investment decision and the Council will need to consider the risks associated with potential void levels and the ability to attract good quality tenants at appropriate rental levels. Shorter lease lengths and break clauses further compound this, although this should be reflected in the rental level received.</p> <p>In terms of risk profile the principle of the longer the lease the more secure the investment applies. However, this should consider break options that may exist in the agreement, alongside the financial status of the tenant.</p>
<p>G. Rental Income</p>	<p>Rental income will be considered alongside lease length and covenant strength as part of the appraisal. This will need to take into account cost of voids, rental levels, rent reviews and break clauses.</p>
<p>H. Building Quality</p>	<p>Consideration of the building age and specification is a deciding factor in any investment as it can determine the lifespan, condition and capital expenditure levels required to ensure it remains available for let. An initial appraisal of this will be completed to consider the quality of the building against the proposed length of the Council's tenure.</p> <p>In addition, any acquisition of new build will need to consider the track record of the developer and main contractor, together with the security of warranties and contractual arrangements.</p>
<p>I. Repairing Obligations</p>	<p>Leases in the market can vary in terms of the repairing responsibilities that the landlord retains. In terms of initial appraisal, lease terms that transfer the repairing obligation to the tenant are more favourable, than those that require the landlord take more responsibility.</p>

J. Yield / Return	Yield will be considered as part of the initial appraisal and will be directly impacted by a number of the other appraisal criteria. This will inform the return anticipated on the investment, which would need to be considered acceptable in order to progress further.
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Governance Arrangements

- 12 All investment opportunities will need to be subject to an initial appraisal. The initial appraisal will be carried out at officer level and if considered appropriate will be then progress to a full business case. The business case will set out the detailed due diligence work, risk assessment and confirm that the investment meets the key objectives in order to establish the suitability of the investment. In some cases, the appointment of an external investment advisers may be required, where additional advice is necessary.
- 13 The completed full business case will need to be submitted to the Head of Corporate Finance and Commercial Services who will be required to work with service, property, legal and technical experts to assess the opportunity. The current constitution requires that any decision on investment will then need to go to Cabinet for approval. However due to the fast paced nature of the investment process delegated powers may need to be utilised on occasion with full consultation with Portfolio Holders. All acquisitions will be subject to a building survey, valuation and completed business case.

Management Arrangements

- 14 All investment properties held by the Council will be subject to appropriate management, monitoring and review throughout the financial year. Any variation from budgeted performance will be reported as part of the quarterly forecast of outturn reports to Cabinet and Scrutiny. If performance is lower than originally forecast considerations will be given to opportunities to improve performance. Active management of the portfolio on a day to day basis will be undertaken by the council's Corporate Property and Land and Finance Teams, in line with the proposed Corporate Landlord model.
- 15 If an investment is considered to be underperforming, or no longer meets the key objectives then an exit strategy will be prepared.

Annex1 – Existing Investment Properties

UPRN	Asset Name	Acquired by DCC	DCC Tenure
50621S01	Durham Wearside House (National Savings)	28/01/15	Leasehold
50658S01	Durham Freemans Reach (Passport Office)	18/03/16	Leasehold
50659S01	Durham Freemans Reach Kiosk	18/03/16	Leasehold
50660S01	Durham Freemans Reach Hydro-Turbine	28/01/15	Leasehold
3372S01	Northumbria House, Aykley Heads, Durham	Transferred to investment 01/11/14	Freehold
3230S01	Priory House, Pity Me, Durham	Transferred to investment 04/07/16	Freehold

County Council

22 February 2023

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



Report of Paul Darby, Corporate Director of Resources

**Councillor Richard Bell, Deputy Leader and Cabinet Portfolio Holder
for Finance**

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 To provide members with financial information and forecasts to enable the Council to set the council tax for 2023/24.

Executive summary

- 2 The Local Government Finance Act 1992 and subsequent amendments (the Act) requires the council to set its council tax before 11 March each year.
- 3 In setting the council tax, the council is required to make certain calculations and to approve a number of resolutions in accordance with the Act. The detailed calculations are set out in Appendices 2 to 5 to this report.
- 4 The recommended council tax at Band D for the council is £1,842.25 for 2023-24. This represents an increase from 2022/23 of £87.56 or 4.99% and is inclusive of an Adult Social Care precept of 2%, in line with Government guidance to help offset the rising costs of Adult Social Care services to vulnerable adults. The council tax at Band D, including the County Durham and Darlington Fire and Rescue Authority and the Durham Police, Crime and Victims' Commissioner precepts is £2,212.18 in 2023/24.
- 5 County Durham and Darlington Fire and Rescue Authority has set a Band D council tax of £114.69 for 2023/24. This represents an increase of £5.00 or 4.56% year on year.

- 6 The Durham Police, Crime and Victims' Commissioner has set a Band D council tax of £255.24 for 2023/24. This represents an increase of £15.00 or 6.24% year on year.
- 7 There is an additional council tax charge in any parished area where a precept has been served on the council as billing authority and, in the former City of Durham District Council area, an additional sum for the Charter Trustees for the City of Durham. The town and parish council precepts for 2023/24 total £15,143,449, which results in an average Band D council tax of £130.75, a year on year increase of £6.32 or 5.08% from 2022/23. Full details of individual parish precepts and individual parish council tax charges in those areas are provided in Appendix 3.
- 8 The council has estimated the collection fund deficit as at 31 March 2023 to be £2.378 million for council tax, as reported to Cabinet on 16 November 2022. This is made up of a 2022/23 in year surplus of £0.211 million, and a £2.589 million brought forward undeclared deficit from 2021/22. The deficit is shared between the council, County Durham and Darlington Fire and Rescue Authority and Durham Police, Crime and Victims' Commissioner in proportion to the 2022/23 demands/precepts.

Recommendations

- 9 The Council is recommended to:
 - (a) note 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) agree that 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) note 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) note 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) 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, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992 (as amended).

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) agree 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) agree that 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) set a 0% discount for Second and Empty Furnished Homes, in accordance with Section 11A (3) of the Act.
- (j) set a 0% discount for dwellings defined in classes C or D, in accordance with Section 11A (4A) of the Act.
- (k) 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) instruct the Chief Executive to publish a notice in accordance with Section 38 (2) of the Act, relating to the amounts of council tax set.
- (m) instruct the Chief Executive to publish a notice in accordance with Section 11A (6) and 11B (6) of the Act, relating to the discount set.

Background

Council Tax Levels

- 10 The Local Government Finance Act 1992 and subsequent amendments (the Act) requires the council to set its council tax before 11 March 2023.
- 11 The Localism Act 2011 and the Local Audit and Accountability Act 2014 made significant changes to the Local Government Finance Act 1992, and require the council as 'billing authority' to calculate its 'council tax' requirement for the year.
- 12 In setting the council tax, the council is required to make certain calculations and to approve a number of resolutions in accordance with the Act and the detailed calculations are set out in Appendices 2 to 5.
- 13 The recommended council tax at Band D for the council is £1,842.25 for 2023/24. This represents an increase of £87.56 or 4.99% from 2022/23 and includes an Adult Social Care precept of 2%, which is in line with Government guidance to help offset the rising costs of Adult Social Care services to vulnerable adults. The council tax at Band D including the Fire and Police precepts is £2,212.18.
- 14 County Durham and Darlington Fire and Rescue Authority has set a Band D council tax of £114.69 at its meeting on 15 February 2023. This represents a year on year increase of £5.00 or 4.56%.
- 15 The Durham Police, Crime and Victims' Commissioner has set a Band D council tax of £255.24 at its meeting on 1 February 2023. This represents a year on year increase of £15.00 or 6.24%.
- 16 There will also be an additional council tax in any parished area where a precept has been served on the council as billing authority and, in the former City of Durham District Council area, an additional sum for the Charter Trustees for the City of Durham.
- 17 The Act requires authorities to calculate their council tax requirement for the coming financial year from which council tax levels are calculated. The details are set out in Appendix 2.

Estimated Collection Fund Deficit for 2022/23

- 18 The council has to determine the estimated surplus or deficit on its collection fund as at 31 March 2023, and under normal circumstances transfer the surplus or deficit to the General Fund and include it in the calculation of the council tax for the forthcoming year.

- 19 The estimated deficit is shared between the council, County Durham and Darlington Fire and Rescue Authority and Durham Police, Crime and Victims' Commissioner in proportion to the 2022/23 demands/precepts. In line with the statutory deadlines, the Fire and Rescue Authority and the Durham Police, Crime and Victims' Commissioner have been informed of their respective shares of the forecast deficit.
- 20 In July 2020 the government however, announced that repayments to meet any collection fund deficits accrued in 2020/21 would be phased over a three-year period (2021/22 to 2023/24) to ease immediate pressures on budgets, rather than the full amount being accounted for in 2021/22.
- 21 At the 2020/21 budget setting stage the estimated in year outturn for the council tax element of the Collection Fund was a deficit of £5.720 million. In the preceptors' 2021/22 budgets one third of this sum (£1.907 million) had to be repaid to the Collection Fund.
- 22 In forecasting the 2022/23 outturn for the Collection Fund the final repayment of the 2020/21 deficit must be included. The sum again being £1.907 million.
- 23 The 2022/23 forecast Collection Fund position must also take into account the final outturn position for 2021/22. The final outturn position had deteriorated from the 2022/23 budget setting stage, with an increase (undeclared) in the deficit of £2.589 million. This undeclared deficit for 2021/22 must also be taken into account in the 2022/23 Collection Fund.
- 24 The council has estimated the council tax collection fund deficit to be £2.378 million as at 31 March 2023 (as reported to Cabinet on 16 November 2022). This is made up of a 2022/23 in year surplus of £0.211 million, and £2.589 million (including third and final instalment of the phasing of the 2020/21 declared deficit of £1.907 million) brought forward undeclared deficit from 2021/22.
- 25 The total estimated deficit of £2.378 million, will be distributed as shown in the following tables:

Durham County Council	23/24
	£m
Share of deficit b/f	0.574
Share of 2020/21 deficit	1.612
Share of in-year surplus	-0.177
TOTAL	2.009

Durham Police, Crime and Victims' Commissioner	23/24
	£m
Share of deficit b/f	0.074
Share of 2020/21 deficit	0.198
Share of in-year surplus	-0.023
TOTAL	0.249

County Durham and Darlington Fire and Rescue Authority	23/24
	£m
Share of deficit b/f	0.034
Share of 2020/21 deficit	0.097
Share of in-year surplus	-0.011
TOTAL	0.120

Council Tax Calculations

Basic Council Tax for 2023/24

- 26 The Council's Cabinet set the council tax base at 145,675.9 Band D equivalent properties at its meeting on 16 November 2022 along with the tax bases for all Town and Parish Councils. These are shown at Appendix 3.
- 27 The Act requires a council tax to be set for each value category of dwelling based on property prices as at 1991 upon a range of values between Bands A to H for its area; where Band A equates to values below £40,000 and Band H equates to values above £320,000. The council tax bands and the ratio of each band is as follows:

Band	A	B	C	D	E	F	G	H
Proportion	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9

- 28 The council tax set will relate to a Band D property. For other bands different proportions will apply. For example, Band A properties will be charged 6/9 (two thirds) of a Band D property and Band H properties will be charged 18/9 (double) of a Band D property.
- 29 56.6% of the council tax payers in County Durham live in Band A valued properties. The proposed Band A council tax for Durham County Council for 2023/24 is £1,228.16, which equates to an increase from 2021/22 of £1.12 pence per week.

Town and Parish Councils (including the Charter Trustees for the City of Durham)

- 30 The calculation of the additional tax for areas where parish precepts apply is based on the precepts submitted by each town and parish council divided by the tax base approved at the Cabinet meeting on 16 November 2022 for their respective areas.
- 31 All of the town and parish council precepts for 2023/24 are detailed in Appendix 3 and total £15,143,449. The precepts, when compared to 2021/22, show an increase in the average Band D council tax for town and parish councils of £6.32 or 5.08% and result in an average Band D council tax figure of £130.75 for 2023/24 across parished areas. It is important to note the £130.75 relates only to parished areas i.e. this figure excludes unparished areas within the county.
- 32 Separate arrangements are needed for the Charter Trustees for the City of Durham as the precept will apply across the whole of the area covered by the former City of Durham District Council. A precept of £53,937 has been levied and this is also shown in Appendix 3. This equates to a council tax at Band D of £2.00 and will be paid in addition to the County Council's Council Tax by those taxpayers living in the former City of Durham District Council area. There has been a £0.10 increase in the Band D council tax for the Charter Trustees for the City of Durham from 2022/23 to 2023/24, representing a year on year increase of 5.26%.

County Durham and Darlington Fire and Rescue Authority

- 33 County Durham and Darlington Fire and Rescue Authority is a separate body responsible for its own financial affairs. It agreed a 4.56% increase in Council Tax for 2023/24 on 15 February 2023. This will result in a Band D Council Tax of £114.69, a year on year increase of £5.00.

Durham Police, Crime and Victims' Commissioner

- 34 Durham Police, Crime and Victims' Commissioner is a separate body responsible for its own financial affairs. It agreed a 6.24% increase in

Council Tax for 2023/24 on 1 February 2023. This will result in a Band D Council Tax of £255.24, a year on year increase of £15.00.

Conclusions

- 35 The recommendations of the council for council tax setting purposes are set out in the formal Council Tax Resolution in paragraph 9.
- 36 If the formal Council Tax Resolution is approved, the total Band D council tax, excluding Parish Councils and the Charter Trustees for the City of Durham will be as follows:

	2023/24	Year on Year Increase
	£	%
Durham County Council	1,594.10	2.99
Durham County Council – Adult Social Care	248.15	2.00
County Durham and Darlington Fire and Rescue Authority	114.69	4.56
Durham Police, Crime and Victims' Commissioner	255.24	6.24
Total	2,212.18	5.11

- 37 Durham County Council's Council Tax and the Parish and Town Council precepts, including the Charter Trustees for the City of Durham, for each band of property is shown in Appendix 4.
- 38 The total council tax for each of the parish areas and the remaining unparished area of the County is calculated by adding the charges for the billing authority to those of the Fire and Rescue Authority and Durham Police, Crime and Victims' Commissioner. The overall council tax for each category of dwelling in each parish area, and the remaining areas where there are no parish precepts, is set out in Appendix 5.

Background Papers

- The Local Government Finance Act 1992 (and subsequent amendments).
- Cabinet – 16 November 2022 – Council Tax Base 2023/24 and Forecast Deficit on the Council Tax Collection Fund as at 31 March 2022.
- Cabinet -16 November 2022 - Forecast of Revenue and Capital Outturn 2022/23 – Period to 30 September 2022 and Update on progress towards achieving MTFP(12) Savings.

Appendix 1: Implications

Legal

This report sets out recommendations in accordance with the requirements of the Local Government Finance Act 1992 (and subsequent amendments).

Finance

The report sets out recommendations for setting the council tax for 2023/24

Consultation

None

Equality and Diversity / Public Sector Equality Duty

None

Climate Change

None

Human Rights

None

Crime and Disorder

None

Staffing

None

Accommodation

None

Risk

In terms of the council tax requirement set out in the council's budget for 2023/24, we are confident in achieving the collection rate required and therefore the risks to the council are minimal.

Regarding the other precepting bodies set out in this report, the council acts as an agent in terms of collecting precepts on their behalf which is no risk to the council.

Officers will however continue to carefully track and monitor the council tax base and collection fund performance.

Procurement

None

**Appendix 2: Calculation of the Council Tax Requirement for
Durham County Council and Town and Parish Councils for 2023/24**

	£
County Council's Net Expenditure	539,251,491
Less:	
Business Rates - local share	55,712,017
Top Up Grant	75,955,786
Revenue Support Grant	32,990,605
Section 31 Grant	34,468,228
Services Grant	5,148,000
Collection Fund deficit	-3,895,000
New Homes Bonus	1,860,048
Adult/Childrens Pressures Grant	49,563,801
Use of Earmarked Reserves	18,378,232
Use of Cash Limit Reserves	698,347
Council Tax Requirement (County Council only)	268,371,427
Town and Parish Council Precepts	15,143,449
Council Tax Requirement (including Town and Parish Councils)	283,514,876

Appendix 3: Schedule of Council Tax by Town and Parish Council within Durham County Council 2023/24

	2022/23			2023/24			Council Tax Increase %
	Tax Base No.	Precepts £	Council Tax Band D £	Tax Base No.	Precepts £	Council Tax Band D £	
Barforth	31.7	0.00	0.00	31.5	0.00	0.00	0.00%
Barnard Castle	1,852.7	204,561.00	110.41	1,871.5	229,250.00	122.50	10.95%
Barningham	78.7	1,200.00	15.25	77.2	1,600.00	20.73	35.93%
Bearpark	544.8	23,524.46	43.18	556.3	24,021.03	43.18	0.00%
Belmont	2,923.9	92,113.00	31.50	2,932.9	101,416.00	34.58	9.78%
Bishop Auckland	4,274.2	222,685.82	52.10	4,343.3	237,621.94	54.71	5.01%
Bishop Middleham	416.1	51,413.32	123.56	419.2	51,796.35	123.56	0.00%
Bolam	45.5	0.00	0.00	43.6	0.00	0.00	0.00%
Boldron	56.3	300.00	5.33	56.4	260.00	4.61	-13.49%
Bournmoor	612.9	12,345.00	20.14	640.9	13,460.00	21.00	4.27%
Bowes	174.5	5,584.00	32.00	175.0	5,775.00	33.00	3.13%
Bradbury	58.3	1,994.15	34.20	58.8	2,003.90	34.08	-0.35%
Brancepeth	225.7	21,225.00	94.04	225.6	21,185.00	93.91	-0.14%
Brandon and Byshttles	5,298.5	226,457.00	42.74	5,407.4	242,684.00	44.88	5.01%
Burnhope	412.7	7,500.00	18.17	412.3	7,800.00	18.92	4.13%
Cassop-cum-Quarrington	1,757.4	69,786.35	39.71	1,859.2	74,572.51	40.11	1.01%
Castle Eden	308.5	10,000.00	32.41	313.5	10,000.00	31.90	-1.57%
Chilton	1,198.5	266,600.00	222.44	1,217.3	270,780.00	222.44	0.00%
City of Durham	4,494.9	156,737.17	34.87	4,641.5	242,166.56	52.17	49.61%
Cleatlam	39.3	0.00	0.00	40.8	0.00	0.00	0.00%
Cockfield	405.4	22,322.30	55.06	409.7	22,789.11	55.62	1.02%
Cornforth	606.0	78,967.00	130.31	600.2	66,220.00	110.33	-15.33%
Cornsay	274.4	16,834.00	61.35	273.7	16,791.00	61.35	0.00%
Cotherstone	276.5	7,485.00	27.07	279.0	8,250.00	29.57	9.24%
Coxhoe	1,343.4	144,643.88	107.67	1,369.2	147,415.00	107.67	0.00%
Croxdale and Hett	291.5	17,500.00	60.03	299.2	17,500.00	58.49	-2.57%
Dalton-le-Dale	539.2	15,059.86	27.93	552.8	15,439.70	27.93	0.00%
Dene Valley	815.5	15,715.00	19.27	817.2	16,532.00	20.23	4.98%
Easington Colliery	1,153.0	330,703.30	286.82	1,143.9	337,317.36	294.88	2.81%
Easington Village	836.5	150,569.00	180.00	874.9	157,482.00	180.00	0.00%
Edmondsley	147.8	7,963.46	53.88	143.5	7,731.78	53.88	0.00%
Eggleston	191.8	7,652.82	39.90	201.2	8,670.00	43.09	7.99%
Eldon	99.1	11,778.00	118.85	99.8	12,004.00	120.28	1.20%
Esh	1,424.7	110,055.68	77.25	1,435.0	110,065.68	76.70	-0.71%
Etherley	674.9	29,105.00	43.12	678.9	29,371.75	43.26	0.32%
Evenwood and Barony	672.6	56,357.15	83.79	678.2	56,826.38	83.79	0.00%
Ferryhill	2,345.8	535,006.00	228.07	2,313.9	537,746.00	232.40	1.90%
Fishburn	641.3	103,000.00	160.61	641.5	103,000.00	160.56	-0.03%
Forest and Frith	61.6	0.00	0.00	62.1	0.00	0.00	0.00%
Framwellgate Moor	1,826.6	60,423.93	33.08	1,880.1	65,295.87	34.73	4.99%
Gainford and Langton	500.0	37,121.00	74.24	499.1	36,848.00	73.83	-0.55%
Gilmonby	18.6	0.00	0.00	19.6	0.00	0.00	0.00%
Great Aycliffe	6,848.9	1,746,869.00	255.06	6,895.7	1,890,739.00	274.19	7.50%
Great Lumley	1,107.9	67,869.95	61.26	1,119.0	68,549.94	61.26	0.00%
Greater Willington	1,797.4	109,084.00	60.69	1,844.7	115,312.00	62.51	3.00%
Greencroft	149.9	6,403.73	42.72	145.5	6,215.76	42.72	0.00%
Hamsterley	187.7	4,665.00	24.85	194.1	4,750.00	24.47	-1.53%
Haswell	488.9	69,755.76	142.68	479.8	66,404.32	138.40	-3.00%
Hawthorn	200.4	8,516.00	42.50	203.5	9,632.00	47.33	11.36%
Headlam	23.1	0.00	0.00	24.5	0.00	0.00	0.00%
Healeyfield	514.8	12,820.00	24.90	518.8	13,461.00	25.95	4.22%
Hedleyhope	57.9	5,080.17	87.74	59.7	5,368.95	89.93	2.50%
Hilton	23.8	0.00	0.00	24.0	0.00	0.00	0.00%
Holwick	35.9	0.00	0.00	36.9	0.00	0.00	0.00%
Hope	8.2	0.00	0.00	8.2	0.00	0.00	0.00%
Horden	1,726.2	523,651.00	303.35	1,721.3	631,309.00	366.76	20.90%
Hunderthwaite	51.7	0.00	0.00	52.7	0.00	0.00	0.00%
Hutton Henry	434.5	38,000.00	87.46	431.9	38,000.00	87.98	0.59%
Hutton Magna	47.9	800.00	16.70	48.4	900.00	18.60	11.37%
Ingleton	188.1	8,596.17	45.70	185.3	9,305.77	50.22	9.89%
Kelloe	335.6	14,722.77	43.87	341.0	14,959.67	43.87	0.00%
Kimblesworth and Plawsworth	509.1	19,839.17	38.97	613.6	23,911.44	38.97	0.00%
Lanchester	1,484.2	70,660.78	47.61	1,481.5	73,487.21	49.60	4.18%
Langleydale and Shotton	24.3	0.00	0.00	23.5	0.00	0.00	0.00%
Lartington	65.6	1,610.00	24.54	65.0	1,664.00	25.60	4.32%
Little Lumley	499.0	9,813.30	19.67	504.3	10,750.00	21.32	8.39%
Lunedale	41.3	214.00	5.18	41.0	217.00	5.29	2.12%

	2022/23			2023/24			
	Tax Base No.	Precepts £	Council Tax Band D £	Tax Base No.	Precepts £	Council Tax Band D £	Council Tax Increase %
Lynesack and Softley	409.0	11,000.00	26.89	414.6	12,000.00	28.94	7.62%
Marwood	307.4	13,707.35	44.59	306.8	13,707.35	44.68	0.20%
Mickleton	175.4	4,080.00	23.26	172.5	6,900.00	40.00	71.97%
Teesdale	501.7	27,612.00	55.04	508.1	30,291.00	59.62	8.32%
Middridge	158.1	10,004.57	63.28	243.4	15,402.35	63.28	0.00%
Monk Hesleden	1,425.6	280,772.00	196.95	1,466.8	297,555.00	202.86	3.00%
Mordon	117.0	1,750.00	14.96	117.1	2,358.60	20.14	34.63%
Morton Tinmouth	4.7	0.00	0.00	4.6	0.00	0.00	0.00%
Muggleswick	48.6	1,200.00	24.69	48.5	1,200.00	24.74	0.20%
Murton	1,803.5	318,000.00	176.32	1,814.0	335,843.96	185.14	5.00%
North Lodge	1,101.2	34,720.84	31.53	1,146.5	36,149.15	31.53	0.00%
Ouston	871.0	36,000.00	41.33	884.0	36,000.00	40.72	-1.48%
Ovington	73.1	2,028.00	27.74	71.7	2,360.00	32.91	18.64%
Pelton	1,762.5	203,518.00	115.47	1,776.3	216,585.00	121.93	5.59%
Peterlee	4,597.7	1,401,424.94	304.81	4,664.2	1,570,995.84	336.82	10.50%
Pittington	494.7	27,780.00	56.16	492.0	31,947.00	64.93	15.62%
Raby with Keverstone	27.8	0.00	0.00	27.3	0.00	0.00	0.00%
Rokeby, Brignall and Eggleston Abbey	67.6	1,777.00	26.29	70.6	1,856.07	26.29	0.01%
Romaldkirk	95.0	3,509.00	36.94	95.2	6,703.00	70.41	90.61%
Sacrison	1,297.7	59,577.41	45.91	1,267.5	58,190.93	45.91	0.00%
Satley	121.4	4,447.00	36.63	124.2	4,500.00	36.23	-1.09%
Scargill	16.3	0.00	0.00	17.0	0.00	0.00	0.00%
Seaham	4,675.0	1,175,856.00	251.52	4,708.0	1,207,837.00	256.55	2.00%
Seaton with Slingley	416.7	12,145.00	29.15	433.5	12,266.00	28.30	-2.92%
Sedgefield	2,069.3	378,070.63	182.70	2,166.9	422,367.09	194.92	6.69%
Shadforth	619.1	19,897.87	32.14	622.6	20,008.87	32.14	0.00%
Sherburn	891.9	24,086.42	27.01	924.3	24,965.34	27.01	0.00%
Shildon	2,484.0	698,750.00	281.30	2,499.9	753,070.00	301.24	7.09%
Shincliffe	721.1	28,240.00	39.16	720.5	30,839.00	42.80	9.30%
Shotton	1,153.9	139,999.00	121.33	1,156.8	139,999.00	121.02	-0.26%
South Bedburn	81.3	786.00	9.67	80.7	777.00	9.63	-0.41%
South Hetton	715.3	109,000.00	152.38	706.1	110,000.00	155.79	2.24%
Spennymoor	6,346.9	1,394,410.00	219.70	6,480.4	1,488,159.06	229.64	4.52%
Staindrop	466.1	19,449.00	41.73	468.4	21,250.00	45.37	8.72%
Stainton and Streatlam	159.9	8,300.40	51.91	157.8	8,191.40	51.91	0.00%
Stanhope	1,647.4	48,000.00	29.14	1,654.1	48,000.00	29.02	-0.41%
Stanley Town Council	7,998.8	818,813.00	102.37	8,099.3	818,813.00	101.10	-1.24%
Startforth	451.9	19,211.00	42.51	476.6	20,260.00	42.51	0.00%
Thornley	621.4	156,512.02	251.87	626.8	157,874.18	251.87	0.00%
Tow Law	503.2	40,960.48	81.40	511.9	43,752.09	85.47	5.00%
Trimdon	1,089.4	167,793.74	154.02	1,089.7	176,182.65	161.68	4.97%
Trimdon Foundry	351.2	63,000.00	179.38	356.9	63,000.00	176.52	-1.59%
Urpeth	1,045.8	37,930.00	36.27	1,082.6	40,162.00	37.10	2.29%
Wackerfield	20.4	0.00	0.00	20.5	0.00	0.00	0.00%
Waldridge	1,453.9	65,385.00	44.97	1,462.1	65,750.64	44.97	0.00%
West Auckland	628.3	23,108.87	36.78	626.5	23,108.87	36.89	0.30%
West Rainton and Leamside	690.5	35,767.90	51.80	708.3	36,689.94	51.80	0.00%
Wheatley Hill	777.9	116,911.00	150.29	779.6	117,166.00	150.29	0.00%
Whorlton and Westwick	125.4	6,563.00	52.34	124.0	7,219.00	58.22	11.23%
Windlestone	116.9	6,000.00	51.33	114.8	6,300.00	54.88	6.92%
Wingate	1,110.9	161,000.00	144.93	1,187.1	172,046.00	144.93	0.00%
Winston	208.8	9,760.00	46.74	205.6	10,200.00	49.61	6.14%
Witton Gilbert	764.1	34,384.00	45.00	766.6	32,000.00	41.74	-7.24%
Witton le Wear	286.6	6,600.00	23.03	287.8	7,500.00	26.06	13.16%
Wolsingham	994.7	23,646.00	23.77	990.8	25,687.00	25.93	9.09%
Woodland	77.7	2,200.00	28.31	76.6	2,900.00	37.86	33.73%
Wycliffe-with-Thorpe	50.7	0.00	0.00	50.5	0.00	0.00	0.00%
Durham City Charter Trustees	26,417.8	50,196.00	1.90	26,968.7	53,937.40	2.00	5.26%
Total/Average (Excluding Unparished Areas)	114,097.0	14,196,899.9	124.43	115,818.3	15,143,448.76	130.75	5.08%
Reconciliation - Unparished Areas							
Stanley Unparished	13,155.5	0.00	0.00	13,251.3	0.00	0.00	0.00%
CLS Unparished	5,716.5	0.00	0.00	5,825.4	0.00	0.00	0.00%
Durham City Unparished	3,194.1	0.00	0.00	3,222.0	0.00	0.00	0.00%
Easington Unparished	55.3	0.00	0.00	56.7	0.00	0.00	0.00%
Wear Valley Unparished	7,477.4	0.00	0.00	7,502.3	0.00	0.00	0.00%
Total / Average (All Areas)	143,695.8	14,196,899.9	98.80	145,676.0	15,143,448.76	103.95	5.21%

Appendix 4: Durham County Council's Council Tax, including Town and Parish Council Precepts and the Charter Trustees for the City of Durham, for each Property Band in each Parished Area for 2023/24

Town/Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Barforth	1,228.16	1,432.87	1,637.56	1,842.25	2,251.63	2,661.03	3,070.41	3,684.50
Barnard Castle	1,309.83	1,528.15	1,746.45	1,964.75	2,401.35	2,837.97	3,274.58	3,929.50
Barningham	1,241.98	1,448.99	1,655.99	1,862.98	2,276.97	2,690.97	3,104.96	3,725.96
Bearpark*	1,258.28	1,468.01	1,677.72	1,887.43	2,306.85	2,726.29	3,145.71	3,774.86
Belmont*	1,252.54	1,461.33	1,670.08	1,878.83	2,296.33	2,713.87	3,131.37	3,757.66
Bishop Auckland	1,264.63	1,475.42	1,686.19	1,896.96	2,318.50	2,740.06	3,161.59	3,793.92
Bishop Middleham	1,310.53	1,528.97	1,747.39	1,965.81	2,402.65	2,839.51	3,276.34	3,931.62
Bolam	1,228.16	1,432.87	1,637.56	1,842.25	2,251.63	2,661.03	3,070.41	3,684.50
Boldron	1,231.23	1,436.46	1,641.66	1,846.86	2,257.26	2,667.69	3,078.09	3,693.72
Bournmoor	1,242.16	1,449.20	1,656.23	1,863.25	2,277.30	2,691.36	3,105.41	3,726.50
Bowes	1,250.16	1,458.54	1,666.89	1,875.25	2,291.96	2,708.70	3,125.41	3,750.50
Bradbury	1,250.88	1,459.38	1,667.85	1,876.33	2,293.28	2,710.26	3,127.21	3,752.66
Brancepeth*	1,292.10	1,507.47	1,722.82	1,938.16	2,368.85	2,799.57	3,230.26	3,876.32
Brandon and Byshottles*	1,259.41	1,469.34	1,679.23	1,889.13	2,308.92	2,728.75	3,148.54	3,778.26
Burnhope	1,240.77	1,447.59	1,654.38	1,861.17	2,274.75	2,688.36	3,101.94	3,722.34
Cassop-cum-Quarrington*	1,256.23	1,465.63	1,674.99	1,884.36	2,303.09	2,721.86	3,140.59	3,768.72
Castle Eden	1,249.43	1,457.68	1,665.92	1,874.15	2,290.62	2,707.11	3,123.58	3,748.30
Chilton	1,376.45	1,605.88	1,835.28	2,064.69	2,523.50	2,982.33	3,441.14	4,129.38
City of Durham*	1,264.27	1,475.01	1,685.71	1,896.42	2,317.83	2,739.28	3,160.69	3,792.84
Cleatlam	1,228.16	1,432.87	1,637.56	1,842.25	2,251.63	2,661.03	3,070.41	3,684.50
Cockfield	1,265.24	1,476.13	1,687.00	1,897.87	2,319.61	2,741.37	3,163.11	3,795.74
Cornforth	1,301.71	1,518.68	1,735.63	1,952.58	2,386.48	2,820.40	3,254.29	3,905.16
Cornsay	1,269.06	1,480.59	1,692.09	1,903.60	2,326.61	2,749.65	3,172.66	3,807.20

Town/Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Cotherstone	1,247.87	1,455.87	1,663.84	1,871.82	2,287.77	2,703.74	3,119.69	3,743.64
Coxhoe*	1,301.27	1,518.17	1,735.05	1,951.92	2,385.67	2,819.44	3,253.19	3,903.84
Croxdale and Hett*	1,268.48	1,479.92	1,691.33	1,902.74	2,325.56	2,748.41	3,171.22	3,805.48
Dalton-le-Dale	1,246.78	1,454.59	1,662.39	1,870.18	2,285.77	2,701.37	3,116.96	3,740.36
Dene Valley	1,241.65	1,448.60	1,655.54	1,862.48	2,276.36	2,690.25	3,104.13	3,724.96
Easington Colliery	1,424.75	1,662.22	1,899.68	2,137.13	2,612.04	3,086.97	3,561.88	4,274.26
Easington Village	1,348.16	1,572.87	1,797.56	2,022.25	2,471.63	2,921.03	3,370.41	4,044.50
Edmondsley	1,264.08	1,474.78	1,685.45	1,896.13	2,317.48	2,738.86	3,160.21	3,792.26
Eggleston	1,256.89	1,466.38	1,675.86	1,885.34	2,304.30	2,723.27	3,142.23	3,770.68
Eldon	1,308.35	1,526.42	1,744.48	1,962.53	2,398.64	2,834.77	3,270.88	3,925.06
Esh	1,279.29	1,492.53	1,705.74	1,918.95	2,345.37	2,771.82	3,198.24	3,837.90
Etherley	1,257.00	1,466.52	1,676.01	1,885.51	2,304.50	2,723.52	3,142.51	3,771.02
Evenwood and Barony	1,284.02	1,498.04	1,712.04	1,926.04	2,354.04	2,782.06	3,210.06	3,852.08
Ferryhill	1,383.09	1,613.63	1,844.14	2,074.65	2,535.67	2,996.72	3,457.74	4,149.30
Fishburn	1,335.20	1,557.75	1,780.28	2,002.81	2,447.87	2,892.95	3,338.01	4,005.62
Forest and Frith	1,228.16	1,432.87	1,637.56	1,842.25	2,251.63	2,661.03	3,070.41	3,684.50
Framwellgate Moor*	1,252.64	1,461.44	1,670.21	1,878.98	2,296.52	2,714.09	3,131.62	3,757.96
Gainford and Langton	1,277.38	1,490.29	1,703.19	1,916.08	2,341.87	2,767.67	3,193.46	3,832.16
Gilmonby	1,228.16	1,432.87	1,637.56	1,842.25	2,251.63	2,661.03	3,070.41	3,684.50
Great Aycliffe	1,410.95	1,646.13	1,881.28	2,116.44	2,586.75	3,057.08	3,527.39	4,232.88
Great Lumley	1,269.00	1,480.52	1,692.01	1,903.51	2,326.50	2,749.52	3,172.51	3,807.02
Greater Willington	1,269.83	1,481.49	1,693.12	1,904.76	2,328.03	2,751.32	3,174.59	3,809.52
Greencroft	1,256.64	1,466.10	1,675.53	1,884.97	2,303.84	2,722.74	3,141.61	3,769.94
Hamsterley	1,244.47	1,451.90	1,659.31	1,866.72	2,281.54	2,696.38	3,111.19	3,733.44
Haswell	1,320.43	1,540.51	1,760.58	1,980.65	2,420.79	2,860.94	3,301.08	3,961.30
Hawthorn	1,259.71	1,469.68	1,679.63	1,889.58	2,309.48	2,729.40	3,149.29	3,779.16
Headlam	1,228.16	1,432.87	1,637.56	1,842.25	2,251.63	2,661.03	3,070.41	3,684.50
Healeyfield	1,245.46	1,453.05	1,660.63	1,868.20	2,283.35	2,698.51	3,113.66	3,736.40
Hedleyhope	1,288.11	1,502.82	1,717.50	1,932.18	2,361.54	2,790.93	3,220.29	3,864.36

Town/Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Hilton	1,228.16	1,432.87	1,637.56	1,842.25	2,251.63	2,661.03	3,070.41	3,684.50
Holwick	1,228.16	1,432.87	1,637.56	1,842.25	2,251.63	2,661.03	3,070.41	3,684.50
Hope	1,228.16	1,432.87	1,637.56	1,842.25	2,251.63	2,661.03	3,070.41	3,684.50
Hornden	1,472.67	1,718.13	1,963.57	2,209.01	2,699.89	3,190.79	3,681.68	4,418.02
Hunderthwaite	1,228.16	1,432.87	1,637.56	1,842.25	2,251.63	2,661.03	3,070.41	3,684.50
Hutton Henry	1,286.81	1,501.30	1,715.76	1,930.23	2,359.16	2,788.11	3,217.04	3,860.46
Hutton Magna	1,240.56	1,447.34	1,654.09	1,860.85	2,274.36	2,687.90	3,101.41	3,721.70
Ingleton	1,261.64	1,471.93	1,682.20	1,892.47	2,313.01	2,733.57	3,154.11	3,784.94
Kelloe*	1,258.74	1,468.55	1,678.34	1,888.12	2,307.69	2,727.29	3,146.86	3,776.24
Kimbleworth and Plawsworth	1,254.14	1,463.18	1,672.20	1,881.22	2,299.26	2,717.32	3,135.36	3,762.44
Lanchester	1,261.23	1,471.45	1,681.65	1,891.85	2,312.25	2,732.67	3,153.08	3,783.70
Langleydale and Shotton	1,228.16	1,432.87	1,637.56	1,842.25	2,251.63	2,661.03	3,070.41	3,684.50
Lartington	1,245.23	1,452.78	1,660.32	1,867.85	2,282.92	2,698.01	3,113.08	3,735.70
Little Lumley	1,242.37	1,449.45	1,656.51	1,863.57	2,277.69	2,691.83	3,105.94	3,727.14
Lunedale	1,231.69	1,436.98	1,642.26	1,847.54	2,258.10	2,668.67	3,079.23	3,695.08
Lynesack and Softley	1,247.45	1,455.38	1,663.28	1,871.19	2,287.00	2,702.83	3,118.64	3,742.38
Marwood	1,257.95	1,467.62	1,677.28	1,886.93	2,306.24	2,725.57	3,144.88	3,773.86
Mickleton	1,254.83	1,463.98	1,673.12	1,882.25	2,300.52	2,718.81	3,137.08	3,764.50
Middleton-in-Teesdale and Newbiggin-in-Teesdale	1,267.91	1,479.24	1,690.56	1,901.87	2,324.50	2,747.15	3,169.78	3,803.74
Middridge	1,270.35	1,482.09	1,693.81	1,905.53	2,328.97	2,752.43	3,175.88	3,811.06
Monk Hesleden	1,363.40	1,590.65	1,817.88	2,045.11	2,499.57	2,954.05	3,408.51	4,090.22
Mordon	1,241.59	1,448.53	1,655.46	1,862.39	2,276.25	2,690.12	3,103.98	3,724.78
Morton Tinmouth	1,228.16	1,432.87	1,637.56	1,842.25	2,251.63	2,661.03	3,070.41	3,684.50
Muggleswick	1,244.65	1,452.11	1,659.55	1,866.99	2,281.87	2,696.77	3,111.64	3,733.98
Murton	1,351.59	1,576.87	1,802.13	2,027.39	2,477.91	2,928.45	3,378.98	4,054.78
North Lodge	1,249.18	1,457.39	1,665.59	1,873.78	2,290.17	2,706.57	3,122.96	3,747.56
Ouston	1,255.31	1,464.54	1,673.76	1,882.97	2,301.40	2,719.85	3,138.28	3,765.94

Town/Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Ovington	1,250.10	1,458.47	1,666.81	1,875.16	2,291.85	2,708.57	3,125.26	3,750.32
Pelton	1,309.45	1,527.70	1,745.94	1,964.18	2,400.66	2,837.15	3,273.63	3,928.36
Peterlee	1,452.71	1,694.84	1,936.96	2,179.07	2,663.30	3,147.55	3,631.78	4,358.14
Pittington*	1,272.78	1,484.93	1,697.06	1,909.18	2,333.43	2,757.71	3,181.96	3,818.36
Raby with Keverstone	1,228.16	1,432.87	1,637.56	1,842.25	2,251.63	2,661.03	3,070.41	3,684.50
Rokeyby, Brignall and Eggleston Abbey	1,245.69	1,453.32	1,660.93	1,868.54	2,283.76	2,699.00	3,114.23	3,737.08
Romaldkirk	1,275.10	1,487.63	1,700.15	1,912.66	2,337.69	2,762.73	3,187.76	3,825.32
Sacriston	1,258.77	1,468.58	1,678.37	1,888.16	2,307.74	2,727.34	3,146.93	3,776.32
Satley	1,252.31	1,461.05	1,669.76	1,878.48	2,295.91	2,713.36	3,130.79	3,756.96
Scargill	1,228.16	1,432.87	1,637.56	1,842.25	2,251.63	2,661.03	3,070.41	3,684.50
Seaham	1,399.19	1,632.41	1,865.60	2,098.80	2,565.19	3,031.60	3,497.99	4,197.60
Seaton with Slingley	1,247.03	1,454.88	1,662.72	1,870.55	2,286.22	2,701.91	3,117.58	3,741.10
Sedgefield	1,358.11	1,584.47	1,810.82	2,037.17	2,489.87	2,942.58	3,395.28	4,074.34
Shadforth*	1,250.92	1,459.43	1,667.91	1,876.39	2,293.35	2,710.34	3,127.31	3,752.78
Sherburn*	1,247.50	1,455.44	1,663.35	1,871.26	2,287.08	2,702.93	3,118.76	3,742.52
Sildon	1,428.99	1,667.17	1,905.33	2,143.49	2,619.81	3,096.15	3,572.48	4,286.98
Shincliffe*	1,258.02	1,467.72	1,677.38	1,887.05	2,306.38	2,725.74	3,145.07	3,774.10
Shotton	1,308.84	1,527.00	1,745.13	1,963.27	2,399.54	2,835.84	3,272.11	3,926.54
South Bedburn	1,234.58	1,440.36	1,646.12	1,851.88	2,263.40	2,674.94	3,086.46	3,703.76
South Hetton	1,332.02	1,554.04	1,776.04	1,998.04	2,442.04	2,886.06	3,330.06	3,996.08
Spennymoor	1,381.25	1,611.48	1,841.68	2,071.89	2,532.30	2,992.73	3,453.14	4,143.78
Staindrop	1,258.41	1,468.16	1,677.89	1,887.62	2,307.08	2,726.56	3,146.03	3,775.24
Stainton and Streatlam	1,262.77	1,473.24	1,683.70	1,894.16	2,315.08	2,736.01	3,156.93	3,788.32
Stanhope	1,247.51	1,455.44	1,663.36	1,871.27	2,287.10	2,702.95	3,118.78	3,742.54
Stanley Town Council	1,295.56	1,511.50	1,727.43	1,943.35	2,375.20	2,807.06	3,238.91	3,886.70
Startforth	1,256.50	1,465.93	1,675.35	1,884.76	2,303.59	2,722.43	3,141.26	3,769.52
Thornley	1,396.07	1,628.77	1,861.44	2,094.12	2,559.47	3,024.84	3,490.19	4,188.24

Town/Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Tow Law	1,285.14	1,499.35	1,713.53	1,927.72	2,356.09	2,784.49	3,212.86	3,855.44
Trimdon	1,335.95	1,558.62	1,781.28	2,003.93	2,449.24	2,894.57	3,339.88	4,007.86
Trimdon Foundry	1,345.84	1,570.16	1,794.47	2,018.77	2,467.38	2,916.00	3,364.61	4,037.54
Urpeth	1,252.89	1,461.73	1,670.54	1,879.35	2,296.97	2,714.62	3,132.24	3,758.70
Wackerfield	1,228.16	1,432.87	1,637.56	1,842.25	2,251.63	2,661.03	3,070.41	3,684.50
Waldridge	1,258.14	1,467.85	1,677.53	1,887.22	2,306.59	2,725.99	3,145.36	3,774.44
West Auckland	1,252.75	1,461.56	1,670.35	1,879.14	2,296.72	2,714.32	3,131.89	3,758.28
West Rainton and Leamside*	1,264.02	1,474.72	1,685.38	1,896.05	2,317.38	2,738.74	3,160.07	3,792.10
Wheatley Hill	1,328.35	1,549.76	1,771.15	1,992.54	2,435.32	2,878.12	3,320.89	3,985.08
Whorlton and Westwick	1,266.97	1,478.15	1,689.31	1,900.47	2,322.79	2,745.13	3,167.44	3,800.94
Windlestone	1,264.75	1,475.55	1,686.34	1,897.13	2,318.71	2,740.30	3,161.88	3,794.26
Wingate	1,324.78	1,545.59	1,766.39	1,987.18	2,428.77	2,870.37	3,311.96	3,974.36
Winston	1,261.23	1,471.46	1,681.66	1,891.86	2,312.26	2,732.69	3,153.09	3,783.72
Witton Gilbert*	1,257.32	1,466.89	1,676.44	1,885.99	2,305.09	2,724.21	3,143.31	3,771.98
Witton le Wear	1,245.53	1,453.14	1,660.72	1,868.31	2,283.48	2,698.67	3,113.84	3,736.62
Wolsingham	1,245.45	1,453.04	1,660.61	1,868.18	2,283.32	2,698.48	3,113.63	3,736.36
Woodland	1,253.40	1,462.32	1,671.21	1,880.11	2,297.90	2,715.72	3,133.51	3,760.22
Wycliffe-with-Thorpe	1,228.16	1,432.87	1,637.56	1,842.25	2,251.63	2,661.03	3,070.41	3,684.50
Unparished Areas	1,228.16	1,432.87	1,637.56	1,842.25	2,251.63	2,661.03	3,070.41	3,684.50
Unparished Areas in the former City of Durham Area*	1,229.49	1,434.43	1,639.34	1,844.25	2,254.07	2,663.92	3,073.74	3,688.50
* includes a precept for the Charter Trustees for the City of Durham								
Charter Trustees for the City of Durham	1.33	1.56	1.78	2.00	2.44	2.89	3.33	4.00

Appendix 5: Council Tax for each Property Band for Durham County Council 2023/24, including: Town and Parish Council Precepts, the Charter Trustees for the City of Durham, County Durham and Darlington Fire and Rescue Authority and Durham Police, Crime and Victims' Commissioner Precepts

Town/Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Barforth	1,474.78	1,720.59	1,966.39	2,212.18	2,703.77	3,195.37	3,686.96	4,424.36
Barnard Castle	1,556.45	1,815.87	2,075.28	2,334.68	2,853.49	3,372.31	3,891.13	4,669.36
Barningham	1,488.60	1,736.71	1,984.82	2,232.91	2,729.11	3,225.31	3,721.51	4,465.82
Bearpark*	1,504.90	1,755.73	2,006.55	2,257.36	2,758.99	3,260.63	3,762.26	4,514.72
Belmont*	1,499.16	1,749.05	1,998.91	2,248.76	2,748.47	3,248.21	3,747.92	4,497.52
Bishop Auckland	1,511.25	1,763.14	2,015.02	2,266.89	2,770.64	3,274.40	3,778.14	4,533.78
Bishop Middleham	1,557.15	1,816.69	2,076.22	2,335.74	2,854.79	3,373.85	3,892.89	4,671.48
Bolam	1,474.78	1,720.59	1,966.39	2,212.18	2,703.77	3,195.37	3,686.96	4,424.36
Boldron	1,477.85	1,724.18	1,970.49	2,216.79	2,709.40	3,202.03	3,694.64	4,433.58
Bournmoor	1,488.78	1,736.92	1,985.06	2,233.18	2,729.44	3,225.70	3,721.96	4,466.36
Bowes	1,496.78	1,746.26	1,995.72	2,245.18	2,744.10	3,243.04	3,741.96	4,490.36
Bradbury	1,497.50	1,747.10	1,996.68	2,246.26	2,745.42	3,244.60	3,743.76	4,492.52
Brancepeth*	1,538.72	1,795.19	2,051.65	2,308.09	2,820.99	3,333.91	3,846.81	4,616.18
Brandon and Byshottles*	1,506.03	1,757.06	2,008.06	2,259.06	2,761.06	3,263.09	3,765.09	4,518.12
Burnhope	1,487.39	1,735.31	1,983.21	2,231.10	2,726.89	3,222.70	3,718.49	4,462.20
Cassop-cum-Quarrington*	1,502.85	1,753.35	2,003.82	2,254.29	2,755.23	3,256.20	3,757.14	4,508.58
Castle Eden	1,496.05	1,745.40	1,994.75	2,244.08	2,742.76	3,241.45	3,740.13	4,488.16
Chilton	1,623.07	1,893.60	2,164.11	2,434.62	2,975.64	3,516.67	4,057.69	4,869.24
City of Durham*	1,510.89	1,762.73	2,014.54	2,266.35	2,769.97	3,273.62	3,777.24	4,532.70
Cleatlam	1,474.78	1,720.59	1,966.39	2,212.18	2,703.77	3,195.37	3,686.96	4,424.36
Cockfield	1,511.86	1,763.85	2,015.83	2,267.80	2,771.75	3,275.71	3,779.66	4,535.60
Cornforth	1,548.33	1,806.40	2,064.46	2,322.51	2,838.62	3,354.74	3,870.84	4,645.02
Cornsay	1,515.68	1,768.31	2,020.92	2,273.53	2,778.75	3,283.99	3,789.21	4,547.06

Town/Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Cotherstone	1,494.49	1,743.59	1,992.67	2,241.75	2,739.91	3,238.08	3,736.24	4,483.50
Coxhoe*	1,547.89	1,805.89	2,063.88	2,321.85	2,837.81	3,353.78	3,869.74	4,643.70
Croxdale and Hett*	1,515.10	1,767.64	2,020.16	2,272.67	2,777.70	3,282.75	3,787.77	4,545.34
Dalton-le-Dale	1,493.40	1,742.31	1,991.22	2,240.11	2,737.91	3,235.71	3,733.51	4,480.22
Dene Valley	1,488.27	1,736.32	1,984.37	2,232.41	2,728.50	3,224.59	3,720.68	4,464.82
Easington Colliery	1,671.37	1,949.94	2,228.51	2,507.06	3,064.18	3,621.31	4,178.43	5,014.12
Easington Village	1,594.78	1,860.59	2,126.39	2,392.18	2,923.77	3,455.37	3,986.96	4,784.36
Edmondsley	1,510.70	1,762.50	2,014.28	2,266.06	2,769.62	3,273.20	3,776.76	4,532.12
Eggleston	1,503.51	1,754.10	2,004.69	2,255.27	2,756.44	3,257.61	3,758.78	4,510.54
Eldon	1,554.97	1,814.14	2,073.31	2,332.46	2,850.78	3,369.11	3,887.43	4,664.92
Esh	1,525.91	1,780.25	2,034.57	2,288.88	2,797.51	3,306.16	3,814.79	4,577.76
Etherley	1,503.62	1,754.24	2,004.84	2,255.44	2,756.64	3,257.86	3,759.06	4,510.88
Evenwood and Barony	1,530.64	1,785.76	2,040.87	2,295.97	2,806.18	3,316.40	3,826.61	4,591.94
Ferryhill	1,629.71	1,901.35	2,172.97	2,444.58	2,987.81	3,531.06	4,074.29	4,889.16
Fishburn	1,581.82	1,845.47	2,109.11	2,372.74	2,900.01	3,427.29	3,954.56	4,745.48
Forest and Frith	1,474.78	1,720.59	1,966.39	2,212.18	2,703.77	3,195.37	3,686.96	4,424.36
Framwellgate Moor*	1,499.26	1,749.16	1,999.04	2,248.91	2,748.66	3,248.43	3,748.17	4,497.82
Gainford and Langton	1,524.00	1,778.01	2,032.02	2,286.01	2,794.01	3,302.01	3,810.01	4,572.02
Gilmonby	1,474.78	1,720.59	1,966.39	2,212.18	2,703.77	3,195.37	3,686.96	4,424.36
Great Aycliffe	1,657.57	1,933.85	2,210.11	2,486.37	3,038.89	3,591.42	4,143.94	4,972.74
Great Lumley	1,515.62	1,768.24	2,020.84	2,273.44	2,778.64	3,283.86	3,789.06	4,546.88
Greater Willington	1,516.45	1,769.21	2,021.95	2,274.69	2,780.17	3,285.66	3,791.14	4,549.38
Greencroft	1,503.26	1,753.82	2,004.36	2,254.90	2,755.98	3,257.08	3,758.16	4,509.80
Hamsterley	1,491.09	1,739.62	1,988.14	2,236.65	2,733.68	3,230.72	3,727.74	4,473.30
Haswell	1,567.05	1,828.23	2,089.41	2,350.58	2,872.93	3,395.28	3,917.63	4,701.16
Hawthorn	1,506.33	1,757.40	2,008.46	2,259.51	2,761.62	3,263.74	3,765.84	4,519.02
Headlam	1,474.78	1,720.59	1,966.39	2,212.18	2,703.77	3,195.37	3,686.96	4,424.36
Healeyfield	1,492.08	1,740.77	1,989.46	2,238.13	2,735.49	3,232.85	3,730.21	4,476.26
Hedleyhope	1,534.73	1,790.54	2,046.33	2,302.11	2,813.68	3,325.27	3,836.84	4,604.22

Town/Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Hilton	1,474.78	1,720.59	1,966.39	2,212.18	2,703.77	3,195.37	3,686.96	4,424.36
Holwick	1,474.78	1,720.59	1,966.39	2,212.18	2,703.77	3,195.37	3,686.96	4,424.36
Hope	1,474.78	1,720.59	1,966.39	2,212.18	2,703.77	3,195.37	3,686.96	4,424.36
Horde	1,719.29	2,005.85	2,292.40	2,578.94	3,152.03	3,725.13	4,298.23	5,157.88
Hunderthwaite	1,474.78	1,720.59	1,966.39	2,212.18	2,703.77	3,195.37	3,686.96	4,424.36
Hutton Henry	1,533.43	1,789.02	2,044.59	2,300.16	2,811.30	3,322.45	3,833.59	4,600.32
Hutton Magna	1,487.18	1,735.06	1,982.92	2,230.78	2,726.50	3,222.24	3,717.96	4,461.56
Ingleton	1,508.26	1,759.65	2,011.03	2,262.40	2,765.15	3,267.91	3,770.66	4,524.80
Kelloe*	1,505.36	1,756.27	2,007.17	2,258.05	2,759.83	3,261.63	3,763.41	4,516.10
Kimbleworth and Plawsworth	1,500.76	1,750.90	2,001.03	2,251.15	2,751.40	3,251.66	3,751.91	4,502.30
Lanchester	1,507.85	1,759.17	2,010.48	2,261.78	2,764.39	3,267.01	3,769.63	4,523.56
Langleydale and Shotton	1,474.78	1,720.59	1,966.39	2,212.18	2,703.77	3,195.37	3,686.96	4,424.36
Lartington	1,491.85	1,740.50	1,989.15	2,237.78	2,735.06	3,232.35	3,729.63	4,475.56
Little Lumley	1,488.99	1,737.17	1,985.34	2,233.50	2,729.83	3,226.17	3,722.49	4,467.00
Lunedale	1,478.31	1,724.70	1,971.09	2,217.47	2,710.24	3,203.01	3,695.78	4,434.94
Lynesack and Softley	1,494.07	1,743.10	1,992.11	2,241.12	2,739.14	3,237.17	3,735.19	4,482.24
Marwood	1,504.57	1,755.34	2,006.11	2,256.86	2,758.38	3,259.91	3,761.43	4,513.72
Mickleton	1,501.45	1,751.70	2,001.95	2,252.18	2,752.66	3,253.15	3,753.63	4,504.36
Middleton-in-Teesdale and Newbiggin-in-	1,514.53	1,766.96	2,019.39	2,271.80	2,776.64	3,281.49	3,786.33	4,543.60
Middridge	1,516.97	1,769.81	2,022.64	2,275.46	2,781.11	3,286.77	3,792.43	4,550.92
Monk Hesleden	1,610.02	1,878.37	2,146.71	2,415.04	2,951.71	3,488.39	4,025.06	4,830.08
Mordon	1,488.21	1,736.25	1,984.29	2,232.32	2,728.39	3,224.46	3,720.53	4,464.64
Morton Tinmouth	1,474.78	1,720.59	1,966.39	2,212.18	2,703.77	3,195.37	3,686.96	4,424.36
Muggleswick	1,491.27	1,739.83	1,988.38	2,236.92	2,734.01	3,231.11	3,728.19	4,473.84
Murton	1,598.21	1,864.59	2,130.96	2,397.32	2,930.05	3,462.79	3,995.53	4,794.64
North Lodge	1,495.80	1,745.11	1,994.42	2,243.71	2,742.31	3,240.91	3,739.51	4,487.42
Ouston	1,501.93	1,752.26	2,002.59	2,252.90	2,753.54	3,254.19	3,754.83	4,505.80

Town/Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Ovington	1,496.72	1,746.19	1,995.64	2,245.09	2,743.99	3,242.91	3,741.81	4,490.18
Pelton	1,556.07	1,815.42	2,074.77	2,334.11	2,852.80	3,371.49	3,890.18	4,668.22
Peterlee	1,699.33	1,982.56	2,265.79	2,549.00	3,115.44	3,681.89	4,248.33	5,098.00
Pittington*	1,519.40	1,772.65	2,025.89	2,279.11	2,785.57	3,292.05	3,798.51	4,558.22
Raby with Keeverstone	1,474.78	1,720.59	1,966.39	2,212.18	2,703.77	3,195.37	3,686.96	4,424.36
Rokeby, Brignall and Eggleston Abbey	1,492.31	1,741.04	1,989.76	2,238.47	2,735.90	3,233.34	3,730.78	4,476.94
Romaldkirk	1,521.72	1,775.35	2,028.98	2,282.59	2,789.83	3,297.07	3,804.31	4,565.18
Sacrison	1,505.39	1,756.30	2,007.20	2,258.09	2,759.88	3,261.68	3,763.48	4,516.18
Satley	1,498.93	1,748.77	1,998.59	2,248.41	2,748.05	3,247.70	3,747.34	4,496.82
Scargill	1,474.78	1,720.59	1,966.39	2,212.18	2,703.77	3,195.37	3,686.96	4,424.36
Seaham	1,645.81	1,920.13	2,194.43	2,468.73	3,017.33	3,565.94	4,114.54	4,937.46
Seaton with Slingley	1,493.65	1,742.60	1,991.55	2,240.48	2,738.36	3,236.25	3,734.13	4,480.96
Sedgefield	1,604.73	1,872.19	2,139.65	2,407.10	2,942.01	3,476.92	4,011.83	4,814.20
Shadforth*	1,497.54	1,747.15	1,996.74	2,246.32	2,745.49	3,244.68	3,743.86	4,492.64
Sherburn*	1,494.12	1,743.16	1,992.18	2,241.19	2,739.22	3,237.27	3,735.31	4,482.38
Shildon	1,675.61	1,954.89	2,234.16	2,513.42	3,071.95	3,630.49	4,189.03	5,026.84
Shincliffe*	1,504.64	1,755.44	2,006.21	2,256.98	2,758.52	3,260.08	3,761.62	4,513.96
Shotton	1,555.46	1,814.72	2,073.96	2,333.20	2,851.68	3,370.18	3,888.66	4,666.40
South Bedburn	1,481.20	1,728.08	1,974.95	2,221.81	2,715.54	3,209.28	3,703.01	4,443.62
South Hetton	1,578.64	1,841.76	2,104.87	2,367.97	2,894.18	3,420.40	3,946.61	4,735.94
Spennymoor	1,627.87	1,899.20	2,170.51	2,441.82	2,984.44	3,527.07	4,069.69	4,883.64
Staindrop	1,505.03	1,755.88	2,006.72	2,257.55	2,759.22	3,260.90	3,762.58	4,515.10
Stainton and Streatlam	1,509.39	1,760.96	2,012.53	2,264.09	2,767.22	3,270.35	3,773.48	4,528.18
Stanhope	1,494.13	1,743.16	1,992.19	2,241.20	2,739.24	3,237.29	3,735.33	4,482.40
Stanley Town Council	1,542.18	1,799.22	2,056.26	2,313.28	2,827.34	3,341.40	3,855.46	4,626.56
Startforth	1,503.12	1,753.65	2,004.18	2,254.69	2,755.73	3,256.77	3,757.81	4,509.38
Thornley	1,642.69	1,916.49	2,190.27	2,464.05	3,011.61	3,559.18	4,106.74	4,928.10

Town/Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Tow Law	1,531.76	1,787.07	2,042.36	2,297.65	2,808.23	3,318.83	3,829.41	4,595.30
Trimdon	1,582.57	1,846.34	2,110.11	2,373.86	2,901.38	3,428.91	3,956.43	4,747.72
Trimdon Foundry	1,592.46	1,857.88	2,123.30	2,388.70	2,919.52	3,450.34	3,981.16	4,777.40
Urpeth	1,499.51	1,749.45	1,999.37	2,249.28	2,749.11	3,248.96	3,748.79	4,498.56
Wackerfield	1,474.78	1,720.59	1,966.39	2,212.18	2,703.77	3,195.37	3,686.96	4,424.36
Waldridge	1,504.76	1,755.57	2,006.36	2,257.15	2,758.73	3,260.33	3,761.91	4,514.30
West Auckland	1,499.37	1,749.28	1,999.18	2,249.07	2,748.86	3,248.66	3,748.44	4,498.14
West Rainton and Leamside*	1,510.64	1,762.44	2,014.21	2,265.98	2,769.52	3,273.08	3,776.62	4,531.96
Wheatley Hill	1,574.97	1,837.48	2,099.98	2,362.47	2,887.46	3,412.46	3,937.44	4,724.94
Whorlton and Westwick	1,513.59	1,765.87	2,018.14	2,270.40	2,774.93	3,279.47	3,783.99	4,540.80
Windlestone	1,511.37	1,763.27	2,015.17	2,267.06	2,770.85	3,274.64	3,778.43	4,534.12
Wingate	1,571.40	1,833.31	2,095.22	2,357.11	2,880.91	3,404.71	3,928.51	4,714.22
Winston	1,507.85	1,759.18	2,010.49	2,261.79	2,764.40	3,267.03	3,769.64	4,523.58
Witton Gilbert*	1,503.94	1,754.61	2,005.27	2,255.92	2,757.23	3,258.55	3,759.86	4,511.84
Witton le Wear	1,492.15	1,740.86	1,989.55	2,238.24	2,735.62	3,233.01	3,730.39	4,476.48
Wolsingham	1,492.07	1,740.76	1,989.44	2,238.11	2,735.46	3,232.82	3,730.18	4,476.22
Woodland	1,500.02	1,750.04	2,000.04	2,250.04	2,750.04	3,250.06	3,750.06	4,500.08
Wycliffe-with-Thorpe	1,474.78	1,720.59	1,966.39	2,212.18	2,703.77	3,195.37	3,686.96	4,424.36
Unparished Areas	1,474.78	1,720.59	1,966.39	2,212.18	2,703.77	3,195.37	3,686.96	4,424.36
Unparished Areas in the former City of Durham Area*	1,476.11	1,722.15	1,968.17	2,214.18	2,706.21	3,198.26	3,690.29	4,428.36
* includes a precept for the Charter Trustees for the City of Durham								
Charter Trustees for the City of Durham	1.33	1.56	1.78	2.00	2.44	2.89	3.33	4.00

County Council

22 February 2023

Council Plan 2023/24 – 2026/27 Refresh

Key Decision CORP/R/22/04



Report of Corporate Management Team

John Hewitt, Chief Executive

Councillor Amanda Hopgood, Leader of the Council

Electoral division(s) affected

Countywide

Purpose of the Report

- 1 To approve the refresh of the Council Plan covering the four-year period 2023-2027.

Executive summary

- 2 The Council Plan is our primary corporate planning document. It details the council's contribution towards achieving the objectives set out in the Vision for County Durham 2035, together with our own objectives and improvement agenda. It aims to provide a readable and accessible summary for Members, officers, partners, and the public on our priorities for the county and the main programmes of work that will undertake over the forthcoming four years to help achieve these priorities.
- 3 The current Council Plan covers the period 2022/23 – 2025/26 and was agreed at Council in June 2022. In line with that report, it is intended that the plan is updated and refreshed on an annual basis going forward in line with our medium-term financial planning and budget setting arrangements.
- 4 The Council Plan aligns to both the council's Medium-Term Financial Plan which sets out how our priorities will be resourced and the County Durham Plan which is a spatial representation of our ambitions contained within the Council Plan around housing, jobs, and the

environment until 2035 as well as the transport, schools, and infrastructure to support it.

- 5 The Council Plan is underpinned by a series of corporate strategies and service planning arrangements providing more detailed information on the actions, major projects and improvements which are being undertaken to deliver our priorities.
- 6 The draft plan was presented to Corporate Overview and Scrutiny Management Board on 23 January for comment. Feedback is contained within paragraph 18.
- 7 The major changes between the current plan and the revised updated plan are set out in Appendix 2.
- 8 The draft plan is presented for consideration in Appendix 3.

Recommendation(s)

- 9 Council is recommended to approve the Council Plan 2023-2027 as attached in Appendix 3.

Background

- 10 The Vision for County Durham 2035 was developed together with partner organisations and the public and sets out what we would like the county to look like in 15 years' time. It was approved by Council and launched by the County Durham Partnership in 2019.
- 11 The Vision for County Durham is structured around three ambitions, namely:
 - (a) More and better jobs
 - (b) People live long and independent lives
 - (c) Communities are well connected and supportive of each other
- 12 Each of the three ambitions contains a number of strategic objectives.
- 13 The tenet of these ambitions and each of the strategic objectives are adopted within the current Council Plan and supplemented by a number of other council-specific objectives to capture corporate initiatives and what is important to Durham County Council.
- 14 The current structure and format of the Council Plan was agreed last year and the updated / refreshed plan attached remains in line with that. It is structured around five themes being:
 - (a) **Our economy** – capturing the council's contribution to the **more and better jobs** ambition within the Vision together with the council's agenda as set out in our Inclusive Economic Strategy.
 - (b) **Our people** – capturing the council's contributions to the **long and independent lives** ambition within the Vision together with our priorities set out in the Joint Health and Wellbeing Strategy.
 - (c) **Our communities** – capturing the **connected communities** ambition within the Vision and supplementing it with specific actions around helping those communities most in need of support.
 - (d) **Our environment** – capturing the council's priorities and plans around a climate emergency and an economic emergency together with our role in waste management, pollution, and custodianship of the natural environment.
 - (e) **Our council** – capturing Durham County Council's organisational priorities around effective resource management, creating a workforce for the future, and making best use of data and technology to provide the best services to our customers.

- 15 The document sets out under each ambition, what our priority is, what our achievements have been, what the issues are to address, what the council's contribution is in this area, what our future approach will be, what major projects we will be undertaking and what are the key performance indicators and targets for each objective.
- 16 As a public authority, as set out in the Equality Act 2010, the council is required to set equality objectives and review these on a triennial basis. These are incorporated into the plan also.

Feedback from Scrutiny

- 17 The draft plan was presented to Corporate Overview and Scrutiny Management Board on 23 January for input.
- 18 A summary of this feedback and the responses is given below:

Point Raised	Comments
<p>There is a target to increase the proportion of household waste going to landfill to 90% (p. 28)</p> <p>We should have more ambitious targets to dispose of <5% of household waste to landfill and actions within the Plan to help us achieve this.</p>	<p>Volume of residual waste arriving from all sources, including Durham County Council has substantially increased and with finite capacity, the current contractor is therefore unable to treat the entire amounts sent to them. Nevertheless, they are contractually obliged to provide a 90% diversion from landfill as a minimum, and as financial penalties are applied for thresholds lower than this, it is felt that this is a more accurate and realistic benchmark for the remainder of the contract to 2026.</p>
<p>All of our targets for air quality and reductions of nitrogen oxides (NO_x) levels relate to the Air Quality Management Area (AQMA) in Durham City. (p. 28)</p> <p>We should have targets to ensure that NO_x and particulate levels do not exceed minimum levels where they become a cause for concern.</p>	<p>The Council are required to complete an annual air quality status report, which requires an assessment to be undertaken which supports the identification of potentially new non-compliant areas in relation to national air quality standards.</p> <p>This is in addition to reporting progress within our existing AQMA, although it does not necessarily require monitoring to be undertaken as other screening tools can be used to identify key areas of focus.</p>

Point Raised	Comments
	If any additional locations were identified during this process, we would look to address the issues affecting those areas in our air quality work.
Under the priority of Our People, we should have a risk of not having sufficient care workers in place because of recruitment problems.	We have as an issue to address, 'Alleviating a pressured social care and health environment following the pandemic, with challenges associated with workforce (recruitment and retention), service demands and a challenging economic environment.' (p. 32)
It is welcomed that the Plan acknowledges the ecological emergency and the development of a Local Nature Recovery Strategy.	No response required
The Council Plan addresses what we are going to do but not how we are going to do it.	The detail of how we are going to implement actions contained is contained within other plans – service plans, team plans, project plans etc.
How will success against achieving the plan be measured?	The Plan contains two sets of measures; key measures and council service performance indicators under each priority. These indicators will form the basis of the basket of indicators that we will measure council performance against on a quarterly basis through scrutiny committees.
The Plan does not mention Area Action Partnerships (AAPs) or how these will be used to help deliver the plan.	A potential model for the council's future engagement mechanisms will be developed and consulted upon during 2023/24 which builds on the findings of a recently completed community engagement review and the council's AAP structures. This action is captured within the Plan (p. 55)

Point Raised	Comments
How do we manage expectations which is a key risk in delivering this plan?	The council has a corporate risk register which identifies risks which if they were to occur, would prevent delivery of the plan. These are regularly reviewed and monitored through the audit committee.
Why has the achievement of 100% of nursery education providers rated good or outstanding by Ofsted been removed?	This has been removed because this performance figure is no longer correct.

Conclusion

- 19 The draft Council Plan 2023-2027 contained in Appendix 3 sets out our priorities, key programmes of work and associated performance management arrangements for the forthcoming four years.
- 20 The Council Plan is the primary corporate planning document within our policy framework and constitutionally, requires approval by Council.

Background papers

- None

Other useful documents

- [A Vision for County Durham 2035](#)
- [Current Council Plan \(2022 – 2026\)](#)

Author(s)

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Appendix 1: Implications

Legal Implications

The Constitution of the Council sets out the policy framework of the Council which includes the Council Plan and performance management framework.

Finance

The Council Plan aligns to the council's Medium-Term Financial Plan, which sets out how our priorities will be resourced. Any financial implications arising from the implementation of actions contained in the Council Plan are factored into the budget setting and MTFP planning processes.

Consultation

The Council Plan sets out the Council's contribution to delivering the aims and objectives set out the County Vision, which was developed following an extensive three phase consultation where over 30,000 responses were considered, and which helped shape the final vision.

Equality and Diversity / Public Sector Equality Duty

The Equality Act 2010 requires the council to set out equality objectives and review these on a triennial basis. The Council Plan sets out our equality objectives to identify and tackle discrimination, advance equality of opportunity and foster good relations.

Climate Change

The Council Plan contains a specific theme of "Our Environment" to elevate and highlight this important agenda and the work of the council in this area.

Human Rights

None.

Crime and Disorder

Crime and disorder features as part of the proposed Council Plan.

Staffing

None.

Accommodation

None.

Risk

Risk management is an intrinsic part of the council's performance reporting arrangements.

Procurement

None

Appendix 2: Major Changes to the Council Plan 2023-2027

Page No.	Section	Changes Made
-	Title Page	Plan period amended to 2023/24 to 2026/27
1-2	Foreword	<ul style="list-style-type: none"> • Reference made to cost of living increase (para. 3) • Reference to sale of Sands building removed (para. 3) • Reference added about new HQ proposals (para. 4) • Reference added re increased financial pressures (para. 5) • Reference to City of Culture 2025 bid updated and added reference to bicentennial of Stockton – Darlington Railway (para. 6) • Added references to our ecological emergency and levelling up (para 8) • Paragraph added on the LA7 devolution deal plans
3	Population and Area	Population fig. updated re Census 2021
4	Council Services	<ul style="list-style-type: none"> • Sentence added to explain the purpose of this section and breadth of services offered by the council • County Record Office reference amended from miles of archives to numbers of engagements • Corporate parent to 912 children changed to over 1,000 children • Number of people learning to swim added to reference on swimming pool provision • Reference to supporting over 10,000 people through community hubs during the pandemic changed to supporting over 160 Warm Places • Fig. for length of highways maintained amended • Subsidy fig. provided to bus operators amended

5	Our Planning Framework	Reference added about our transformation agenda (2 nd bullet)
6-7	Themes, Priorities and Objectives	<p>Our Economy</p> <ul style="list-style-type: none"> • Assist businesses to restart and grow the economy following the COVID-19 pandemic (removed) • Work with others to mitigate the impacts and harness the opportunities of exiting the European Union (removed) <p>Our People</p> <ul style="list-style-type: none"> • Reference to protecting adults with care and support needs from harm added to objective around vulnerable people • Reference to public health response to the COVID-19 pandemic removed from objective about protecting and improving the health of the local population • <i>Ensure that there is no unwarranted variation in opportunity and outcomes between our communities</i> changed to <i>Narrow the inequality gap between our communities</i> <p>Our Communities</p> <p>Objective about providing support to community groups adversely affected by the COVID-19 pandemic removed</p> <p>Footnote explaining objectives in bold are from the County Durham Vision 2035 added</p>
8-10	Our Vision	<p>Our Economy</p> <ul style="list-style-type: none"> • Reference to an inclusive green economy added • Reference to specific employment sites replaced with a general comment about strategic employment sites • Reference added regarding the County Durham Pound added • Wording changed around The Story at Mount Oswald in line with new branding • Wording updated re City of Culture 2025 bid <p>Our Environment</p>

		<ul style="list-style-type: none"> • Targets re carbon emissions amended in line with CERP2 • Reference added regarding the Education Service working to reduce the carbon footprint of schools <p>Our People</p> <p>Reference added re Education Service preparing young people for life and employability</p>
10-11	Our Approach	<ul style="list-style-type: none"> • Para inserted re equality and inclusion (para. 1) • New wellbeing principles diagram replacing previous diagram
12-13	Our Financial Plan	To be updated
13	Monitoring	Paras 1 and 2 added to explain the difference between key measures and council service performance indicators added
-	Context: COVID-19 – Response, Restoration, Reset/Recovery	Removed section
14	Priority – Our Economy	Rewrite of this section by service to better align it to the new Inclusive Economic Strategy
15-16	Our Economy – Achievements	<p>Added:</p> <ul style="list-style-type: none"> • Bullet around North East devo deal • New Inclusive Economic Strategy • UK Shared Prosperity Fund • Levelling Up bids • Festival programmes delivered • SEND support figures • % children and young people in good or better schools <p>Removed:</p> <ul style="list-style-type: none"> • Participation figs. For 16-17 year olds in education, employment, and training • Investment in Beamish Museum (out of date) • Lumiere figures (out of date) • Project Genesis investment (out of date)

		<ul style="list-style-type: none"> • Investment in Barnard Castle by GSK (not a council achievement) • Investment in Durham City by council and university (out of date) <p>Amended:</p> <ul style="list-style-type: none"> • Jade Business Park, Integra 61, NETPark, Forrest Park and Aykley Heads bullets rewritten to be more outcome focused • Attendance fig added for last year's festival programmes.
15-16	Our economy – Issues to Address	<p>Added:</p> <ul style="list-style-type: none"> • Economic recovery from COVID-19 • Cost of living crisis <p>Removed:</p> <ul style="list-style-type: none"> • Weaker global economy • COVID-19 business support arrangements • Ability of businesses to respond quickly in the short-term is limited • Exit from EU • COVID impact on educational achievement • Pupils attending good or better schools • Jobs under furlough • School attendance strategies and COVID <p>Amended:</p> <ul style="list-style-type: none"> • Employment figures • Fuel poverty figures • Ofsted results for schools • Pupils claiming free school meals
16-18	Our Economy – Council Contribution	<ul style="list-style-type: none"> • Updated NETPark figures (para 2) • Updated Jade Business Park para (para 3) • County Durham Pound referenced (para 4) • Reference to government education white paper removed (para 5) • Work with University of Durham and New College Durham and Durham City Incubator added (para 6) • Employability scheme figs updated (para 7) • Para added on the work of Business Durham (para 8) • Update on City of Culture 2025 (para 10)

		<ul style="list-style-type: none"> • Para on COVID-19 business support deleted • Para added on Poverty Strategy (para 11)
18-19	Our Economy - Approach	<ul style="list-style-type: none"> • COVID restrictions para removed • COVID-19 Economic Recovery Plan para removed • Para on labour market demographic most affected by COVID removed • Para 2 rewrite in line with Inclusive Economic Strategy
19-20	Our Economy - Priority Actions	Action plan rewritten for 2023-2027 period with service
21-22	Our Economy – Key Performance Measures and Council Service Performance Indicators	Indicator list rewritten with service and split between two new categories
23	Priority: Our Environment	<ul style="list-style-type: none"> • More detail on how climate change affects the planet added by service (para 1) • More detail on ecological emergency added by service (para 3)
23-24	Our Environment: Achievements	<p>Added:</p> <ul style="list-style-type: none"> • Securing government funding for decarbonisation projects • Sustainable transport projects (reopening rail lines) • Bog restoration added • Scaling On Street Charging Initiative added • County Durham Fuel Poverty Partnership added <p>Removed:</p> <ul style="list-style-type: none"> • Domestic waste going to landfill • Carbon emissions from council operations since 2008/09 • Single use plastics (out of date) <p>Amended:</p> <p>Latest carbon emissions reduction figs.</p>

24	Our Environment: Issues to Address	Removed: Climate emergency declaration Amended: <ul style="list-style-type: none"> • Reopening rail lines detail • Air Quality Management Areas – Reference to Chester-le-Street AQMA removed • Ecological emergency – reference added to an action plan
25	Our Environment: Council Contribution	Council contribution to countywide carbon emissions moved to Our Council section New para added to differentiate council role in reducing carbon emissions and tackle climate change (para 1) Wording changes to collection, disposal, and treatment of municipal waste to reflect role in reducing waste, increasing reuse, and recycling and improving the quality of recycling through education (para 2) Figs for waste collection, fly-tips etc updated (para 3)
25-26	Our Environment – Approach	Street lighting project added. Minewater heating schemes added, retrofitting schemes removed. (para 1) Further detail added re ecological emergency and impact on nationally significant countryside (para 3)
26-27	Our Environment – Priority Actions	Action plan rewritten for 2023-2027 period with service
27-28	Our Environment - Key Performance Measures and Council Service Performance Indicators	Indicator list rewritten with service and split between two new categories
29	Priority: Our People	Sentence relating to building on assets in our communities added

29-30	Our People - Achievements	<ul style="list-style-type: none"> • Teenage pregnancies figs updated • Bullet around being a high performing area for transfers of care from hospital removed • Healthy options hot food takeaways scheme added • Stronger Families programme figs updated • 100% of nursery education providers rated as good or outstanding by Ofsted removed • Strong adoption performance bullet added • Latest ILACS inspection result added • Bullet added on integrated commissioning function added • Bullet on falls prevention pilot added • One Touch Health system bullet added • Great North Care record bullet added • Integrated pathways bullet added • Community equipment review bullet added • CQC outstanding inspection results for three of our regulated services bullet added • Finalists in LGC Awards Public Health category added • Bullet added on the creation of the Protecting Health team • Youth Justice Services winning CYP Now Award bullet removed
31-32	Our People – Issues to address	<ul style="list-style-type: none"> • Cost of living crisis bullet added • Smoking prevalence message amended • Breastfeeding figs amended • Combating Drugs and Alcohol Strategy bullet added • Increasing numbers and complexity of SEND cases bullet amended • Increase in complexity of care and court of protection referrals bullet amended • Infectious disease outbreak risk bullet added • messages around life expectancy and healthy life expectancy amended • Bullet around ageing population added • Pressures in social care bullet added • Social care reforms bullet added • Sustaining a robust care market bullet added • Maintaining effective demand management around adult social care bullet added

		<ul style="list-style-type: none"> Ensuring sufficient local placement choice for children in care removed
32-33	Our People – Council Contribution	<ul style="list-style-type: none"> Figs relating to sport and leisure provision updated Suicide prevention message added Para on Care Connect added
34	Our People – Approach	<ul style="list-style-type: none"> County Durham Together Partnership wording amended
35-38	Our People – Priority Actions	<p>Action plan rewritten for new planning period with service</p> <p>NB The action plan only contains actions for 2023/24 and 2024/25</p>
38-40	Our People - Key Performance Measures and Council Service Performance Indicators	Indicator list rewritten with service and split between two new categories
41	Priority: Our Communities	No amends
41-42	Our Communities - Achievements	<p>Added:</p> <ul style="list-style-type: none"> Selective licencing scheme Chapter Homes Business Plan Refurbishment of New Elvet Bridge <p>Removed:</p> <p>Significant investment in social worker workforce capacity</p> <p>Amended:</p> <ul style="list-style-type: none"> AAP support to community groups figs Town and village centre regeneration figs
42	Our Communities – Issues to address	<p>Added:</p> <p>No additional messages</p> <p>Removed:</p> <p>Increased demand and complexity of children’s social care (moved to Our People)</p> <p>Amended:</p>

		<ul style="list-style-type: none"> • Message changed around house prices and proportion of privately rented accommodation • UK internet retail sales % figure
42-43	Our Communities – Council Contribution	<ul style="list-style-type: none"> • House completion figs updated (para 2) • Message added about bringing empty homes back into use (para 2) • Rewrites to further emphasise council contribution and accountabilities regarding new homes, existing housing stock etc (para 2) • Community hub supporting residents self-isolating during pandemic removed • Para added on Warm Spaces (para 3)
43-44	Our Communities – Approach	<ul style="list-style-type: none"> • Message on developing a Design Code added (para 5)
44-46	Our Communities - Priority Actions	Action plan rewritten for 2023-2027 period with service
46-48	Our Communities – Key Performance Measures and Council Service Performance Indicators	Indicator list rewritten with service and split between two new categories
49-50	Priority: Our Council	<p>Updated message around uncertainties posed by cost of living crisis, exit from EU and catastrophic weather events (para 1)</p> <p>New para on cost of living crisis (para 2)</p> <p>Para around opportunities to develop digital services amended (para 3)</p> <p>Para around partnership working amended (para 4)</p>

50	Our Council – Achievements	<p>Added:</p> <ul style="list-style-type: none"> • DIBI programme • Warm Spaces initiative • Carbon emissions from council operations • Investors in the Environment ‘green’ status • Superfast broadband and 5G connectivity for residents <p>Removed:</p> <ul style="list-style-type: none"> • Council apprenticeship figs • Mental health first aiders and time to change champions figs • Community Hub support during pandemic <p>Amended:</p> <ul style="list-style-type: none"> • Cumulative savings fig since 2011/12 • Better Health at Work Award • Disability Confident Leader status • Latest Municipal Journal awards won
51-52	Our Council – Issues to address	<p>Added:</p> <ul style="list-style-type: none"> • Cost of living and financial pressures for council • Increased borrowing costs • Net zero organisation message • Recruitment and retention problems in VCS <p>Removed:</p> <ul style="list-style-type: none"> • UK withdrawal from EU • Energy price forecasts • Protecting Health Team (moved to Our People) <p>Amended:</p> <ul style="list-style-type: none"> • Financial uncertainty message • Ageing population and workforce • Staff mental wellbeing message • Recruitment problems and skilling workforce for the future • Managing data effectively and appropriately

52-53	Our Council – Council Contribution	<p>Workforce message amended to emphasise delivery of and commissioning others to provide services (para 1)</p> <p>Training programme message added (para 2)</p> <p>Digital contact figs amended (para 3)</p> <p>Message on how we use customer feedback amended. Examples provided (para 4)</p> <p>Message on how the pension fund is used to support local businesses added (para 5)</p>
53-54	Our Council – Approach	<ul style="list-style-type: none"> • Para on pandemic and redeployment removed • Para added about carbon reduction initiatives within the council (para 4)
54-55	Our Council - Priority Actions	<p>Action plan rewritten for 2023-2027 period with service</p> <p>NB the</p>
55-56	Our Council – Key Performance Measures and Council Service Performance Indicators	<p>Indicator list rewritten with service and split between two new categories</p> <p>NB the action plan only covers the first three years of the four-year plan period</p>
57-59	Glossary of Terms	<p>Removed as these terms no longer feature in the text of the Plan:</p> <ul style="list-style-type: none"> • Brexit • Channel shift • Council Tax Hardship Fund • Deprivation indices • Education and health care plan • Furlough • HMRC • Homes England • R number • SARS-CoV-2 • SATs • Signs of Safety • Trusted assessor model

		<ul style="list-style-type: none">• Youth Aware of Mental Health (YAM) initiative <p>ILACS added</p>
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Durham County Council Council Plan 2023/24 to 2026/27



Foreword

Durham County Council is ambitious.

Following the local elections in May 2021, councillors from different political groups came together to form a joint administration to lead the council for the benefit of the people of County Durham.

The County Council has a significant role to play in improving the lives of everyone who visits, lives or works in the county. As one of the largest unitary councils in the country, with gross expenditure of more than £1 billion each year, the council is responsible for the delivery of a wide range of public services impacting across all aspects of people's lives.

We are committed to growing our economy, and our new Inclusive Economic Strategy sets out how we are working with businesses and communities to provide the best opportunities for economic growth – leading to more and better jobs for local people across County Durham.

In addition to our ambition for County Durham we recognise our wider role in driving inclusive growth and prosperity across the North East. We are one of seven local authorities, together with Northumberland, Newcastle, Gateshead, Sunderland, North Tyneside and South Tyneside who have reached an agreement on a deal with the government which will unlock £4.2 billion of extra cash for the region over the next 30 years. Together with additional powers being transferred from Whitehall to local people, this will provide the basis for locally led improvements in areas such as transport, skills, housing and economic growth.

To oversee the deal, a new democratically accountable combined authority will be established, headed by an elected 'Metro' mayor. It will be the fourth largest devolution deal in the country which reflects our collective ambition to work collaboratively with partners across the region. The deal is subject to a governance review and public consultation which will take place early in 2023, with a mayoral election expected to take place in May 2024.

The cost of living crisis has placed significant pressures on families and businesses over the last 12 months. We remain committed to supporting our most vulnerable residents through what are unprecedented times whilst also focusing on the environment and our climate commitments.

Like many of our businesses and local partners, the Council is currently facing significant financial pressures from high inflation, which is impacting on our operating costs and the cost of construction and supply chains. We are actively reviewing several programmes of work to make sure that we have the right balance between achieving things that matter to local people whilst ensuring this can be delivered financially and that we provide value for money. We are continuing our focus on making the council more efficient, supporting families through the current cost-of-living pressures and maintaining a package of additional support to financially vulnerable households.

We are rightly proud of our county, our heritage, our people and our culture. We want to place our county on the national and international stage – particularly in 2025, which marks the 200th Anniversary of the Stockton and Darlington Railway, a route which started in Witton Park in County Durham! Having been shortlisted to the final four to become UK City of Culture in 2025, we remain committed to delivering a pioneering cultural programme with a lasting legacy. We know that our county has opportunities and issues that need to be addressed. Many of the issues facing our residents cannot be solved by the council alone, so we work in partnership with others across the public, private, voluntary and community sectors.

In 2019, the council and partners agreed a vision for County Durham for 2035 following extensive consultation with our residents. This is to help create more and better jobs, help people live long and independent lives and support communities to be well connected and supportive of each other. This Plan seeks to deliver and build on these ambitions and sets out the priority actions being taken forward by the council in support of the vision.

We will also continue to support our communities as the country continues to recover from the impacts of the COVID-19 pandemic and we recognise our role, both as a large organisation and as a community leader, in tackling the climate emergency and addressing ecological decline, which is why in the last year we have declared an ecological emergency and recast our carbon reduction targets and actions. We have built on the success of securing our first constituency Levelling Up bid by developing and submitting robust bids for the other five constituency areas across County Durham. These bids were unsuccessful in Round 2 but we await further details of the Round 3 process and will pursue the best possible options for County Durham.

We will maintain sound management of our resources delivering on these ambitions, maximising the talents of our people and using technology to provide the best services with the resources available.

This plan sets out how the council is contributing to achieving the vision for County Durham for 2035 ensuring that our resources are used in a transparent and effective way, by setting out our priorities to support our economy, our environment, and our communities, and further improve the efficiency and effectiveness of the council for everyone's benefit.



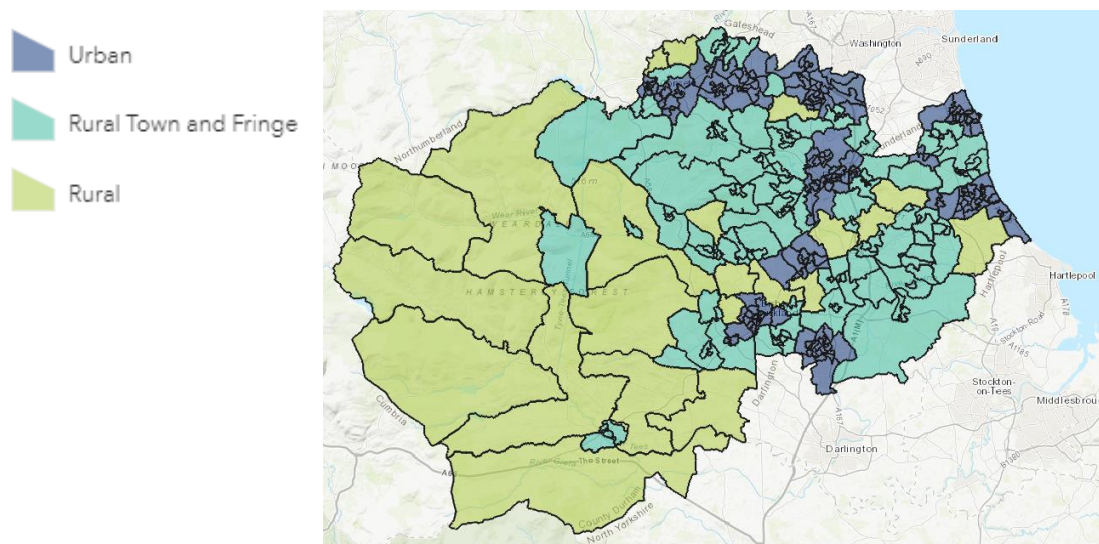
Councillor Amanda Hopgood,
Leader of the Council



John Hewitt,
Chief Executive

Population and Area

County Durham covers an area of 222,606 hectares and has an estimated population of 522,100¹. The county is largely rural, with around 57% of its area classified as rural in nature and a further 32% classified as rural town and fringe.²



Land type	Area of county	population	Population density per hectare
Rural	57%	7%	0.3
Rural Town and Fringe ³	32%	37%	2.7
Urban	11%	56%	12.1

Durham is a large and diverse county with a highly dispersed settlement pattern which creates specific issues and challenges. The county has over 300 recognised settlements, 23 of which have a population of 5,000 or more. This presents a challenge for the provision of transport and public services. A large proportion of the county, particularly to the west of the A68 is rural and has some of the sparsest population densities in the country. It is important to people that rural communities remain sustainable whilst maintaining those characteristics that make them distinctive. The particular challenges of rural communities are referenced throughout this Council Plan and rural proofing is embedded as a major consideration in any policies that we develop.

¹ Census 2021, Office for National Statistics

² Based on the 2011 Rural and Urban Classification (RUC) for Lower Super Output Areas (LSOAs) and the Office of National Statistics (ONS) 2017 Population Estimates

³ Landscape interface between town and country / transition between urban and rural where urban and rural use clashes

Council Services

Durham County Council provides more than **800** services to our communities. We are obliged by law to offer most of these services (which are known as statutory) but for some services, we have more flexibility over whether and to what level we provide them at (these are known as discretionary). We therefore provide a crucial role in the lives of all residents delivering a breadth of services across the county. The following examples illustrate the range of services we provide.



19,000 adults supported by social care



148 allotment sites



Nearly **10,000** engagements with our archives



46 cemeteries and **96** closed church yards



2 crematorium joint committees



3,800 children supported by social care



Corporate parent to over **1,000** children



3m visits annually to our **15** leisure centres



5,000 people learning to swim in our **10** pools



809,000 sq ft business space managed



266 schools



11,274 children with special educational needs



5,000 food businesses inspected



15 sq. mi. of litter picking per week



8 major events organised



2,363 miles of highways



12,500 contacts to Housing Solutions p.a.



57,000 Council Tax Reduction claimants



39 libraries with over **200,000** members



9 parks and **12** green flag awards



82,422 street lights



£4.2m subsidy provided to bus operators to run non-profitable routes



Over **160** Warm Spaces supported for people to go to get warm



2,191 miles of public rights of way



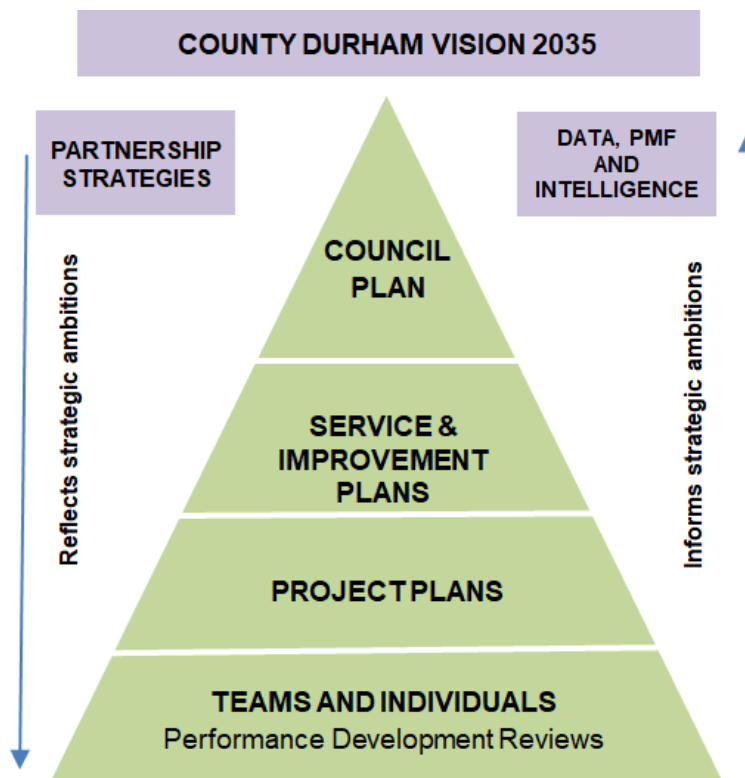
1 million bins emptied per month

Our Planning Framework

Our planning framework runs a ‘golden thread’ through the organisation from high-level strategic plans, through service plans and ultimately to teams and individuals. It focuses our resources onto the things that matter to us and is supported by our performance management framework, through which we measure our progress.

- **County Durham Vision:** developed with partners and residents, sets out the shared long-term ambitions for the county.
- **Council Plan:** our key corporate planning document which sets out our direction for the medium-term. It shows how we will take forward the vision and sets out how we will make the council more efficient and fit for the future through our transformation agenda.
- **Service Plans** set out priorities for service groupings for the next three years and outline the key programmes we will undertake to deliver high-quality services, in line with available resources, which meet the needs and expectations of our service users and local communities.
- **Individuals’ contribution** to delivering the corporate and service objectives.

All strategies and plans are monitored in line with our performance management framework.



What we want to achieve: Themes, Priorities and Objectives

OUR ECONOMY

Durham has a thriving and inclusive economy with more and better jobs and fewer people suffering from the hardships of poverty and deprivation

- **Delivery of a range of employment sites across the county**
- **A strong, competitive economy where County Durham is a premier place in the North-East to live and do business**
- **A broader experience for residents and visitors to the county**
- **Young people will have access to good quality education, training and employment**
- **Helping all people into rewarding work**
- **Fewer people will be affected by poverty and deprivation within the county**
- We will improve employment opportunities for disabled people*

OUR ENVIRONMENT

Durham has taken action to tackle the climate emergency, reduce the impact of pollution and waste on our county and protect, restore and sustain our natural environment

- **Create a physical environment that will contribute to good health**
- Work with others to achieve a carbon neutral county
- Reduce the impact of waste and pollution on our environment
- Protect, restore and sustain our natural environment for the benefit of future generations

OUR PEOPLE

Durham is a place where people will enjoy fulfilling, long and independent lives

- **Children and young people will enjoy the best start in life, good health and emotional wellbeing**
- **Children and young people with special educational needs and disabilities will achieve the best possible outcomes**
- **All children and young people will have a safe childhood**
- **Promotion of positive behaviours**
- **Better integration of health and social care services**
- **Tackle the stigma and discrimination of poor mental health and build resilient communities**
- **People will be supported to live independently for as long as possible by delivering more homes to meet the needs of older and disabled people**
- Support people whose circumstances make them vulnerable and protect adults with care and support needs from harm
- Protect and improve the health of the local population, tackling leading causes of illness and death

Objectives in **bold** are adopted from the Vision for County Durham 2035

* These are Durham County Council's equality objectives. Further information can be found on our [website](#).

OUR COMMUNITIES

Durham is a great county in which to live, with flourishing communities which are connected and supportive of each other

- **Standards will be maintained or improved across County Durham's housing stock**
- **Our towns and villages will be vibrant, well-used, clean, attractive and safe**
- **People will have good access to workplaces, services, retail and leisure opportunities**
- **Communities will be able to come together and support each other**
- **Delivery of new high-quality housing which is accessible and meets the needs of our residents**
- Our rural communities will be sustainable whilst maintaining those characteristics which make them distinctive
- Narrow the inequality gap between our communities
- We will build inclusive communities*

OUR COUNCIL

Durham County Council has a reputation for listening to its residents, being well-managed and getting things done

- Our resources will be managed effectively
- Create a workforce for the future
- Design our services with service users
- Use data and technology more effectively
- We will build an inclusive and welcoming employee culture*

Objectives in **bold** are adopted from the Vision for County Durham 2035

* These are Durham County Council's equality objectives. Further information can be found on our [website](#).

Our Vision

In October 2019, public, private and voluntary sector bodies which make up the County Durham Partnership jointly agreed a [Vision for County Durham 2035](#). This vision was based on a strategic assessment of need using our intelligence platform Durham Insight and was developed following extensive consultation with the public.

Residents, businesses and specific interest groups such as children and young people and people with a disability, were asked what they would like to see in a new vision for the county and their views were incorporated into our final vision. The vision document which was agreed sets out our strategic direction and what we would like to achieve over the next 15 years and is written around three broad ambitions for the people of County Durham:

- **More and better jobs**
- **People live long and independent lives**
- **Connected communities**

These three themes were developed following extensive public consultation, with almost 30,000 pieces of consultation evidence having been fed into the development of the vision. As well as being of key importance to local people's long-term priorities, they remain key strategic ambitions in our response to the COVID-19 crisis, where key impacts relate to employment, health and wellbeing, and communities. This document sets out the contributions that Durham County Council will make to help achieve those ambitions.

For the purposes of our planning, we have supplemented this countywide vision with priorities around our environment and our council.

Our Economy: We want to build an inclusive economy by creating **more and better jobs in an inclusive, green economy**, ensuring no one is left behind by supporting businesses emerging from the pandemic back to stability and help to rebuild our economy. We are developing a pipeline of projects and investment plans; our roadmap to help stimulate inclusive economic recovery right across the county. We will create and nurture the major employment sites across the county, cementing our position as a premier place in the region to do business and building on the success of the development of a number of strategic employment sites with exciting opportunities for the development of Aykley Heads and the redevelopment of Front Street in Stanley now in the pipeline. Employability support programmes will be developed to help people back into jobs or to start their own business. We will support businesses to grow, innovate and reduce their environmental impacts and through the County Durham Pound, encourage businesses to work together to support countywide growth. We will ensure that children and young people receive high-quality education, training and support to equip them with the skills they need to progress into the employment opportunities of today and the future. We will support our tourism and hospitality sector to recover as a great visitor destination with a cultural offer which will help stimulate the local economy. This will include our new history centre and registration service, The Story at Mount Oswald, which will open

to the public in 2024, the reopening and re-purposing of the former DLI Museum and Art Gallery as a cultural venue and exhibition space, building on the success of Lumiere 2021 with an exciting festival and innovative cultural programme with a lasting legacy. The development of our visitor offer goes hand-in-hand with the diversification of the economy and making the county more attractive to talented and creative people and businesses.

Our Environment: The climate emergency is one of the most important issues facing humankind today. Whilst it is a global issue, there is a lot that can be done locally to respond to this challenge. Durham County Council declared a climate emergency in 2019. Our target as an organisation is to reduce carbon emissions to zero by 2030 through offsetting and further reducing emissions and contribute towards and work with others to achieve our aim of a carbon neutral county by 2045. On 6 April 2022, Cabinet declared an ecological emergency and agreed to progress the development of an action plan to address the ecological decline wherever possible.

Everyone is justifiably proud of our beautiful countryside and coast. A large part of the county is of significant landscape value including the North Pennines Area of Outstanding Natural Beauty (also a designated UNESCO Global Geopark) and the Durham Heritage Coast. Some parts of our county support unique combinations of plant and animal species. Biodiversity and healthy ecosystems are critical to our population. They play an important role in providing food, energy, shelter and medicines, sustaining water and soil quality, preventing floods and regulating the climate. Our natural environment also contributes significantly to our wellbeing and quality of life. The Education Service will work to reduce the carbon footprint for all schools in relation to their training needs, by making both real and virtual-live training opportunities of the highest quality readily accessible locally.

Our People: We want our residents to **live long and independent lives** and remain in good health for many years to come. We want to protect and improve the health of our residents, tackling leading causes of illness and early death, including the detection, prevention and response to infectious diseases. We want to address some of the inequalities that have been exacerbated by the pandemic, including mental health challenges. We have a strong track record of health and social care integration in Durham. We want to build on the financial and practical support we have provided to the care sector during the pandemic by ensuring we have a high-quality care market that is sustainable in the future. The Education Service will provide a professional learning programme of high quality to schools and settings that, through its design, supports and sustains them as they prepare young people for success in life and employability. The council has also set out a programme to transform our leisure centre venues to support health and wellbeing outcomes of the wider population and is developing a new physical activity strategy which aims to improve the physical health of our residents.

Our Communities: We want our **communities to be well connected and supportive of each other**. As town and village centres reopen, we will help them to be vibrant and accessible places which are well-used, clean, attractive and safe. We

will support the most vulnerable in our communities, particularly those who are isolated or adversely affected financially. At the start of the pandemic, the council established community hubs to fast-track applications for food and other essential services to residents who had to remain in their own home and who had no support. We want to build on what we have learned during this time through an approach to supporting communities called County Durham Together, which will support our ongoing approach to wellbeing through working with communities, involving them in decisions that affect them, and building resilience and cohesion. This involves bringing a range of public sector and voluntary organisations together with communities to identify ambitions, and to develop and deliver plans as a partnership. We have a strong focus on tackling poverty, with significant investment and policy interventions in place to support families, children and individuals who are financially vulnerable. Through our Poverty Action Steering Group and the work of the Advice in County Durham Partnership, we have developed a robust strategy and action plan to ensure there is support to those in crisis but that we also focus on the routes out of poverty.

Our Council: We want to be regarded as an excellent council, with effective governance arrangements and which has a good grip on its performance and finances. We want a workforce fit for the future and to make best use of the latest technology to provide an effective service for our residents. We recognise that we could make better use of data to better serve our residents and we have embarked on a corporate programme to become a more analytical and data-driven organisation. We also want to be known as a council which listens to the views of our residents and service users and takes them into account in our decision-making.

Our Approach

Equality and inclusion are at the heart of the council's vision and core values. We recognise that inequality affects different people and communities in different ways. We are committed to creating and sustaining a modern and supportive working environment for our employees and tackling the inequalities, prejudice and discrimination affecting the diverse communities which we serve.

We also want to work with communities to support their development and give them a greater degree of control over the factors and decisions which affect their lives. We acknowledge that communities have differing needs and we also recognise that they also have differing strengths and potential. One size does not fit all. We will therefore target our support towards the most in need and help to build capacity and resilience. We will work better together with other organisations to reduce duplication and ensure greater impact, and with service users and interested parties such as parents and carers to develop and shape services and initiatives. We are committed to doing things with communities rather than to them and we want to make sure that everything we do is supported by evidence and informed by conversations with our residents. This is known as our Approach to Wellbeing.



Our Financial Plan

The council is committed to strong financial governance and getting value for money, whilst ensuring that any council tax increases are justified and affordable. The [annual budget and medium-term plan](#) seeks to balance the need for both short-term and long-term investment in frontline services, with the need for financial prudence and reasonable council tax increases.

In 2022/23, the council will receive additional core spending power of £51.6 million from the provisional Local Government Settlement. This will be vital in ensuring that significant ongoing budget pressures can be financed – which total approximately £81 million in 2023/24. Examples include the National Living Wage 9.7% uplift, energy costs which are forecast to increase in 2023/24 by over 80% from current budgeted levels and from the continuing pressures from higher demand in social care services, plus waste disposal and home to school transport budget pressures. The council's low tax base and consequential low tax raising capacity continues to constrain and place pressure on our budgets.

The government has published details of spending power 'per dwelling' for all local authorities, which shows that County Durham is now £167 (c7%) less than the England average. If Durham's Core Spending Power was brought up to the England authority average of £2,360 per dwelling, the council would annually receive additional government grant of £42 million.

The council faces a forecast £25.5 million funding shortfall in 2023/24. To address this shortfall savings of £12.7 million are proposed with a use of the MTFP Support Reserve of circa £12.8 million to balance the budget.

Despite a very challenging financial period and the significant base budget pressures faced by the council the 2023/24 budget included some very positive outcomes for the people of County Durham, including:

- continued support to protect working age households in receipt of low incomes through the continuation of the existing Council Tax Reduction Scheme, where they will continue to be entitled to up to 100% relief against their council tax payments and where those left with a bill will receive up to £75 of additional support next year;
- ongoing work with health partners to ensure that health and social care funds are maximised for the benefit of vulnerable people through the services we provide;
- significant investment in capital expenditure, including investment in school provision, in our town centres and infrastructure, new transport schemes and maintenance of our highways and pavements. In total, additional capital investment of £121.8 million was agreed as part of the Medium Term Financial Plan, with the Council committed to a Capital Programme of £778 million. – the most ambitious and significant level of investment the Council has ever agreed.

A key risk for the Council in 2023/24 and potentially beyond is the cost of living crisis. Rising fuel and energy costs are driving consumer price inflation, which is impacting

on residents' household budgets, particularly those on lower incomes. This is affecting demand for council services in a number of ways. Pay and price inflation is also a material consideration for council finances. The 2023/24 budget includes significant additional budget uplifts in our energy budgets and prudent assumptions in terms of other inflationary pressures, but inflation, particularly energy inflation is increasing.

Monitoring

This Plan sets out key measures which we will use to determine whether we are delivering on outcomes for the people of County Durham. In some instances, we have set out what good looks like against these key measures to aid the reader and these remain aspirations for the council.

The Plan also sets out our council service performance indicators where we have identified the services we provide which are major contributors to achieving our outcomes. In some instances, we will use targets against these indicators to manage performance

We will monitor council performance against these key measures and council service performance indicators and report to Cabinet and scrutiny committees on a quarterly basis. The plan will be subject to an annual review process

Priority: Our Economy

We will continue to support growth, helping people to access more and better jobs in an inclusive, green economy. We will support businesses to grow in the county, adopt low carbon technologies, and cut their energy use. We will work with all schools, businesses and academies to ensure that the highest educational standards are in place to support a broad and balanced 21st century curriculum aligned to local economic opportunities.

Our county has some of the most beautiful countryside and coastal landscapes in Britain, a fascinating history, a wealth of attractions and a regular events programme. Consultation with local residents, young people and businesses highlighted the opportunity to develop the county as a visitor destination as well as for the benefit of local residents. We have made great strides to improve our visitor offer and our new Inclusive Economic Strategy will support an improved year-round visitor economy with investments in our visitor and cultural and creative infrastructure, assets, and facilities. Our aim is for County Durham to be widely recognized as a leading centre for culture and the arts, with a range of experiences that match and exceed the best offered in the country.

Through conversations with our residents, businesses, young people and community groups, we understand the challenges that we face together and will work in partnership to tackle different forms of exclusion. This includes harnessing the opportunities of the digital economy and ensuring as many local people as possible have the infrastructure, equipment, and training needed to access local services, jobs, and education. We will use our resources and investment where we can to secure support from other investors, businesses, social enterprises, and charities to tackle local challenges and promote untapped local opportunities across the county whilst protecting and enhancing our habitats and historic assets.



Achievements

- Positive discussions have taken place with other neighbouring authorities and the government to reach a provisional deal to unlock billions of pounds of investment and see additional powers transferred from Whitehall to the North East.
- £25 million investment and completion of phase 1 of Jade Business Park. Creating seven new units totalling more than 14,000 sqm of industrial space to accommodate 250 jobs.
- £75 million of private sector investment in new industrial and warehousing at Connect at Integra 61 creating 640,000 sq. ft

- of new industrial and warehousing space and contributing to the 4,000 jobs that will be accommodated on Integra 61.
- £271 million invested in one of Europe's leading technology parks at NETPark delivered and managed by Business Durham, with 16,000 sqm of office and laboratory space supporting 650 jobs.
- Planning approval to bring forward over 800,000 sq ft of development at Forrest Park in Aycliffe to potentially build 8 factory units.
- Developed an Inclusive Economic Strategy for the County to support future economic growth
- Investment Plans submitted for UK Shared Prosperity Fund, Multiple Programme and the Rural England Prosperity Fund, bringing in £37.1m to support Durham's economic growth over the next three years.
- Planning consent secured for over 400,000 sq. ft of office space at Aykley Heads site with the potential to create 4,000 jobs.
- Secured £20million Levelling Up Fund for the Bishop Auckland Constituency Proposal. Also developed five proposals for the remaining constituencies
- Delivered a successful festivals and events programme including the Bishop Auckland and Seaham food festivals, Durham Book Festival and BRASS which were attended by over 95,000 people in 2022.
- Our Post 16 outcomes have improved steadily over time with average grades at A level above national averages from 2018.
- Over 13,500 children and young people with Special Educational Needs and Disabilities are supported to achieve good outcomes in our schools and colleges. Almost 85% of these are supported in their local mainstream nursery, school or college
- The Percentage of our children and young people attending an Ofsted judged 'Good or Better' school is 91.2% at Nursery and Primary, 76.9% at secondary and 96.3% at special schools.

Issues to address

- The employment rate has been relatively stable at around 71.5% for the last two years despite the difficult economic conditions but we need to continue to attract more and better jobs in order to catch-up with the national average.
- The economic recovery from Covid-19 has been set-back by the escalating cost of living crisis, whereby substantial price rises are affecting all parts of the economy.
- Income levels are low in County Durham. The county is the 42nd most income-deprived out of 151 local authorities nationally. Gross disposable household income per head of population in County Durham is just over 76% of the national average.
- The gap between the employment rate for people with a disability compared with those who are not disabled stands

at 34.7 percentage points (March 2022) which is one of the highest differences in the country.

- In 2022, 90.2% of 16-17-year-olds within County Durham were participating in education, employment or training.
- GCSE results as measured through the average attainment 8 score for the county are below the national average.
- 84.5% of pupils attend a school judged by Ofsted to be 'good' or 'outstanding' (as at October 2022).
- Child poverty is increasing, by autumn 2022 around 30% of school children are claiming free school meals increasing by around a fifth in the last two years.

- According to the latest figures (2020), an estimated 14.7% of households are in fuel poverty. This is defined as where the householder is living in a property with a fuel energy efficiency rating of band D or below; and after paying fuel costs, would be left with a disposable income which is below the poverty line.
- Day visitors to our county spend an average of £22.97 in the local economy per day, whilst overnight visitors will spend an average of £209.61 per trip. Only 9% of visitors will stop overnight within the county.

Council Contribution

To grow the economy, the council tries to create the conditions which will help the private and public sector invest in County Durham; allocating land, improving infrastructure and working with partners to attract investment and jobs.

We have committed to £58 million to progress the development of the third phase extension of NETPark (The North-East Technology Park) Business Park in Sedgfield and are currently procuring the developer, which could generate up to 1,250 skilled jobs and be worth up to £625 million to the County Durham economy. Phase three is expected to be completed in 2024.

In 2023 phase 2 of Jade Business Park will be built to provide seven new industrial premises following the success of the seven units built during phase 1. This will help to address the overall shortage of modern business premises in the county and strong demand.

Through Business Durham we work with businesses to promote enterprise, foster the environment for new businesses to start up, and enable businesses in the county to develop and grow. Through the creation and delivery of high-profile innovation programmes, we help businesses develop new products, services and processes and transition to a higher value economy. We are supporting businesses across the County many different ways and through the County Durham Pound are encouraging local businesses to work together and buy from and supply one another.

We have a substantial and varied property portfolio across County Durham, providing space for over 300 businesses employing 1,600 people, including offices, workshops, the Durham Dales Centre and we manage the region's only science park, NETPark. Through initiatives such as the Durham City Incubator we are working with Durham University and New College Durham to give intensive support to enterprising people with unique products and services that will grow and diversify our local economy.

Working with all schools, academies and trusts the Education Service will support parents and carers in driving improved attendance and school engagement for all pupil groups and minimise the degree of pupil mobility, suspensions and exclusions across all key stages ensuring that Durham young people have equal or better access to high quality teaching and provision. We will also support maintained schools to ensure outcomes and Ofsted inspections across all phases, compare favourably, against national and regional averages. Additionally, the SEND Green Paper ("right support, right place, right time") will require additional work with school leaders across the system to integrate more children with SEND into mainstream settings

To increase employment, we offer help and support to develop skills, get people into work or start their own business through such initiatives as Durham Employment and Skills, Employability Durham, Durham Enable and Durham Works. Employability Durham provides a range of schemes to those aged 25 and over who are unemployed and during 2021/22, supported 503 people into employment and 43 into education and training. Durham Works is a dedicated programme for young people aged 16-24 who are not in education, employment or training. The council is itself a major employer committed to a comprehensive apprentice programme, open and fair recruitment and being a good employer. To improve our employment programmes for people with mental health issues or learning disabilities, we have recently employed three mental health employment support workers who will offer specialist support to those whose conditions may be a barrier to obtaining good jobs.

Our destination management organisation, Visit County Durham, works closely with VisitEngland, a wide range of public and private sector partners and tourism businesses to help grow the county's visitor economy. Through Visit County Durham, we coordinate the promotion of the county nationally and internationally and influence or directly deliver activities which relate to visitors and the visitor economy, including marketing, information services, product development, visitor experience, business engagement and workforce development. Our Visitor Information Network is delivered through working with partners such as attractions, visitor centres and cafes to provide information, literature, kiosks and touchscreens - and in the most recent survey received a 93% customer satisfaction rating.

As part of the Culture Durham Partnership, we entered a bid to be UK City of Culture 2025. We were shortlisted to the final four and whilst we did not take the title, we remain committed to delivering a pioneering cultural programme with a lasting legacy. This will deliver social and economic benefits to the whole of County Durham and the wider region; allowing us to engage even more people

in arts and culture, attract additional visitors and help us to secure additional investment. As part of our contribution to the cultural offer within County Durham, we run an annual programme of festivals and events including Bishop Auckland and Seaham Food Festivals, Durham Brass and Durham Book Festival, alongside a varied offer of exhibitions and entertainment through our town halls and theatres.

The council has developed a Poverty Strategy and associated action plan together with a range of partners. This approach includes ensuring residents get what they are entitled to through income maximisation and benefits take up. We are improving our support schemes such as the council tax reduction scheme, welfare assistance and discretionary housing payments. We are also working to ensure that it is easier for residents to access all of the help on offer. We are also working with charities and community groups to provide a collaborative approach to poverty alleviation on initiatives such as Warm Spaces.

Approach

Increasing employment in the county has a significant multiplier effect in terms of its contribution to a range of other quality of life issues, such as improving mental and physical health and reducing crime. We are working to support employers and voluntary and community organisations to address health issues in the workplace through a range of initiatives. Our ambition is to create more jobs for our residents. Wage levels in the county lag behind the national average and the gap is widening. We need to address this by attracting high-quality jobs to the area. We want to create the ideal environment for businesses to thrive in the county, through ensuring that our workforce and our young people entering the jobs market are equipped with the necessary skills to access the jobs of today and the future.

We have a strong pipeline of investment projects across the county and we want to deliver our strategic employment sites and support key business sectors and innovation opportunities. We will continue to deliver a range of programmes to help people, who are finding it difficult to access the jobs market, into rewarding work including reskilling our labour force. Our plans will support rural growth whilst preserving and enhancing the quality of what makes our towns, villages and landscapes distinctive. Our county has a rich historic and cultural heritage, some enviable world-class attractions and beautiful countryside. We want to continue to develop our visitor economy offer for tourists, local residents, and to improve the overall promotion of the County to investors, learners, and new residents.

Priority Actions⁴

-
- 2023/24
- Bring forward key locations for business attraction and growth including Forrest Park and Integra 61
 - **Carry out public consultation and a governance review for the devolution deal for LA7 area covering County Durham, Newcastle, Gateshead, North Tyneside, Sunderland, South Tyneside and Northumberland**
 - **Assure the delivery of and secure tenants for the Milburngate redevelopment project in Durham**
 - **Bring together the history and heritage of the county into ‘The Story’ (Durham History Centre)**
 - Develop the Inclusive Economic Strategy Delivery Plans for the County that integrate with national, regional, sub-regional and local strategies
 - Development and delivery of a pipeline of major transport infrastructure projects to support employment sites *including Jade Business Park Infrastructure, Integra Phase 2 and Toft Hill Bypass*
 - Delivery of the Tourism Strategic Framework, including the refreshed Durham Destination Management Plan
 - Ensure the delivery of employability programmes that assist residents to access and sustain job opportunities
 - Deliver our Education Operational Plan
 - Maintained schools are given appropriate and proportionate support to ensure outcomes and Ofsted inspections across all phases, compare favourably, against national and regional averages.
 - Working with all schools, academies and trusts to support parents and carers in driving improved attendance and school engagement for all pupil groups.
 - To minimise the degree of pupil mobility, suspensions and exclusions across all key stages ensuring that Durham young people have equal or better access to high quality educational provision.
 - To work with all schools, academies and trusts to ensure sufficiency of places across all Durham, early years setting’s, primary and secondary Schools in line with changing demographics and school performance related factors.
 - To support schools and settings to improve the quality of teaching, ensuring professional learning networks are offered to educational professionals at all levels, drawing explicit focus to areas of local and national priority.

⁴ Those in bold are identified as major projects and are monitored by CMT Major Initiatives Board

- Deliver DurhamWorks Programme for Schools to ensure young people at greater risk of becoming NEET have access to careers education, information, advice, guidance and support to enable them to make a positive progression into post-16 education, employment and training
- Support more young people with vulnerable characteristics into employment, including young people who have SEND, children looked after, care experienced young people, young people supervised by the Youth Justice Service, young parents, young carers, young people who are elective home educated.
- Review the Employment & Skills Strategy through the Inclusive Economic Strategy Delivery Plans
- Implement our [Poverty Strategy and Action Plan](#) to help protect residents most at risk of poverty and exclusion, increase equality of opportunity and ensure fewer people are affected by poverty and deprivation
- Develop the 'Better Business for All' initiative to help reduce the burden of regulation on local businesses, improve business compliance and promote local economic growth

Support businesses to start, sustain, grow and innovate through:

- Developing new integrated packages of business support programmes for UK Shared Prosperity Fund to increase business start-up and business productivity.
- Preparing for opportunities via growth of inward investment lead generation activity within the region as part of better regional coordination through devolution deal.
- Managing Finance Durham Fund in its second 5-year term.
- Implementing sector development management approach to innovation e.g. space, fintech & digital.

2024/25	<ul style="list-style-type: none"> ▪ Refurbish and reopen the former DLI Museum and Art Gallery and grounds as an exhibition centre, gallery and café venue with appropriate reflective and contemplative grounds ▪ Support delivery of the new visitor product across County Durham ▪ Deliver a range of initiatives to alleviate poverty <i>including working with registered providers and providing advice and signposting to people who are struggling with housing costs</i> ▪ Working in partnership deliver the Regional Destination Development Partnership pilot
2025/26	<ul style="list-style-type: none"> ▪ Deliver sites within Durham County Council's remit and enhance Property Portfolio <i>including Aykley Heads, NETPark Phase 3, Merchant Park, Jade Business Park and South Church Enterprise Park</i> ▪ Review of events and festivals offer and preparation for NPO submissions for 2026-2029
2026/27	<ul style="list-style-type: none"> ▪ Deliver 'The Story' (Durham History Centre) Heritage Lottery Fund Programme Plan ▪ Deliver the legacy of the City of Culture bid through the Culture County Programme ▪

Key Measures

- Increase the amount of employment land approved and delivered by 300 hectares by 2035 (against 2016 baseline)
- Grow the number of private sector business and private sector employments per 10,000 head of population within County Durham to close the gap with the national average by 2035
- Increase the level of GVA per filled job to close the gap with the national average by 2035
- Increase the employment rate for 16-64 year olds to close the gap with the national average by 2035
- Increase the proportion of residents with higher level skills to close the gap with the national average by 2035
- Increase the number of organisations involved in the Better Health at Work Award (to improve health and wellbeing interventions at work)
- Increase the disability employment rate to close the gap between the employment rates for residents with a disability and those who are not disabled
- Increase the number of visitors to the County to pre-Covid levels by 2025
- Increase the value of the visitor economy profile in County Durham (Number of jobs supported, amount (£m) generated)
- Increase the proportion of visitor attractions which are served by public transport (against 2021 baseline)
- Reduce the number of heritage assets 'at risk' that are categorised as 'Priority A and/or in 'very bad condition' (against 2021 baseline)
- Increase the proportion of children and young people with EHC plans attending a mainstream school
- Proportion of children living in low-income families
- Percentage of schools Ofsted judged 'Good' or 'Outstanding' school

Council Service Performance Indicators

- Percentage of office and industrial floorspace occupied
- Number of jobs created or safeguarded by Business Durham
- GVA from jobs created or safeguarded by Business Durham
- % of jobs created by Business Durham which are high level jobs
- Number of jobs created or safeguarded through regeneration projects
- Amount (£) of investments secured by companies
- Number of Inward Investments secured

- Number/£ investment through Finance Durham Fund
- Number of businesses supported by Business Durham (engagements)
- Number of businesses intensively assisted
- Number of new businesses supported by Community Economic Development Team
- Number of registrations to employability programmes
- Number of participants on employability programmes progressed into employment / education or training
- Number of tourism businesses actively engaged with Visit County Durham
- Average % occupancy of screenings/performances during the quarter (BATH, Gala and Empire)
- Average % yield of screenings/performances during the quarter (BATH, Gala and Empire)
- Number of people attending Council owned cultural venues
- Number of people attending Culture, Sport & Tourism ran and commissioned cultural events
- Number of active library borrowers
- Number of heritage assets in County Durham identified as being at risk on the Heritage Asset Register
- Number of Council owned heritage assets “at risk”
- Number of Council non-designated heritage assets “at risk”
- Increase the proportion of 16–17-year-olds in education, employment and training to narrow the gap with regional and national levels
- School Attendance
- Elective Home education
- Percentage of eligible disadvantaged 2-year-old children registered for 15hr entitlement
- Primary and Secondary Ofsted ratings
- Free school meals eligibility and take-up
- Improve the proportion of children achieving expected standards in reading and maths at key stage 2
- Improve the average grade of achievement of all of our pupils within GCSE English and Maths to a Grade 5

Priority: Our Environment

One of the biggest issues facing the planet is the climate emergency. Scientific evidence shows that increased rates of greenhouse gasses in the atmosphere, through the burning of fossil fuels, deforestation, intensive livestock farming and other industrial practices have led to an increase in global average temperatures, droughts, flooding events and more unpredictability in weather patterns. Whilst this is a global issue, there is a lot that can be done locally. Durham County Council has declared a climate emergency and is looking to reduce carbon emissions from its own operations and change some of its land practices such as peat restoration and tree planting.



The council wants to provide the right conditions to make cycling and walking for short journeys, or as part of a longer journey, the right choice. This will not only reduce carbon emissions but also has added health benefits for our residents. Levels of pollutants are low in the county but there are some hot spots where government standards are exceeded at certain times, and we have a plan to reduce these.

We have some beautiful countryside in County Durham boasting an Area of Outstanding Natural Beauty, a UNESCO designated Geopark, a heritage coast and many Sites of Special Scientific Interest. There are many benefits to valuing nature, and we need to conserve and sustain this for future generations and not allow our biodiversity to deteriorate. To this end, the council is committed to showing leadership in taking action to address the decline of habitats and species across the county by declaring an Ecological Emergency for County Durham, to be accompanied by an action plan that enables a positive response across council services.

Durham is a large and diverse county with a very dispersed settlement pattern which creates specific issues. A large proportion of the county, particularly to the west of the A68, is rural and has some of the sparsest population densities in the country. It is important that rural communities remain sustainable whilst maintaining those characteristics which make them distinctive. The particular challenges of rural communities are referenced throughout this Council Plan and rural proofing will be a major consideration in any policies we develop.

Achievements

- Carbon emissions across the county have reduced by 57% from the 1990 baseline.
- Securing significant funding from Government for decarbonisation projects, from building retrofits to EV charging infrastructure

- 16,000 hectares of blanket bog have been restored in County Durham, avoiding 192,000 tonnes of carbon from being emitted each year.
- We are pursuing three bids to improve sustainable transport through the reopening of rail lines at Consett, Stillington and Weardale.
- Scaling On Street Charging Initiative (SOSCI) project has installed 153 EV charge points sockets, 10 of which are rapid charge, the other 143 being 7-22 kWh fast charging, in towns, libraries, leisure centres and community centres.
- County Durham Fuel Poverty Partnership has enabled residents in County Durham to have the 4th highest uptake of energy efficiency grants nationally, working with landlords to improve quality and energy efficiency of buildings and supporting low carbon retrofit for off-gas homes.

Issues to address

- The council is committed to exploring more sustainable transport choices and we are pursuing three bids for rail connections from Ferryhill to Teesside, Consett to Tyne and Darlington to Weardale to help realise environmental, social and economic benefits in County Durham and the wider region.
- Countywide contracts in place for waste disposal services are coming to an end.
- An Air Quality Management Area where national standards for levels of pollutants has been declared in parts of Durham City, with an action plan to improve air quality.
- The Environment Act 2021 will give the council more powers and responsibilities regarding air quality, nature conservation, waste and use of resources.
- The council is committed to examining the decline of habitats and species has declared an ecological emergency in County Durham, to be accompanied by an action plan that enables a positive response to be delivered across council services.
- We want to encourage and enable greater participation in cycling and walking across all demographic groups.
- The government's Waste and Resources Strategy may have implications for the council such as the introduction of a separate food waste collection, free garden waste collection services, standardising domestic collection services across the country and introducing recycling targets.
- We will continue to work with our partners, Northumbrian Water and the Environment Agency to carry out work to

reduce the risk of flooding and its impacts on residents and businesses.

- The tonnage of domestic household waste collected has increased significantly during the pandemic, which is affecting the proportion of waste recycled and being

diverted to landfill and increased contamination issues in our recycling collections.

- The percentage of waste going to landfill has increased during the pandemic from less than 5% to nearly 10%.

Council Contribution

Climate change poses one of the greatest threats to civilisation and has the potential to cause catastrophic problems for generations to come. The council has recognised the severity of this threat and has declared a climate emergency. Whilst the council itself generates carbon emissions from its operations such as from its buildings, vehicles and street lighting, it is calculated that these emissions make up only 3% of those emitted in total from the county. This is why we have developed a twofold action plan to address this, the first part being to reduce our own carbon emissions as an organisation and the second, how we can work with partners and the public to achieve a carbon neutral county by 2045.

The council owns approximately 10% of the county's total woodland - 1,800 hectares across 170 sites, of which over 300 hectares is ancient woodland which has existed since 1600. We are also the accountable body for the management of the North Pennines Area of Outstanding Natural Beauty, an area covering almost 2,000 square kilometres and containing 40% of the UK's upland meadows, 30% of upland heath and 27% of blanket bog. Appropriate management of these sites will not only improve their carbon performance and their role in tackling climate change, but it will also increase their amenity value, benefit wildlife conservation and other ecosystem services.

Responsible for the collection, disposal, and treatment of all municipal solid waste within its area, the council has a major role to play in reducing waste, increasing reuse and recycling and improving the quality of recycling material through education. Our in-house teams carry out regular and reliable collection services to around 250,000 households and 3,200 businesses, as well as providing 13 Household Waste Recycling Centres (HWRCs).

In addition to the scheduled services during 2021/22, we completed 31,000 bulky household waste collections and cleared up 5,700 fly-tips. Our work amassed 272,484 tonnes of municipal waste, including 1,592 tonnes of fly-tipped waste. 38% of our total

municipal solid waste collected by the Authority was re-used, recycled or composted. Of the waste sent for disposal, 90% was diverted from landfill and was converted to energy.

Approach

The council declared a climate emergency for County Durham in 2019 and has developed two costed action plans, one for the council's carbon reduction target and another for the countywide target. We have been upgrading our streetlights with new LED light fittings. We have a substantial programme of tree planting planned. We also continue to provide support to businesses with their carbon footprint through the Business Energy Efficiency Project and have set up a community investment fund to assist community groups in reducing their carbon impact. We also have a programme to install more vehicle charging points in locations across the county and are exploring the potential for mine-water heat at a number of sites across the County including Seaham and Horden.

We have developed a strategic cycling and walking delivery plan and continue to invest in improvements to our cycling and walking infrastructure, to make it easier for residents to cycle and walk for everyday journeys and also improve their health and wellbeing.

The county boasts some beautiful and nationally significant countryside. The North Pennine uplands and the Durham Coast and associated Magnesian Limestone grasslands, in particular, support rare and threatened species and both have been the subject of considerable conservation effort, however these often fragile habitats are increasingly under threat from a range of pressures and in response to this, we have declared an ecological emergency for the county. Following on from this commitment the council is now taking forward a comprehensive action plan to help tackle this decline.

As we approach the contract end date for our waste disposal services, we are looking at a multi-authority waste treatment procurement. We will also need to consider the impact of new duties under the Environment Act 2021, the national resources and waste strategy and the ongoing impacts of COVID-19 on our domestic waste collection service.

Priority Actions⁵

-
- 2023/24** ▪ Adopt a Minerals and Waste Development Plan Document to ensure a ready supply of minerals and to maximise the recycling and reuse of waste
-

⁵ Those in bold are identified as major projects and are monitored by CMT Major Initiatives Board

-
- Develop policies and plans to tackle the ecological emergency within County Durham *including preparing an Ecology Supplementary Planning Document*
 - Manage the council's tree and woodland resource *including preparing a Trees, Woodlands and Hedges Supplementary Planning Document*
 - Review our local Flood Risk Management Strategy and Surface Water Management Plan and deliver flood prevention schemes
 - Co-ordinate the implementation of the local Air Quality Action Plan with the aim of improving air quality within Durham City to meet the standards set within the National Air Quality Strategy
-
- 2024/25
- **Implementation and monitoring of Climate Emergency Response Plan 2** *including preparation of a solar energy Supplementary Planning Document, reviewing key operations that impact on the natural environment and raising awareness of the issues with our communities.*
 - Increase the use of active travel to encourage physical activity (including walking and cycling) to reduce traffic emissions related to respiratory illness and carbon emissions *including Transforming Cities programme, LUF and Towns and Villages Walking and Cycling improvements, Sedgfield to Wynyard Active Mode Scheme and LCWIP Interventions*
 - Delivery of transport infrastructure projects to encourage more sustainable transport choices *including Framwellgate Waterside, Transforming Cities programme, Restoring Your Railways schemes and green infrastructure at transport hubs*
-
- 2025/26
- Development of the Nature Recovery Network Strategy for County Durham in partnership with the Environment and Climate Change Partnership Ecological Emergency workstream
-
- 2026/27
- **Procure, build, commission and operate, a 450,000 tonne Energy Recovery Facility with heat off take and carbon capture capability, with six regional local authority partners**
 - Support and deliver Local Nature and Landscape Partnership programmes *including Land of Oak and Iron Legacy; Seascapes; Durham Woodland Revival; Brightwater; North East Community Forest; Heritage Coast and the Woodland Creation Programme for the planting of new trees and woodland*
-
- Post 2027
- Development and delivery of Rights of Way Improvement Plan (ROWIP)
 - Implement the Government's Resource and Waste Strategy (RAWS) for England 2018 proposals and prepare for future policy and legislation changes
-

Key Measures

- Increase the proportion of waste diverted from landfill to at least 90%
- County Durham to become carbon neutral by 2045
- Raise cycling and walking levels in County Durham in line with national levels by 2035
- Work towards Durham City Air Quality Management Area NO2 levels being below the government threshold of 40µg/m3
- Plant a minimum of 140,000 trees by 2024

Council Service Performance Indicators

- Overall satisfaction with cycle routes and facilities
- Linear kilometres of appropriate design standards for Active Mode Routes
- Park and Ride Patronage
- % of household waste that is re-used, recycled or composted
- Contamination rate of household recycling

Priority: Our People

Good health is central to people's happiness and has a significant impact on demand for services. Health is determined by several factors including the economy, the community we live in, access to a good natural and built environment, high-quality education and jobs and our network of friends and family. Both life expectancy and the number of years a person remains in good health are lower in County Durham than in other parts of the country. The proportion of people with long-term conditions is also higher than national levels. An ageing society will create different demands for products and services, including new care technologies and housing models. Central to our plans is to provide a more joined-up service for health and social care. We want to build on strengths and assets in our communities to create the conditions for people to live well, so that our resources target those who need them most. We want our people to know what they can do to stay healthy and where they can go for help and support, to prevent more serious issues. We also want to do everything we can with partner organisations, to improve the mental health and wellbeing of our residents and prevent mental illness and suicide. We want all people to lead independent and fulfilling lives and continue to contribute to society. Within a changing education climate, it is essential that the council maintains a strong collaborative partnership with its schools and settings to enhance the learning opportunities for all children.



Achievements

- Under 18 years conceptions rate has reduced from 41.3 in 2011 to 17.4 in 2021 and continues to show a positive direction of travel.
- We have helped 3,000 people to access support for drug and alcohol issues and are now above the national average for those successfully completing treatment.
- We have excellent levels of satisfaction from clients in receipt of adult social care services compared to national figures.
- We have developed a public health driven planning policy to address the proliferation in hot food takeaways that is contributing towards levels of obesity in children and adults, and we are rolling out a healthy options takeaway scheme that will be provided free of charge to hot food takeaways across County Durham.
- To date (Dec 2022), we have achieved significant and sustained outcomes with 6,143 families and an additional 849 have maintained continuous employment – giving a combined total of 6,992 families turned around through our Stronger Families Programme since 2015.
- Durham County Council was highly commended in the Municipal Journal Digital Transformation Award for 2021, which recognised the introduction of the Health Call Digital Care Home system, allowing care workers to digitally share the results of their resident observations, such as blood pressure and heart rates, with health professionals.

- Durham County Council won the Local Government Chronicle Children's Services Supportive Employer Award for 2022
- Durham County Council has improved and expanded services to children since its last ILACS inspection from Ofsted and is now rated as 'Good' overall effectiveness and 'Outstanding' for leadership and management.
- Strong local offer for our care leavers which was confirmed by young people responding to a national benchmarking exercise. We have also opened the new care leavers hub.
- Strong adoption performance
- Integrated Strategic Commissioning Team function for the county created, to ensure most effective use of resources, joint contract monitoring and improved quality of service provision.
- County Durham Care Academy created by the council to support and promote careers in social care, offering a range of courses from entry level right through to senior leadership and management qualifications.
- The Supporting the Provider Market programme piloted falls prevention interventions and supported wider rollout and mainstreaming of successful initiatives.
- One Touch Health system successfully rolled out to over 300 staff in County Durham Care and Support, ensuring that our care records are more secure and data are readily accessible and reportable.
- Great North Care Record delivered, for sharing of health and social care data between professionals and patients.
- Integrated pathways established with adult social care and primary and secondary care.
- Community equipment review completed, with revised and improved commissioning arrangements in place for people living in the community and care homes.
- Three of our regulated services rated by Care Quality Commission: Hawthorn House and Shared Lives are 'Outstanding' and Extra Care is 'Good'
- Finalists in the LGC 2022 Awards Public Health category for the County Durham Workplace Health Programme.
- Created the Protecting Health team to protect our residents through planning, prevention and management of infectious diseases and outbreaks, maximising uptake of vaccination and immunisations and preparing and planning for seasonal risks and public health emergencies. The Protecting Health team also leads the Public Health approach to vulnerabilities, and the emerging sustainability and climate change agenda.
- We administrated the £150 council tax energy rebate payment scheme which almost 93% of residential properties were eligible to receive

Issues to address

- The impact of the pandemic is a factor that has led to male life expectancy falling by seven months and female life expectancy by six months.
- The cost-of-living crisis is disproportionately impacting people and families who are living in, or at risk of poverty.
- Smoking remains a significant cause of health inequalities and prevalence is to be reduced to 5% by 2030, meaning 49,600 must quit.
- Just under one in four children are overweight in reception year, rising to over one in three at Year 6 and to two in three in adulthood. These figures are above national levels.
- Levels of women who are still smoking in pregnancy in County Durham is significantly higher than the national average.
- Breastfeeding prevalence rates amongst new mothers remain nearly 17 percentage points behind national figures.
- Need to deliver on the Combating Drugs and Alcohol Strategy agenda to reduce harms from substances within local communities
- The numbers of children requiring the support of a social worker due to complex needs, which have increased during COVID-19. This is a national trend. It means ensuring sufficient local placement choice for our Children in Care and expanding capacity for short breaks is challenging
- The increasing numbers and complexity of children with SEND requiring wider support.
- An increase in the complexity of care and court of protection referrals.
- Increased responsibilities, changing needs and reducing government funding are placing greater pressure on our ability to support children and young people with special educational needs and disabilities.
- Mental health is a priority. Indicators are high for hospital admissions for self-harm, suicide rates and patients registered with depression.
- The risk of an outbreak of an infectious disease could have major health impacts on people (particularly those who are vulnerable).
- Life expectancy at birth is 1.7 years lower for males and 1.9 years for females in County Durham compared with the average for England.
- Healthy life expectancy, the number of years a person lives in good health, is around five years lower than national figures and there is a 10-year difference in healthy life expectancy between the most and least deprived communities in County Durham.
- A quarter of the population in the county will be aged 65+ by 2032.

- We need to diversify the range of older persons' housing provision to meet growing demand from an ageing population and free up larger family accommodation.
- Alleviating a pressured social care and health environment following the pandemic, with challenges associated with workforce (recruitment and retention), service demands and a challenging economic environment.
- Implementing social care reforms, including Liberty Protection Safeguards; greater integration with the NHS; developing effective system working with the Integrated Care Board; Care Quality Commission regulation of local authority adult social care delivery; a new national performance dataset; charging reforms (delayed until 2025).
- Sustaining a diverse and robust care market, to meet a broad range of social care needs.
- Maintaining effective demand management, delivery standards and risk management, which includes areas of high demand or risk, such as hospital discharge, Mental Health Act assessments and safeguarding.
- Strengthening the voice of people with lived experience, by improving approaches to user engagement and co-designing strategies when developing services / practice.

Council Contribution

As we transition from a post-pandemic world, we are focused on helping ease the immediate hardship caused by the cost-of-living crisis and preparing for the longer-term impacts. Our teams across Customer Services, Discretionary Benefits and Welfare Rights are experiencing high demand for support services and we continue to work with partners to deliver the various initiatives supported by the Government's Household Support Fund.

During the last financial year, we supported almost 55,000 residents (38% of whom are pensioners) directly through our Local Council Tax Reduction Scheme (LCTRS) and paid a total of £4 million in LCTRS top-up payments. We also administered housing benefit payments totalling £114 million and made £1.2 million of Discretionary Housing Payments to off-set shortfalls in housing rental costs. We used more than £600,000 of Welfare Assistance Scheme funding to help in crisis with daily living expenses.

The council also continues to identify programmes to support our more vulnerable households as part of the Poverty Strategy, utilising Welfare Assistance Reserve funding. This includes working with The Bread and Butter Thing, a charity which re-distributes stocks of surplus food via designated community hubs, expanding the Fun and Food Programme for children from low-income households to include half term school holidays, supporting community groups to create a network of more than 160 warm hubs to

help residents cope with soaring energy costs, and providing grant funding for new boilers and home insulation measures to help reduce fuel costs.

The council is continuing to encourage all residents to make healthy lifestyle choices. We own 148 allotment sites across the county which 3,500 people use to grow their own food, reaping the associated benefits to their physical and mental health. Our 15 leisure centres offer a range of facilities which promote physical activity and, across these centres, we have over 20,000 gym or swim members and around 5,000 members on our swimming lessons programme.

Across our communities, we continue to offer free walking, running and cycling activities. From April 2022 to September 2022, there were over 6,000 attendances for our Walk Durham programme, 327 people joined one of our Run Durham 'get into running' courses and 22 people accessed one of our Cycle Durham 'get into cycling' courses. We also provide a wide range of inclusive and accessible community-based wellbeing activities and, from April to September 2022, we delivered 370 sessions with around 1,900 attendances.

We are also continuing to work with schools through the Active 30 Durham programme, with 80 signed up, and a communications plan will be delivered during 2023 to increase engagement. Furthermore, we will continue to actively promote and deliver the Health and Wellbeing Framework for Schools.

The council also supports service users and carers across a range of services, promoting good public mental health and the prevention of suicide, and helping people with their mental health and wellbeing, physical disability, sensory impairment and learning disabilities. At any one time, the council supports around 20,000 adults with a care package and 3,900 children through its social care functions and there are over 1,000 children in care and 450 children on a child protection plan. The council also supports a further 1,200 in early help services, as well as over 14,000 children and young people who have special educational needs and disabilities.

The council also delivers a 24/7 community alarm service, Care Connect, to meet the needs of older people and those with additional support needs within our communities, supporting them to live independently in their own homes for as long as possible. We also deliver disabled facilities grants to assist with the adaptation of homes to meet the needs of disabled and vulnerable residents.

Approach

A critical issue for the lifetime of this plan is to address the underlying factors that contribute to the issues outlined above, and to continue to recover from the COVID-19 pandemic and the effects it has had on our communities and residents – particularly in terms of their physical and mental health, wellbeing and financial wellbeing. We are developing our County Durham Together Partnership, to promote and enable easier access to preventative services available in local communities, which brings together a range of public sector and voluntary agencies together with communities to identify ambitions, and to develop and deliver plans together.

The COVID-19 pandemic has led to challenges regarding sustainability within the care home sector. We also need to review the approach to care home commissioning, taking into account changes as a result of the COVID-19 pandemic, with the aim of ensuring a sustainable and high-quality care market.

The county has a legacy of heavy industry and suffers from poor health across a range of measures. We intend to tackle this inequality through a number of programmes across the life course. We aim to support mothers to address tobacco dependency in pregnancy and increase breastfeeding initiation for new-born babies. We will implement a range of measures to tackle oral health inequality in children across the county and improve health protection by increasing take-up of vaccinations in adults and children. We have a range of measures to support children with special educational needs and disabilities to achieve the best possible outcomes.

We will continue to promote positive behaviours through becoming a smoke-free county and reducing dependency on, and deaths caused by, drug and alcohol addiction. We are working to improve the mental health of young and old alike, and will continue to tackle the stigma of mental health. We will provide a more integrated health and social care model and both specialist housing and assistive technologies for older and disabled people, to allow people to live more independent lives into their old age.

Priority Actions⁶

- 2023/24
- Work with a range of partners to increase physical activity by promoting Active 30 in schools
 - Supporting the Provider Market programme, to help care providers through the changing, complex health and social care system
 - Ensure that people have access to reliable and timely advice and information, to support them to live healthy and independent lives in their communities, to prevent and/or delay the need for formal service provision
 - Review the approach to care home commissioning, taking into account changes as a result of the COVID-19 pandemic and building on the results of detailed demand-modelling carried out in 2022, with the aim of ensuring a sustainable and high-quality care market. This is likely to require different commissioning approaches in future years.
 - Work in partnership with external providers to develop and shape the market, to ensure that the most appropriate, local and value for money placements are available which meet the needs of our children and young people who are looked after delivered through the Sufficiency and Commissioning Strategy for Looked After Children and Care Leavers 2022-2024
 - Grow our number of inhouse foster carers, support the retention of carers and work with IFAs to ensure that children and young people can live with foster carer families when it is in their interests to do so
 - Increase the number of adopters
 - Continue to develop and broaden our residential homes offer and maximise opportunities with external providers when there is a case to do so
 - Develop access to a diverse range of appropriate accommodation for Care Leavers
 - Improve our sufficiency offer for UASC and reduce waiting times
 - Broaden our short breaks offer for disabled children and their families
 - Deliver Actions from the Growing up in County Durham Strategy 2023-25, including
 - Working with the strengths and opportunities in local communities to develop a network of family hubs which can support the delivery of a range of local community support and services to children, young people and families
 - Deliver our Children's Social Care Improvement Plan, to ensure that we provide high quality social care services to children, young people and their families who need social care support

⁶ Those in bold are identified as major projects and are monitored by CMT Major Initiatives Board

- Continue to promote the role and responsibility of the council as a corporate parent, ensuring that we are committed and ambitious for all of our children in care and care leavers
- Continue to recruit, develop and support a skilled, experienced and confident social care workforce and become an employer of choice
- Development of a contextualised safeguarding framework to reduce the risk of harm for Durham's young people
- Development of strategies to support children to remain safely at home with their families and prevent them coming into the care of the Council
- Deliver the SEND Strategy Action Plan against its six key aims;
 - Where possible, for all children and young people to attend their local school which understands them and is able to meet their needs
 - To work closely with families to develop resilience and feel confident that needs are understood and met, and will continue to be met through transition
 - To listen to what children and young people are telling us when supporting them and to develop their resilience and independence
 - To identify needs in a timely way and have the right support available to meet needs at the right time
 - For all education settings and their workforce to be confident in identifying and meeting needs, and to promote good health and wellbeing and inclusion
 - To have a joined-up offer of support available proportionate to assessed needs
- Deliver priorities from the Education Operational Plan
 - To provide attendance support for schools to ensure that the most deprived and vulnerable learners are given appropriate and proportionate support to attend school and engage with lifelong learning
 - The majority of EY settings have accessed high quality speech and language training to enhance provision and outcomes for children.
 - Ensuring all educational professional support available to Durham schools, is current, relevant, and evidence-based, informed by partnerships with some of the foremost national educational research organisations.
 - The extension of the role of the Virtual School to promote good practice and achieve better outcomes for all children with a Social Worker 0 to 18.
- Refresh the Joint Health and Wellbeing Strategy 2023-25 to improve the health and wellbeing of the population and reduce health inequalities
- Develop and launch the 'Moving Together in County Durham' strategy to improve levels of movement and physical activity among those who live and work in County Durham.
- Review our approaches to achieving a healthy weight in County Durham and address identified need.

- Develop a sexual health strategy for County Durham, to ensure equitable access to services and focus on good contraceptive health
- Improve health protection for children and young people and reduce inequality by increasing immunisation levels (for example, flu vaccine uptake)
- Continue to develop and increase engagement with the Mental Health Framework for Schools.
- Develop population level approaches to improve children's oral health through the development and implementation of the County Durham Oral Health Promotion Strategy and supporting action plan.
- Publish action plan for Children and Young People's Mental Health and Adults Mental Health Partnership
- Support women to achieve a smoke-free pregnancy through whole system change and tackling tobacco dependency in pregnancy as an addiction, not a lifestyle choice
- Increase the percentage of women who initiate breastfeeding and continue at 6-8 weeks, through the County Durham 'Call to Action', and collaboration with the County Durham Family Hubs model, our communities and stakeholders to change the culture of breastfeeding in the county
- To support the ambition to reduce smoking in County Durham to 5% by 2030, ensure that the redesigned Stop Smoking Service is effectively reaching people in our local communities, and participate in the delivery of regional tobacco control campaigns to support these ambitions.
- Encourage people to reduce the amount of alcohol they drink, through targeted campaigns for council staff and our local communities and by promoting and supporting Dry January and National Alcohol Awareness Week
- Work with partners and providers to reduce the incidence of falls and fractures in older people, through training and assistive / digital technologies
- Engage with stakeholders to develop, test and deliver future provider / partner / service user portals for better information-sharing and to streamline processes
- Target our resources on those young people committing the most offences
- Complete County Durham Care and Support Transforming Care capital projects for the Positive Journeys service and a new Hawthorn House Short Break Respite Care scheme
- Engage with users of our service, people with lived experience of health and social care, care providers and our partners to improve and shape our future service delivery, aligned to central government reform

- Continue with the Integration Programme of 11 Workstreams, prioritising Discharge Pathways, Quality Strategy, Enhanced Health in Care Homes, and Urgent Community Response
- Enable the delivery of homes to meet the needs of older people within our communities and support people to live independently for as long as possible *including through preparation of a Housing Needs Supplementary Planning Document*
- Deliver initiatives that support and sustain vulnerable people into accommodation
- Implementation of the new Combatting Drugs and Alcohol Strategy.
- Development of new services for Drug and Alcohol Recovery funded through Dame Carol Black funding to support further improvements in care within the criminal justice setting, housing, domestic abuse, and in-patient detoxification.
- Ageing Well Strategy delivered using a system-wide approach.
- Develop the role of local anchor organisations to increase good employment opportunities.

2024/25

- Adopt a new Homelessness and Rough Sleepers Strategy
- Deliver a range of risk based, targeted interventions which aim to ensure that all food which is produced, sold, stored, distributed, or consumed in County Durham is safe and presents no health risks to the consumer
- Development, learning and outcomes evaluated to inform the exit strategy for the uplift given to drug and alcohol recovery services funded by Dame Carol Black funding.
- Review and potential to recommissioning of well-being services.
- Review the 0-25 family health service delivery model to ensure the needs of children and families are being met.
- Map the County Durham food system and develop the County Durham Food Strategy.
- Further develop the role and remit of the County Durham Together service.
- Review Healthy Weight Development Plan

Key Measures

- School Attendance including attendance vulnerable children

- Reduce the number of mothers smoking at time of delivery
- Number of Families on our Stronger Families Programme attaining significant and sustained outcomes
- Create a smoke-free environment, with over 95% of residents not smoking (national target by 2025) and with the aim that pregnant women and mothers will not smoke
- Reduce the gap in breastfeeding at 6-8 weeks between County Durham and the national average
- Increase the percentage of children aged 4-5 in both reception and Year 6 who are of a healthy weight
- Improve healthy life expectancy and reduce the gap within County Durham and between County Durham and England
- Reduce the suicide rate
- Number of admissions under the Mental Health Act
- Increase satisfaction rates with people's experience of adult social care
- Percentage of older people who were still at home 91 days after discharge from hospital into reablement / rehabilitation services / percentage hospital discharges receiving reablement
- Increased healthy life expectancy at 65
- Ensure all new housing developments deliver at least 10% of their total units that are suitable for older persons
- Ensure all new housing developments deliver at least 66% of their total units to meet accessible and adaptable standards (Building Regulations requirements M4(2))
- Increase the average age whereby people are able to remain living independently in their own home
- Increase the percentage of people aged 65+ with aids and assistive technologies in their homes
- Domestic violence rates
- Child sexual exploitation rates
- Counter-terrorism self-assessment score

Council Service Performance Indicators

- Number of Children Looked After per 10,000 population
- Number of Children in Need per 10,000 population
- Number of children on a Child Protection Plan per 10,000 population

- Number of children open to One Point
- Number of children and young people with an Education, Health and Care Plan
- Number of children and young people receiving SEN Support
- Number of requests for an EHCP Assessment
- Number and % of our children in care who live in a family setting
- Statutory referral rate for children's social care
- % children's social care re-referrals
- % of social work vacancies
- Total number of connections on Care Connect service
- Total number of customers on Care Connect service
- Percentage of Care Connect calls answered within 1 minute
- Percentage of Care Connect calls arriving at the property within 45 minutes
- Number of Chapter Homes houses built which are for Older Persons
- Number of Chapter Homes houses built which meet M4(2) standard
- Number of Council houses built which are for Older Persons
- Number of Council houses which meet M4(2) standard
- % of households where homelessness has been prevented or relieved
- % of households where there has been an acceptance of the main homeless duty
- Number of successful move-ons from CLDA properties
- Number of applicants that were successfully housed via Durham Key Options
- Number of adaptations delivered through DFGs
- Number of visits to Leisure Centres
- Number of Leisure memberships
- Successful drug and alcohol treatment outcomes

Priority: Our Communities

Our residents are rightly proud of their county. We want to have caring and welcoming communities, where everyone is valued and can help and support each other. We want a county which gives everyone the opportunity to realise their potential.

People want a range and choice of housing which is accessible, well-designed and meets their future needs. Our high streets and town centres retain an important place in our society, but they need to adapt to ensure that they remain vibrant, safe and attractive social hubs people want to use.

People also expect local travel to be convenient, with good quality direct links between centres of population, to employment locations such as business parks and leisure opportunities. Communities therefore need to be connected by appropriate transport and technological infrastructures.

Achievements

- The council leads on Digital Durham, a £35 million initiative to transform broadband speeds for residents and business across the North-East – and has already provided access to fibre broadband to over 105,000 properties.
- A new adult social care case management system has been implemented which will help manage customer demand more effectively.
- Since 2016, the council in collaboration with a range of partner organisations, continues to play its part in the UK's commitment to support some of the world's most vulnerable refugees.
- Roll out of programmes and training to support increased awareness of mental health issues by staff and schools.
- Implemented a Selective Licensing Scheme that covers 42% of the private rented sector across the county; approximately 29,000 properties. The scheme aims to ensure privately rented properties in a designated area are well managed and in good condition.
- Durham County Council is the only local authorities to maintain the ISO 55001 Asset Management Accreditation for Highways.
- Our refurbishment of New Elvet Bridge has been recognised within numerous national and regional awards including winning 'Most Innovative Project' at the Institution



of Structural Engineer's Northern Counties Structural Awards 2021 as well as receiving a special commendation in the Large Projects category.

- In 2022/23 the council invested £3.47 million on town centre regeneration. This included purchasing derelict buildings and land and environmental improvements.

- 67 properties delivered at Oakerside Drive, Peterlee as part of the Chapter Homes Business Plan
- Through the work of our AAPs the council has allocated £59.5 million to over 10,000 community-based projects, leveraging £69.7 million of external matched funding

Issues to address

- There has been increased demand for services provided by voluntary and community sector organisations, just as the sector loses a significant proportion of its revenue.
- House prices have increased in recent years and there has been a drop in the number of properties in the private rented sector.
- The national issue of high street decline, with the growth of online shopping and major retailers closing stores, has affected our town centres.
- Internet sales as a percentage of total retail sales have risen nationally, from 2.5% in December 2006 to 30.2% in November 2022, posing increasing competition to high street shops and leading to major changes in our high streets and town centres.
- The highly dispersed settlement pattern in County Durham with over 300 recognised settlements, 21 of which have a population of 5,000 or more, presents a challenge for the provision of transport and public services, particularly in rural areas.
- The county has good north-south transport links with the A1(M) and East Coast Mainline but there are opportunities to improve east-west links.

Council Contribution

The council is investing heavily in our town centres. New masterplans have been developed for a number of our towns and villages, free public wi-fi is being rolled out and investment in leisure venues. We are also undertaking actions and campaigns which focus on environmental improvements, better quality housing, road safety and water safety.

Priority: Our Communities

Not only are we facilitating the building of new high-quality accessible homes to meet needs, but we are also using our powers to improve standards across existing housing stock. During 2021/22, 1,671 new homes were built in the county of which 536 fall within the government's definition of affordable housing. We also used a range of tools to help owners improve, adapt or bringing back into use 3,496 properties, 155 of which were empty. Our new selective licensing scheme gives us powers to regulate landlords and managing agents of private rented properties in areas which suffer from low housing demand and/or high levels of anti-social behaviour and/or deprivation. The scheme covers over 29,000 properties, which equates to around 42% of the private rental stock. We are also working with communities most affected by empty properties, including working with property owners and landlords, to bring empty properties back into use wherever possible.

We have also provided grant funding through the County Durham Community Foundation to community groups to establish a network of Warms Spaces to help people throughout the winter by providing places where they can get warm, stay warm and enjoy a little company.

Approach

We want people in our communities to feel connected to, and supportive of, each other. We want to build on the indomitable spirit of our people and ensure that the most vulnerable in our communities are supported. Whether this be children in need of support, victims of crime, people with a disability or different communities of identity.

The council will continue to plan and train for emergency situations, operating in partnership with blue light services and other agencies to minimise the impact on communities.

We are developing plans to further integrate health, social and welfare support in a preventative way to help our local communities. This means looking more closely at individuals' and community needs and working with communities using our established 'Approach to Wellbeing' to see where we can improve people's wellbeing and reduce inequalities in our county.

We are undertaking a programme to improve social care services provided to children and young people and a range of initiatives to tackle anti-social behaviour in our communities, in partnership with the police and others.

Some communities have been blighted by poor housing management practice, so we have plans to raise housing standards in the private rented housing sector and help improve these communities. We want to provide a range of new housing to meet the needs and aspirations of our residents. We are preparing a County Durham Design Code to help ensure that the design of new development will be sympathetic to the environment and reflect local distinctiveness. We aim to deliver more affordable housing. We expect all homes to be connected digitally and for speed and capacity to keep pace with the latest developments. This is the aim of our Digital Durham programme. These issues are particularly acute in our rural areas.

High streets have seen some decline nationally and County Durham is no exception to this. We have developed a programme to regenerate our towns and villages and improve their use, making them a more attractive proposition to visit and spend time in. This includes a range of approaches, varying from introduction of free Wi-Fi, changing the mix of retail, leisure and residential use, making our centres more attractive and tackling community safety concerns. Residents and visitors need to be able to travel around our county and get to and from our towns and villages. We have therefore developed a pipeline of infrastructure projects and transport plans to improve accessibility.

Priority Actions⁷

-
- 2023/24
- **Deliver a programme of regeneration within town centres and wider towns and villages** *by encouraging footfall, supporting new town centre business, facilitating the reoccupation / re-use or clearance of vacant and vulnerable property*
 - Develop the care academy for children's residential services to support the recruitment and retention of staff in our children's homes.
 - Invest and implement a new SEND electronic casework system to enhance service delivery and outcomes for children and young people
 - Construction of a new bus station for Durham City
 - Extend the wellbeing approach across the council and within commissioned services

⁷ Those in bold are identified as major projects and are monitored by CMT Major Initiatives Board

- Complete Supplementary Planning Documents to support the County Durham Plan including Parking and Accessibility, County Durham Design Code and Developer Contributions
- Develop an ASB Action Plan to deliver the Safe Durham Partnership's ASB Strategy and key outcomes
- Raise standards across the private rented sector through continuous engagement with landlords, through the implementation of the Durham Rental Standard and the Selective Licensing Scheme
- Deliver a range of targeted interventions to improve housing and living standards including through Targeted Delivery Plans
- Through the Community Action Team we will deliver in collaboration with partners a programme of area based initiatives to improve local environments and community safety
- Provision of road safety measures along the A690 through the Safer Roads Fund
- Develop and deliver a theory of change programme for the Horden Together Partnership aimed at supporting People and improving Places
- Build community resilience and recovery to economic and social challenges and emerging neighbourhood issues by developing local priority projects linked to Area Action Partnership funding streams *including welfare reform, social isolation, Fun and Food Programme and regeneration of towns and villages*
- Co-ordinate the Council's activities to mark the Coronation of His Majesty the King
- Review the County Durham Vision 2035 to ensure it reflects the needs of communities and partners.

-
- 2024/25
- Refresh the Safe Durham Partnership Plan 2023-25 providing strategic direction to community safety activities and support to victims
 - Develop a County Durham Connectivity Strategy to support delivery of the County Durham Inclusive Economic Strategy
 - Development and delivery of major transport infrastructure projects to improve connectivity across the County *including A19/A1018 Seaton Lane Junction and Junction 60 capacity improvements*
 - Continue to deliver the current Housing Strategy (including Targeted Business Plans) whilst developing a new Housing Strategy
 - Support the delivery of community housing schemes and neighbourhood plans
 - Deliver the Chapter Homes Business Plan
 - In partnership with regional stakeholders deliver the North East Bus Service Improvement Plan (BSIP) through the establishment of an Enhanced Partnership and support schemes

- Implement the Government’s CONTEST Strategy review which aims to reduce the risk from terrorism and extremism, particularly in relation to Prevent and Protect elements
- **Implement the County Durham Together Transformation Programme**

- 2025/26
- **Review and transform library services**
 - **Review and seek to transform leisure facilities**
 - Delivery of transport infrastructure projects to improve rural transport links across the County *including walking and cycling schemes, and Bridge Repairs at Hedleyhope*
 - **Implement the next phase of Government's Humanitarian support programme.**
 - **Deliver the Council Homes Programme**

- 2026/27
- **Deliver the Bishop Auckland Heritage Action Zone, Future High Street Fund and Stronger Towns Fund including the Eastern Sustainable Access Corridor, Bishop Auckland Bus Station, surface car park and Newgate Multi-store car park**

- Post 2027
- Supply Seaham Garden Village development with geothermal heat from mine water treatment scheme

Key Measures

- Crime and ASB rates (inc. hate crime and alcohol related crime and ASB)
- First time entrants to youth justice system
- Reoffending rate
- Road casualty rates
- Percentage of Harbour clients feeling (a) more confident in themselves (b) their quality of life has improved on case closure
- Percentage of children and young people completing an intervention with Harbour and reporting feeling safer
- Reduce the number of empty homes in the County by 26% by 2035
- Reduce the average vacancy rate of our town centres to below the national average by 2035
- 85% of County Durham properties to have access to gigabit-capable broadband by March 2026

Priority: Our Communities

- Fly tips per 1,000 population
- Maintain the percentage of land at below 12%, which falls below unacceptable levels of cleanliness in relation to detritus; in relation to litter to below 6%; in relation to dog fouling to below 1%
- Increase the % of County Durham residents who can access employment sites by public transport (against 2021 baseline)
- Increase the percentage of households (within a 5-mile or 15-mile radius) which can access key service locations using public transport (against 2021 baseline)
- Maintain levels of satisfaction with bus operators at a minimum of 92%
- Maintain a downward trend in the amount of Highways Maintenance Backlog
- Maintain levels of public satisfaction with highways maintenance above the national average.
- Maintain the percentage of respondents who agree that police and local authorities are dealing with ASB and crime issues in the local area above 2021/22 levels
- Increase net delivery of new housing each year by 1,308 houses
- Aim to increase net delivery of affordable homes to contribute to meeting identified need of 12,540 by 2035
- Achieve 100% licensing of private rented sector properties covered by the Selective Licensing Scheme by 2027
- Reduce ASB rates within the Selective Licensing Scheme areas by 10% (against the 2021 baseline)

Council Service Performance Indicators

- Number of businesses supported as a result of regeneration projects
- Number of properties improved or brought back into use
- Number of properties inspected in the private rented sector (including properties licenced under Selective Licensing Scheme)
- Number of council houses built
- Number of Chapter Homes properties sold
- Number of people killed or seriously injured in road traffic accidents – Number of fatalities
- Number of people killed or seriously injured in road traffic accidents – Number of seriously injured
- Number of children killed or seriously injured in road traffic accidents – Number of fatalities
- Number of children killed or seriously injured in road traffic accident – Number of seriously injured

- Percentage of timetabled bus services that are on time at scheduled timing points – service no more than 5 minutes late or 1 minute early
- Public satisfaction with ease of access
- Percentage increase in public transport patronage
- Percentage of 'A' road network where structural maintenance should be considered
- Percentage of 'B' road network where structural maintenance should be considered
- Percentage of 'C' road network where structural maintenance should be considered
- Percentage of 'Unclassified Roads' where structural maintenance should be considered
- Percentage of 'footways' structurally unsound
- Condition of structures on the principal road network
- Condition of structures on the non-principal road network
- Percentage of recorded Category 1 highway defects repaired within 24 hours
- Percentage of recorded Category 2.1 highway defects repaired within 14 days
- Percentage of recorded Category 2.2 highway defects repaired within 3 months
- Square metres of footway maintained and repaired over and above the core programme (against the 2021/22 baseline)
- No of ASB incidents

Priority: Our Council

Financial uncertainty and unprecedented reductions in public spending have impacted the council over recent years. This is alongside challenges posed by a pandemic, the decision to leave the European Union, a series of severe storms and more recently a cost-of-living crisis.

However, the most pressing challenge for our residents, local businesses and the council is the current cost of living crisis which has steadily worsened over the last 12 months. Increases in inflation, currently running at 10.7%⁸, seeing it peak at its highest rate for 40 years. This has largely been driven by the rise in the cost of fuel and energy bills, which is being impacted significantly by geopolitical events, including the war in Ukraine.



The cost-of-living crisis potentially has a triple impact on the council:

- It has impacted on our residents. High inflation is outstripping wage and benefit increases so income is falling in real terms, and the stark reality for many low-income households is that they no longer have enough money to live on. This is driving demand for services which help those facing financial hardship or who are in crisis, as well as services provided to vulnerable people such as social care for children and adults.
- It has increased the council's operating costs. Premises and transport costs have increased in line with rises in energy costs and fuel prices, as has the cost of supplies and services provided by suppliers which face similar issues themselves.
- It impacts the council's income. As users of council services seek to save money, we expect income from discretionary services such as leisure centres and cinemas to fall.

The council is required to set a balanced budget so in times when spending exceeds funding, we may have to use our reserves or cut costs. Within our operating environment, the way we work has been developing at pace. The pandemic accelerated existing trends in remote working and automation, with more residents expecting digital services available 24/7. This required us to rethink the way in which many of our services are delivered, the culture of our organisation and the skills we need for the future.

⁸ UK Consumer Price Index for 12 months to November 2022, Office for National Statistics

There is a history of good partnership working in County Durham. Limited resource means it is even more important that organisations work collaboratively, focusing their efforts on the right things and working seamlessly across organisational boundaries. Our residents remain at the heart of our ambitions and their involvement in service design and delivery is pivotal to our success. We will continue to equip ourselves with the skills to be able to achieve these things and develop a workforce for the future. Delivering existing services in different ways and developing new services for the benefit of our residents will allow us to stand out as an excellent council.

Achievements

- We have delivered £250 million overall savings from 2011/12 to 2022/23
- Over 100 council services are available digitally and more than half of residents access our services this way.
- We have started a major project to join together data from 18 of our major IT systems and lay the foundations for the council to become a more data driven organisation which will help deliver better outcomes for our residents.
- We have achieved the 'Maintaining Excellence' status in the Better Health at Work Award, helping employers regionally to address health issues within their workforce. 75 organisations are now signed up to the award programme.
- We have maintained the Disability Confident Leader status awarded by the Department for Work and Pensions, due to our commitment to being a good employer of people with a disability and support local businesses to become Disability Confident.
- We have, in partnership, developed a network of more than 150 'Warm Spaces' where people worried about their heating bills can go to get warm, stay warm and enjoy a little company.
- We have reduced carbon emissions from council operations by 57% since 2008-09.
- We continue to receive accreditations and awards for our work. For example, for our new mobile repairs app (APSE) and our E-Learning course for those issued with a littering fixed penalty notice.
- We have achieved the highest level of 'green' in the Investors in the Environment accreditation scheme. The award recognises our environmental management system, which is helping us to achieve year on year efficiencies and a pathway to net zero. We have also won overall Outstanding Achiever award from the Investors in the Environment Programme.
- We have carried out the second in a series of planned 'working well' employee engagement surveys to assess organisational health and wellbeing as part of our workforce strategy.

Issues to address

- The council is facing significant financial pressures due to the present high levels of inflation, greater service demand, increasing costs to deliver council services and decreasing income from discretionary services
- The cost-of-living crisis has led to more households experiencing financial difficulties which is driving demand for support services to residents.
- Continuing uncertainty in terms of future funding settlements for local government and how this will be shared between local authorities makes financial planning extremely problematic.
- An increase in interest rates will lead to future increased costs of borrowing.
- Superfast broadband and the national rollout of 5G networks will enable greater digital connectivity for our residents and offer opportunities for new digital services.
- Durham County Council declared a climate emergency in 2019. Our targets are to achieve net zero as an organisation by 2030 (from a 2008/09 baseline) through offsetting and further reductions in emissions and to contribute towards and work with others to achieve a carbon neutral county by 2045.
- Workforce instability is increasing across the council, with local and national skills shortages increasing competition within the jobs market.
- Our partners, especially the Voluntary and Community Sector and some commissioned services, are also experiencing issues with recruitment and retention.
- The council has an ageing workforce. 43% of its staff are over the age of 50, which has an impact on sickness absence rates and requires effective workforce planning. In addition, an ageing population across the county is reducing the pool of young people from which we can recruit
- The most reported reason for employee sickness absence within the council is mental ill-health and fatigue.
- Society is experiencing a technological revolution where progress is accelerating and innovations can be identified and rapidly deployed but we are finding it difficult to recruit staff with the right skill set to keep pace
- We, together with its partners, should seek to maximise the value of every pound spent and seek to deliver social value outcomes. We will deliver social, economic and environmental outcomes for our local communities by adopting a strategic approach during its commissioning, procurement, development and planning of projects.
- We recognise the need to manage the customer data we hold more efficiently to better understand service users, generating benefits such as predicting and managing demand, providing the services residents want and supporting better decision-making. We also need to

ensure residents are confident we will look after their data appropriately

Council Contribution

The council both delivers and commissions a wide range of services. It directly employs nearly 8,000 people and supports many others through its commissioning function. However, to remain relevant and meet the needs and expectations of its residents and communities, we need to continually adapt, investing in both technology and the skills of our workforce.

We have an extensive training programme in place to refresh, update and develop skills across our workforce. Our apprenticeship programme remains integral to both workforce development and addressing current and future skills needs. Around 2.6% of our workforce is currently enrolled in the programme (both new employees and existing employees upskilling), the £10 million invested to date has supported almost 1,400 employees to participate (half of participating employees were new to the council and half were existing staff upskilling). In addition, 72 new apprentices joined our workforce in 2022. The retention rate for apprentices is 71%.

We provide a range of contact channels and have invested heavily in new digital technology in recent years. Although almost 75% of the 1.8 million contacts received through our reported channels each year is by telephone, more customers interacting with us digitally. Digital contact now makes up 22% of all contact, compared to 15% pre-pandemic. This shift is particularly noticeable across service requests logged within our Customer Relationship Management system - 73% are now logged digitally compared to 62% in 2020 – and almost 235,000 residents across 169,500 unique properties now have an online account. In addition, just over 71,000 customers (around 30%) receive their council tax bill via email, and more than 76,000 residents use the revenues and benefits open portal to view their council tax account. Our new webchat service, available across more than 30 web pages, is now used by more than 600 customers each month.

Feedback continues to be important to us and we have increased the number of ways customers can let us know what they think of the services we deliver. We automatically e-mail satisfaction surveys to customers on closure of services requested through our CRM (available across 117 service request types, compared to 25 in October 2017), and after performances at our theatres and events. Users requesting services online are asked to rate and comment on the process, and we continue to review all complaints and suggestions. The pandemic impacted on our service delivery, ways of working and employees. It is the driver behind increasing both the demand and complexity of specific services, it has accelerated organisational change and changed the expectations of both customers and employees. The council continues to deal with its legacy. The council supports both the

physical and mental health of its employees. We continue to promote support mechanisms to increase emotional resilience and protect the mental health of our staff, some long-established, others developed in response to COVID-19, and have recently developed additional support in the key areas of financial awareness, fertility, bereavement and the menopause. In relation to menopause awareness, eight sessions and 160 training places were arranged and made available for employees for this year.

We continue to collaborate with local partners, to deliver social value outcomes across the county by the strategic use of procurement (the County Durham Pound project.) The project will maximise the value of every pound spent in the county and help to retain money within in the local economy, recirculating, creating employment opportunities and stronger more sustainable communities within the County.

The Durham Pension Fund has committed £18m funding to cornerstone the launch of the North East Regional Investment Fund, supporting SMEs across all sectors with headquarters or significant operations in the North East. The Fund will support economic growth and deliver a positive social and economic impact across the region, creating high-quality, local jobs.

Around 3% of the overall carbon emissions of County Durham originated from the council's operations. In 2021/22 Council emission equated to 45,704 tonnes of carbon; 48% from heating, 31% from electricity and 21% from transport. We continue to examine carbon emissions arising from our operational infrastructure, fleet, land use and behaviours and consider the climate emergency in all our decisions to further reduce our environmental impact.

Approach

The council has faced significant cuts to its funding over the last 10 years. Uncertainties with future local government funding make financial planning extremely difficult. We still await both the government's Comprehensive Spending Review and Fair Funding Review which will determine our future funding. This means that we have been unable to plan for the long-term, with most of our financial planning being limited to only one year of certainty. Key actions for us will be to assess the implications of these reviews when they are published and to amend our Medium-Term Financial Plan accordingly.

We want our workforce to be fit for any future challenges and so we need to ensure that our future plans recognise and address any risks such as skills shortages, ageing workforce, recruitment difficulties and changes in service user behaviour and demand.

The health and welfare of our workforce is important, and we have a range of actions we plan to implement to support the physical and mental health and wellbeing of employees and ensure that we have an inclusive staff culture.

The expectations of our residents are changing with more people expecting to be able to transact with the council on a 24/7 basis and would like to self-serve online. We recognise that our services need to be co-designed with service users, and we plan to improve our engagement mechanisms, particularly with children and young people. Managers need access to real-time data to support decision making so we have a programme to develop our business intelligence capability and provide better analysis. Understanding our performance will facilitate better planning and service delivery. Some of our services are delivered in partnership with other agencies and we have plans to further join up our delivery to offer a more seamless approach for the benefit of our residents.

The council declared a climate emergency for County Durham in 2019 and has developed two costed action plans, one for the council's carbon reduction target and another for the countywide target. The council is investing in renewable energy such as a 3MW solar farm and battery storage project to power our Morrison Busty Depot at Annfield Plain. New council buildings are being built to high energy efficiency standards, with charging points for electric vehicles. Existing buildings are being retrofitted with more efficient heating systems, better insulation and low energy LED lighting. We are replacing all our pool cars with electric vehicles and have plans for the electrification of our service fleet.

Priority Actions⁹

-
- 2023/24
- Extend the mental health workforce development programme across the council, to increase awareness and support available for staff
 - **Develop a digital skills programme and invest in smarter working**
 - **Increase self-service of management and performance data by developing a range of business intelligence products**
 - **Implement the Council's response to the Community Engagement and Funding processes review**
 - Review the assistive technologies offer for adult care and develop a new Technology Enabled Care Strategy

⁹ Those in bold are identified as major projects and are monitored by CMT Major Initiatives Board

- Continue to deliver the digital transformation programme at a service level
- Maximise the use of existing technology and trial new technologies to improve efficiency
- Expand automation and self-service to employees
- Develop local action plans at a team level to address findings from the 'working well' employee engagement survey
- Develop an ultra-low carbon council depot at the Morrison Busty site at Annfield Plain

-
- 2024/25
- Undertake a corporate peer challenge with the Local Government Association to help us identify strengths and areas for improvement within the council
 - Implement the Investors in the Environment Standard, aiming to maintain the current Green Level of accreditation
 - Strengthening our quality assurance and performance approaches in adult social care

-
- 2025/26
- Ensure effective delivery of the UK Shared Prosperity Fund and Rural England Prosperity Fund

Council Service Performance Indicators

- Days/shifts lost to sickness absence per full-time equivalent employee
- 90% of all requests for information under the Freedom of Information Act or Environmental Information Regulations to be responded to within 20 working days
- Number of data breaches reported to the Information Commissioner's Office
- Service Access Requests received and responded to within 30 days
- Reduce the council's carbon emissions by 80% by 2030
- Percentage council tax collected
- Percentage business rates collected
- Average time to process new benefit claims (housing benefit claims/new council tax reduction scheme) (days)
- Average time to process changes in circumstances (housing benefit claims/council tax reduction scheme) (days)
- Percentage undisputed supplier invoices paid within 30 days
- MTFP targets achieved
- Unqualified audit opinion
- Percentage employed on an apprenticeship (new/upskilling)

- Percentage of employees aged over 50 years old
- Employee turnover
- Percentage of CRM service requests which are self-serve
- Percentage of respondents satisfied with overall service delivery (services requested through CRM)
- % of major planning applications determined with 13 weeks

Glossary of Terms

5G	Fifth generation or latest iteration of telecommunications networks which is designed to greatly increase the speed and responsiveness of wireless networks
Attainment 8 score	A measure of the average attainment of pupils in up to eight qualifications at Key Stage 4 of the national curriculum (Year 10 and 11, 14-16 years old)
Better Health at Work Award	An award developed in partnership recognising the efforts of employers in the North-East and Cumbria in addressing health issues within the workplace
Bishop Auckland Heritage Action Zone	A regeneration area in Bishop Auckland's conservation area which has been agreed by Historic England and has been created to improve the town's historic centre and bring it back to be a vibrant market town for both locals and visitors
County Durham Together	A virtual hub developed to help support people to stay in their own home and protect them from contracting the coronavirus by putting them in touch with people who can support with access to food and essential supplies, medicines, financial help and social interaction for those experiencing loneliness and isolation
COVID-19	Coronavirus Disease 2019, the respiratory disease caused by the new strain of the coronavirus
Disability Confident	A government scheme designed to encourage employers to recruit and retain disabled people and those with health conditions. Level 3 or highest level of the Disability Confident scheme which recognises the commitment towards disabled staff and acting as a champion for Disability Confident within local and business communities
GCSE	General Certificate of Secondary Education

Great North Care Record	An initiative to allow healthcare practitioners (from emergency departments, mental health, 111 services, ambulance and out of hours services) to access information from a patient's GP record
Hate crime	A range of criminal behaviour where the perpetrator is motivated by hostility or demonstrates hostility towards the victim's disability, race, religion, sexual orientation or transgender identity
Healthy life expectancy	The proportion of life spent in good health or free from a limiting illness or disability
ILACS	Inspecting local authority children's services which is the framework and guidance used by Ofsted to inspect local authority services for children in help and protection children in care and care leavers.
Levelling up	A government policy which aims to reduce, mainly economic, imbalances between geographical areas and social groups in the United Kingdom.
MTFP	Medium-Term Financial Plan. This is a four-year plan which sets out the council's funding outlook, spending priorities and planned efficiencies over the medium-term
Ofsted	The Office of Standards in Education, Children's Services and Skills. The organisation responsible for inspecting services providing education and skills for learners of all ages and inspection and regulation of services which care for children and young people
Ofsted rating	The rating scale Ofsted uses in its inspections of education providers, such as schools and children's social care providers (for example, the council). There are four grades: 1. Outstanding; 2. Good; 3. Requires Improvement; 4. Inadequate
Reablement	Services for people with poor physical or mental health to help them accommodate their illness by learning or re-learning the skills necessary for daily living
SEND	Special Educational Needs and Disability

Welfare Assistance Scheme	Short-term support for people in crisis. There are two types: daily living expenses for up to seven days when your circumstances change unexpectedly; and settlement grants to help you stay at home or move back into housing
Wi-Fi	A wireless network allowing computers, tablets, smartphones and other devices to connect to the Internet or communicate with one another wirelessly within an area

Strategic Planning Framework

The following diagram sets out the key strategic plans for Durham County Council.



22 February 2023

Request for Dispensation Under
Section 85(1) of the Local Government
Act 1972



Report of Corporate Management Team

Helen Lynch, Head of Legal and Democratic Services

Electoral division(s) affected:

Deerness.

Purpose of the Report

- 1 To request Council to approve a dispensation for a Member who is currently unable to attend any Council meetings due to ill-health.

Executive summary

- 2 Section 85 of the Local Government Act 1972 states that where a Member fails throughout a period of six consecutive months from the date of their last attendance to attend any meeting of the authority, then, subject to certain exceptions, he/she ceases to become a Member of the authority unless the failure was due to some reason approved before the expiry of that period. A request for dispensation has been received which is recommended for approval.

Recommendation

- 3 In the circumstances, it is recommended that Council approves the request for dispensation under section 85(1) of the Local Government Act 1972.

Background

- 4 Section 85(1) of the Local Government Act 1972 provides that:
“....If a member of a local authority fails throughout a period of six consecutive months from the date of his last attendance to attend any meeting of the authority, he shall, unless the failure was due to some reason approved by the authority before the expiry of that period, cease to be a member of the authority”.
- 5 Due to a period of ill-health Councillor J Chaplow has been unable to attend any meetings since 29 September 2022. The expiry of the six-month period in this case would be 28 March 2023. Councillor Chaplow has submitted a request outlining the reasons for her non-attendance and asked that the Council approve her request for a dispensation whilst she recovers.
- 6 The authority for granting a dispensation of this nature rests with full council.
- 7 The Monitoring Officer is aware of the reasons for Councillor Chaplow’s absence and considers it appropriate for Council to grant the dispensation.

Conclusion

- 8 Unless the Council agrees the recommendation, Councillor Chaplow will cease to be a member of the Council on 28 March 2023.

Background papers

- Cllr Chaplow’s Request for Dispensation

Contact: Helen Lynch

Tel: 03000 269 729

Appendix 1: Implications

Legal Implications

A Councillor who fails to attend any meeting of the authority for six months ceases to be a Member unless a dispensation has been granted by the Authority concerned. The dispensation must be agreed before the expiry of the six-month period.

Finance

Failure to agree the dispensation for Councillor Chaplow would result in a vacancy on the Council. If Council Chaplow did not attend a qualifying meeting by 28 March 2023 this would lead to a by-election being called. The Council would incur costs in respect of administering the by-election.

Consultation

None.

Equality and Diversity / Public Sector Equality Duty

The Council should have regard to a Members' medical circumstances.

Human Rights

None.

Crime and Disorder

None.

Staffing

None.

Accommodation

None.

Risk

In the event that Councillor Chaplow is unable to represent her constituents communication should be maintained with Councillors D Nicholls and M Wilson, the other Electoral Division Members for Deerness.

Procurement

None.

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