



## **Corporate Overview and Scrutiny Management Board**

**Date**            **Friday 1 December 2023**  
**Time**            **9.30 am**  
**Venue**          **Committee Room 2, County Hall, Durham**

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### **Business**

#### **Part A**

**Items during which the Press and Public are welcome to attend.  
Members of the Public can ask questions with the Chair's agreement.**

1. Apologies for Absence
2. Substitute Members
3. Minutes of the meeting held on 23 October 2023 (Pages 3 - 14)
4. Declarations of Interest
5. Medium Term Financial Plan (14) 2024/25 to 2027/28 - Report of the Corporate Director of Resources (Pages 15 - 56)
6. Resources - Quarter 2 September 2023: Forecast of Revenue and Capital Outturn 2023/24 - Report of the Corporate Director of Resources (Pages 57 - 68)
7. Chief Executive's Office - Quarter 2 September 2023: Forecast of Revenue and Capital Outturn 2023/24 - Report of the Corporate Director of Resources (Pages 69 - 78)
8. Overview and Scrutiny six monthly update to Council - Report of the Corporate Director of Resources (Pages 79 - 96)
9. Update in relation to Petitions - Report of Head of Legal and Democratic Services (Pages 97 - 104)

10. Notice of Key Decisions - Report of Head of Legal and Democratic Services (Pages 105 - 114)
11. Such other business as, in the opinion of the Chair of the meeting, is of sufficient urgency to warrant consideration

**Helen Bradley**  
Head of Legal and Democratic Services

County Hall  
Durham  
23 November 2023

To: **The Members of the Corporate Overview and Scrutiny  
Management Board**

Councillor R Crute (Chair)  
Councillor C Lines (Vice-Chair)

Councillors V Andrews, A Batey, J Charlton, J Cosslett, B Coult, S Deinali, J Elmer, K Hawley, P Heaviside, L Hovvels, M Johnson, P Jopling, L Maddison, C Marshall, C Martin, J Miller, B Moist, E Peeke, A Reed, K Shaw, M Stead, A Sterling, A Surtees and R Yorke

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## DURHAM COUNTY COUNCIL

At a Meeting of **Corporate Overview and Scrutiny Management Board** held in Committee Room 2, County Hall, Durham on **Monday 23 October 2023 at 9.30 am**

**Present:**

**Councillor R Crute (Chair)**

### **Members of the Committee:**

Councillors V Andrews, A Batey, J Charlton, J Cosslett, B Coult, S Deinali, P Heaviside, L Hovvels, M Johnson, P Jopling, C Lines (Vice-Chair), C Martin, I McLean (substitute for K Shaw), J Miller, B Moist, E Peeke, A Sterling and A Surtees

### **1 Apologies**

Apologies for absence were received from Councillors J Elmer, C Marshall, A Reed and K Shaw.

### **2 Substitute Members**

Councillor I McLean was present as substitute for Councillor K Shaw.

### **3 Minutes**

Matters Arising

With regards to the minutes from 22 September 2023, Councillor E Peeke suggested an amendment at paragraph 6 of item 4 - the first section to read as follows;

*Councillor Peeke said that the responses to the survey were not good, and she was surprised as so many people were on the forum and asked how many people were accessing it. She went on to discuss neutrality and how this could be achieved when there was a lack of public volunteers who want to be board members and who do not represent organisations who apply for and receive funding from their AAP. With regards to funding she agreed that it was the same people applying again and again and also agreed that it was difficult for smaller villages and organisations to apply for the funding.*

The minutes of the meetings held on 1 and 22 September 2023 were both agreed as a correct record, subject to the above amendment and signed by the Chair.

#### **4 Declarations of Interest**

There were no declarations of interest.

#### **5 RIPA Q2 2023/24**

The Board received a report of the Head of Legal and Democratic Services which provided information about the Council's use of powers under the Regulation of Investigatory Powers Act 2000 ('RIPA') during the period of 1 July 2023 and 30 September 2023 (for copy see file of minutes).

#### **Resolved**

- i. That the quarterly report on the Council's use of RIPA for the period covering quarter 2 2023/2024 be received
- ii. That the powers were being used consistently with the Council's policy and that the policy remained fit for purpose.

#### **6 RIPA Annual Report 2022/23**

The Board considered a report of the Head of Legal and Democratic Services which provided information about the Council's use of its powers under the Regulation of Investigatory Powers Act 2000 ('RIPA') during the period of 1 April 2022 to 31 March 2023. The report also presented proposed changes on the Council's Corporate RIPA Guidance as part of the annual review for comment by the Board prior to its consideration by Cabinet (for copy see file of minutes).

The Head of Legal and Democratic Services referenced the detailed RIPA training that had been delivered to authorised officers as well as awareness training to all tier four and five managers. The report also detailed the findings of a recent desktop inspection following a letter received from the investigatory Powers Commissioners Office (ICPO). Members were advised that having reviewed the information provided, the inspector had determined that it was not necessary to conduct an onsite inspection. The inspector expressed satisfaction with the council's corporate guidance and the level of training provided. Whilst making no formal recommendations, he did provide feedback on the authorisations for directed surveillance and CHIS.

The Head of Legal and Democratic Services reported that four areas were proposed for amendment as part of the annual review of the corporate RIPA guidance. The Corporate Overview and Scrutiny Management Board would

continue to provide in-year oversight of the use of RIPA powers and be able to provide comment, however, changes to the Corporate RIPA guidance would be approved by Cabinet. This would ensure that the Council's arrangements fully reflected the requirements of the Code of Practice.

An abridged version of the guidance had been drafted which if approved was proposed to be published on the council's website. This would provide the public with an overview of and greater transparency in relation to how the council uses RIPA powers.

**Resolved:**

- a) That the Council's use of RIPA during the period 1 April 2022 to 31 March 2023 be noted;
- b) That the proposed changes to the Council's Corporate RIPA Guidance be noted;
- c) That the abridged RIPA policy document be noted;
- d) that the revised Corporate RIPA Guidance will be approved by Cabinet and the abridged RIPA policy be published on the Council's website.

## **7 Annual Representations report 2022/23**

The Board considered a report of the Corporate Director of Adult & Health Services which provided an overview of statutory representations relating to adult social care services for the period 1 April 2022 – 31 March 2023 (for copy see file of minutes).

J Walt, Service Manager, Operational Support reported on the key issues and confirmed a 20% increase in the number of complaints investigated. She highlighted an increase in joint Health complaints, of which the Council had taken the lead in investigating and responding to four, with a further nine investigations which had been led by Health and therefore not included in the reported figures.

The most common reason for making a complaint in 2022/23 had been the Finance – Charging Policy, identified as a factor in 33.5% of complaints, similar to the previous year.

Councillor Hovvels confirmed that Members often received complaints about Social Worker caseloads which appeared to be increasing. She queried whether there was any correlation between social worker caseloads and complaints received..

Councillor Jopling had concerns about the high number of complaints regarding care charges in case there were people who could genuinely not

afford to pay and the Service Manager, Operational Support, confirmed that had been some issues with the timing of invoices and complaints regarding the clarity of the calculations. The Service Manager, Operational Support indicated that the service had developed charging factsheets in an attempt make the calculation of charging and invoicing clearer.

Councillor Andrews noted that the low numbers of complaints about personal care and safeguarding were a credit to the service but queried the monitoring process of private care companies. The Service Manager, Operational Support confirmed that if the Council received complaints about commissioned services, data would be included in the report, but noted the concern about private care homes.

In response to a comment from Councillor Coult regarding the lack of communication with service users, the Service Manager, Operational Support advised that the service was proactive in reminding staff of the importance of sharing information, particularly in relation to fees and charges and was a consistent message to staff throughout development programmes.

Councillor Miller raised an issue which had been highlighted from a customer who had responded to an email regarding fees and charges, only to find weeks later that the email address was not monitored. He wondered if there were any other examples of this issue and how it could be resolved. The Service Manager, Operational Support agreed to refer the issue to the service for clarification.

Councillor Batey suggested that guidance should be simplified and the Council should not assume that all service users were able to use technology, particularly those who were vulnerable or elderly.

Councillor Surtees requested a breakdown of the data to confirm whether any of the 95 complaints received involved private care providers.

The Chair advised that mitigation was important to prevent reoccurring issues. He highlighted a recent Local Government Ombudsman decision which had been issued to the Council regarding a complaint about care charges which included a recommended financial remedy. He also stressed the importance of sharing the learning from complaints to ensure that the number of repeat complaints reduced and that service improvements were delivered.

## **Resolved**

- a) That the contents of the report be noted
- b) That the AHS Annual Statutory Representations Report be received

- c) That the publication of the AHS Annual Statutory Representations Report be agreed

## **8 The County Durham Pound Project Update**

The Board considered a report of the Head of Procurement, Sales and Business Services which provided an update on the progress of the County Durham Pound project (for copy see file of minutes).

K Wilson, Strategic Category Manager, Resources and D Howe, Social Value Co-ordinator provided a detailed presentation which identified the aims and objectives of the project and progress to date (for copy of slides see file of minutes).

The Board were played a short video from Amazon Business which described how the Council had introduced them to the Durham Pound initiative. This had led to the implementation of a local purchasing filter which identified where sellers were based and allowed buyers to prefer national, regional or local products. It assisted organisations to choose to benefit local businesses through their purchasing. A filter which had been derived between the Council and Amazon Business had transitioned into a global scheme that was available in European countries and some parts of the United States.

Councillor Jopling queried some monetary figures included in the presentation, for eg. the number of car miles saved and they appeared to be extremely low. The Social Value Co-ordinator advised that the figures were likely to be higher but this element had not been included in all of the data submitted.

Councillor Sterling noted that three companies could no longer commit to the initiative and asked whether there was a facility for feedback to be provided and whether they had done so. The Strategic Category Manager, Resources advised that feedback from organisations was welcome and the issues reported were due to the level of commitment required and a lack of resources. Councillor Sterling was surprised as one of the companies was a sizeable organisation with a lot of resources. In response to a further question regarding the potential for small businesses to take part in the scheme, she was advised that a charter was being developed for launch in 2024 and in addition to core partners, it would be open to all other organisations who supported the objectives and were interested in training.

Councillor Coult queried whether there were any plans to find replacement organisations for those which had been lost. She also wondered how improvements could be made to reduce emissions, noting that some of the Partners had a huge number of vehicles on the road. The Strategic Category

Manager, Resources advised that Procurement were bringing the initiative to the attention of local businesses, through the introduction of the charter and also engaging with those who felt that they could not commit. Environmental measures were being looked at with CERP and the Carbon Reduction Team.

Councillor Batey complimented the presentation and acknowledged the work done so far, however she was aware that members of the public in her locality were travelling outside of County Durham to access leisure facilities and felt that the Council needed to invest in their own facilities in order to fully promote the scheme. She referred to the County Durham Playing Pitch Strategy in 2021 which had demonstrated local need.

Councillor Deinali queried the level of evaluation provided by investment from the County Durham Plan as she was interested to know the benefits which had been provided after three years of investment into schemes such as the family hub. The Social Value Co-ordinator advised that the County Durham Pound was driven from a procurement angle however the scope could be expanded to include social value.

Councillor Surtees endorsed the scheme and appreciated the conversion of measures to monetary value. To signify the importance of social value, she highlighted her own experience of grant funding, which had transformed £30k of investment to over £80k with added social value. This was money that was in her opinion gifted to the community and she praised the team for everything that they had done. It was disheartening that Partners had left but she hoped that they could be convinced to return.

Councillor Crute queried whether the scope of the project could change, particularly with plans for a combined authority and whether it would expand to become a North East Pound. The Strategic Category Manager confirmed that other authorities had their own initiatives that she was interested to hear more about and the Council would work with them to continue the success already achieved.

Councillor Hovvels referred to her own experience in the voluntary sector and the wide range of funding that was available for small grassroots organisations, of which there were so many in the County and she was interested to see if the Council could develop social value to measure their impact.

Councillor Lines highlighted the importance of effective engagement with other authorities whilst maintaining and promoting County Durham's distinctive character as a tourist destination. He suggested a further update be provided to assess the impact following publication of the charter.



## **Resolved**

- (i) That the success to this point of the County Durham Pound Project culminating in the achievement of the National Social Value Award be noted
- (ii) That the next phase of the Project and procurement activities outlined to enhance the desired project outcomes be supported

## **9 Working Well Survey 2022**

The Board received a report of the Corporate Director of Resources which provided an overview of the Council's survey results from the Working Well Survey undertaken between 10 October and 7 November 2022 and the identified key priority areas and proposed actions following the results (for copy see file of minutes).

A Lazizzera, Head of HR and Employee Services advised that 35.6% of employees had completed the survey and overall, the findings were broadly positive, with a high survey response rate, particularly within the context of the number of organisational changes since the last comparative survey in 2017.

The following five areas of improvement had been identified;

- Clarity of the council's vision and priorities (including service priorities)
- Internal communications and engagement
- Senior management demands
- Awareness of staff networks
- Improve and promote employee benefits

When considering the results, it was important to acknowledge changes since 2017, including the impact of Covid-19, life choices being made, the ageing workforce, national recruitment challenges, unrest and industrial action across many sectors, and the cost of living crisis/poverty.

Councillor Jopling stated that Members often heard directly from employees that were not satisfied with their job and wondered if staff chose not to complete surveys due to a fear of being identified. 65% of the Council's employees had not responded and she had concerns that their views would skew the figures.

The Head of HR and Employee Services confirmed that the anonymity of the survey was made as clear as possible to employees but it was difficult to pinpoint the reasons for not participating. The service were considering how to address this issue and had made enquiries with Trade Unions to consider how to reach the remaining 65%. There were a number of alternative

mechanisms such as regular quick-checks, sickness absence reviews and the grievance policy. Managers were required to encourage employees leaving the organisation to undertake exit interviews where possible however it was not a requirement for employees. Health Advocates could assist but not on a managerial level.

The Chair acknowledged the difficulty in encouraging staff to undertake the survey and attend exit interviews that were not compulsory, however with a five year gap since the previous survey and the changes which had been presented, he had expected a lot more variation to the responses. Overall it was consistent and positive but he shared concerns that staff were not comfortable enough to approach their manager. He suggested that if staff appreciated the value of the data, it may encourage them to take part.

With regards to the issue of confidentiality, Councillor Peeke wondered whether staff would be more willing to take part in surveys if they were on paper - in her experience this worked better.

Councillor Batey commented on the many changes due to Covid-19 and the new hybrid working model, however she was concerned that some employees were only having one meeting with their manager per month as this was not sufficient to check their health and wellbeing. She also had concerns that webinars were becoming the norm and advised that staff roadshows which had previously been face to face, were held via MS Teams. She too shared concerns that the surveys may have been completed by staff that were content but not those with issues.

The Head of HR and Employee Services advised general meetings and team calls with colleagues were more regular but one to ones were required to be undertaken regularly by Managers. These were recorded sessions that were either weekly, fortnightly or monthly. With regards to staff roadshows, attendance was found to be better on digital platforms and Dear John was a popular means to contact the Chief Executive anonymously and ask questions.

In response to a further comment about the response rate of PDR's, the Head of HR and Employee Services advised that the figures included those that were completed late or employees that had transferred to other roles.

Councillor Moist had been enlightened by the report and it was recognised that Covid-19 had impacted on mental and physical health, however like others he was concerned that people who were struggling may not have responded to the survey. He moved on to query the wellbeing of elected members and the lack of an outlet for them to highlight welfare concerns. Although Councillors were not employees, they were duty bound and sometimes endured a lot of stress due to their role. The Head of HR and

Employee Services responded that there was a lot of ongoing work to target mental health in the workplace and analysis of data from the counselling service to confirm what support was required. She would make further enquiries with the Head of Legal and Democratic Services with regards to what could be achieved to ensure the wellbeing of elected members of the Council.

Councillor Sterling had been encouraged to the value of flexible working and queried what equipment and support was offered to permanent home workers. The Head of HR and Employee Services confirmed that there was a very small cohort of permanent home workers however a safe home environment subject to risk assessment was required and regular contact was made by managers. In response to a further comment from Councillor Sterling regarding the health benefits that home working provided for some individuals, the Head of HR and Employee Services confirmed that permanent homeworking was granted in terms of a reasonable adjustment, but employees were not restricted and could still attend the office.

Councillor Surtees suggested that in addition to the facility for staff to write anonymous letters to the Chief Executive's, it may be beneficial for them to have the same ability to write to the Head of HR and Employee Services.

The Chair added that had been significant changes since 2017 and a consistent approach was difficult. He queried whether any benchmarking had taken place and whether it was possible to recruit a core cohort of survey respondents to act as a control group. The Head of HR and Employee Services advised that there had been a similar response rate in other local authorities which had carried out staff surveys, however some did no and the average response rate was similar, between 30-40%.

**Resolved:**

That the report be noted.

**10 2023/24 Quarter 1 Performance Management Report**

The Board considered a report of the Chief Executive which provided an overview of progress towards delivery of the key priorities within the Council Plan 2023-27 and covered performance in and to the end of quarter one, 2023/24, April to June 2023 (for copy see file of minutes)

T Gorman, Corporate Policy and Performance Manager, Corporate Affairs gave a detailed presentation and advised that the amount generated by the visitor economy had exceeded £1bn in 2022.

Councillors B Moist and J Charlton left the meeting at this point and did not return.

Councillor Miller noted that Durham was underperforming with regards to homelessness both regionally and nationally and he wondered if anything could be gained from neighbouring authorities. With regards to public transport, Councillor Miller advised that there were some issues with reliability and if buses did not turn up, it significantly impacted people who used them to get to work. He knew of journeys which had taken four times longer after multiple services had failed to pick up.

Councillor I McLean left the meeting at this point and did not return.

The Corporate Policy and Performance Manager, Corporate Affairs advised that the £2 maximum single fare had been introduced to encourage more use of public transport, however there were issues nationally with the recruitment of drivers which impacted on service provision and in addition to strikes, the desirability of public transport was reduced.

The Chair added that despite significant investment by the government, the strikes were impacting negatively on travel and he advised that the North East Joint Transport Committee's Bus Service Improvement Plan would cover the entire region and its aim was to deliver a better service for passengers.

Councillor J Miller left the meeting at this point and did not return.

Councillor Jopling observed that the cost-of living crisis had driven additional contact in relation to housing benefit and council tax reduction. She referred to the data provided on apprenticeships and had herself received some negative feedback from apprentices who felt that they had not been given enough work to do and were under stimulated. She was concerned that this may result in incomplete apprenticeships.

The Corporate Policy and Performance Manager, Corporate Affairs advised that success rates were measured through exit interviews and he would look for information regarding course completion. There had been some issues which would hopefully improve after the appointment of a new provider.

Councillor Surtees referred to the increase over the years in requests for EHCP's which were continuing to rise and whilst she appreciated the pressure on Educational Psychologists and the issues with recruitment, she queried the impact on young people while they were awaiting assessments and the burden this had on social workers. She had also noticed an increase in elective home education and queried whether a breakdown of primary/secondary children could be provided. She queried whether there

could be a link with the increase in SEND and children being educated at home.

The Corporate Policy and Performance Manager, Corporate Affairs confirmed that he was not able to confirm whether there was a link between increased SEND and EHE however there was a lot of ongoing work to improve performance regarding EHCP's. In response to a further question from Councillor Surtees regarding free school meals, he advised that the figures for FSM did not include children who were universally eligible.

The Chair referred to a previous Overview and Scrutiny review of EHE which had been considered by Cabinet in 2020 and had raised concerns about the ability to safeguard children who were being educated in the home.

Councillor Lines added there would be further reductions to bus services going forward which would hopefully be addressed by the BSIP. This was also impacting tourism and the economy and he gave an example of young people living in Fishburn who were unable to get a bus to Newton Aycliffe despite it being only a few miles away.

The Chair complimented the new format of the report which included performance data dashboards and the addition of links to external websites.

## **Resolved**

1. That the overall strong position and direction of travel in relation to quarter one performance, and the actions being taken to address areas of challenge be noted.
2. That the changes and improvements to the new format performance report which will be used exclusively from quarter two 2023/24 be noted.

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**Corporate Overview and Scrutiny  
Management Board**

**1 December 2023**

**Medium Term Financial Plan (14)  
2024/25 to 2027/28**



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**Report of Corporate Management Team**

**Paul Darby, Corporate Director of Resources**

**Electoral division(s) affected:**

Countywide

**Purpose of the Report**

- 1 To provide members of the Corporate Overview and Scrutiny Management Board (COSMB) with an update on the development of the Budget 2024/25 and the Medium-Term Financial Plan (MTFP) (14) 2024/25 to 2027/28. The attached 11 October Cabinet report includes updated financial planning assumptions which have affected some figures previously reported.
- 2 COSMB prioritise scrutiny of the MTFP and budget as part of its work programme.

**Executive summary**

- 3 The report to 11 October Cabinet sets out the plan for the MTFP (14) covering the four year period from 2024/25 to 2027/28.

**Recommendation(s)**

- 4 Members are asked to consider and comment upon the October Cabinet report on the MTFP (14) 2024/25 to 2027/28.

## Background

- 5 The Council is continuing to operate in a period of significant financial uncertainty, particularly from 2025/26 onwards. When the 2023/24 budget was approved on 22 February 2023, the council was concerned about the ongoing and consequential impact of high levels of inflation and service demand alongside other concerns which continue to impact significantly upon financial planning with increases in bank base rates, expected pay settlements for our employees and the impact of future National Living Wage increases all forecast to increase pressure upon future years budgets.
- 6 Once again, the Looked After Children's budget is under pressure due to increased demand and, significantly, increased complexity of need as we emerge from the pandemic driving forecast overspends in the current year that are forecast to continue into next year which must be accommodated.
- 7 All these issues are making financial planning difficult and are resulting in a deterioration in the forecast MTFP(14) financial position as compared to that reported to Cabinet on 12 July 2023.
- 8 The Cabinet report includes information on:
  - (a) A review of MTFP Forecasts;
  - (b) Savings forecasts for 2024/25;
  - (c) An Equality Impact Assessment of the MTFP including impact assessments for the 2024/25 savings proposals across all service groupings;
  - (d) An adjusted MTFP (14) 2024/25 TO 2027/28 forecast summary;
  - (e) An MTFP Risk Assessment setting out key risks throughout the MTFP(14) period.

## Background papers

- None

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**Contact:** Helen Bradley

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## **Appendix 1: Implications**

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### **Legal Implications**

None.

### **Finance**

The report sets out the arrangements to scrutinise MTFP (14) proposals.

### **Consultation**

The report includes information on the consultation process.

### **Equality and Diversity / Public Sector Equality Duty**

Equality considerations are built into the approach to developing MTFP (14) as a key element of the process.

### **Climate Change**

The impact of final budget decisions will take into account climate change impacts

### **Human Rights**

Any human rights issues will be considered for any detailed MTFP (14) proposals as they are developed and decisions made to take these forward.

### **Crime and Disorder**

None.

### **Staffing**

The savings proposals in MTFP (14) will impact upon employees.

### **Accommodation**

None.

### **Risk**

None.

**Procurement**

None.

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**Appendix 2: Medium Term Financial Plan (14), 2024/25 - 2027/28 -  
report to 11 October Cabinet**

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Attached as a separate document.

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**Cabinet**

**11 October 2023**

**Medium Term Financial Plan(14) 2024/25 – 2027/28**

**CORP/R/23/01**



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## **Report of Corporate Management Team**

**Paul Darby, Corporate Director of Resources**

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

**Councillor Amanda Hopgood, Leader of the Council**

### **Purpose of the Report**

- 1 To provide an update on the development of the 2024/25 budget and the Medium Term Financial Plan (MTFP(14)) covering the period 2024/25 to 2027/28, including updated financial planning assumptions which have affected a number of the figures previously reported.
- 2 The report also includes details of further savings proposals that could be implemented to help balance the budget, which will be subject to consultation over the coming two months, building on the consultation which is currently underway on the proposals contained in the report to Cabinet in July.

### **Executive Summary**

- 3 The Council continues to operate in a period of significant financial uncertainty. When the 2023/24 budget was approved on 22 February 2023, the council was concerned about the ongoing and consequential impact of high levels of inflation and service demand alongside concerns
- 4 These concerns continue to impact significantly upon financial planning with increases in bank base rates, expected pay settlements for our employees and the impact of future National Living Wage increases all forecast to increase pressure upon future years budgets.
- 5 Once again, the Looked After Children's budget is under pressure due to increased demand and, significantly, increased complexity of need as we

- emerge from the pandemic driving forecast overspends in the current year that are forecast to continue into next year which must be accommodated.
- 6 All these issues are making financial planning difficult and are resulting in a deterioration in the forecast MTFP(14) financial position as compared to that reported to Cabinet on 12 July 2023.
  - 7 Unlike some other councils, Durham County Council currently has sufficient financial resilience, a strong track record of prudent financial management and sufficiently robust budget and MTFP planning processes such that we are not, at least at this stage, in danger of the Corporate Director of Resources having to consider issuing a Section 114 notice. That said, the financial challenges in 2025/26 and beyond are immense based on our current forecasts and if the council does not address these challenges in a planned way then the position could change rapidly.
  - 8 These challenges are largely exacerbated by continuing inflationary and demand pressures and significant uncertainty in terms of future financial settlements for local government and how available funding will be shared between local authorities. Local authorities continue to be provided with one year financial settlements, which provide little financial certainty and security. The Chancellor of the Exchequer's Autumn Statement will be published on 22 November 2023 which will likely result in the local government finance settlement being in early December providing little time for local authorities to react.
  - 9 Local authorities desperately need early notification of how much, if any, additional government support will be provided in 2024/25 to offset the significant financial pressures faced by the sector due to the present high levels of demand and inflation. The 2023/24 local government finance settlement included an indicative increase in the non-ring fenced social care grant of £7.8 million alongside increases in ring fenced specific grants such as the Adult Discharge Grant and the Market Sustainability Improvement Fund. It is clear however that increases in core funding for local authorities will not be sufficient to maintain services in 2024/25.
  - 10 It appears that there will not be early confirmation or notification of funding levels for 2024/25, with the finance settlement not expected until around Christmas once again leaving local authorities to continue to plan for the worst i.e., no further funding being made available beyond the non-ring fenced grant increases indicated to date.
  - 11 Against this background a number of local authorities across the country have either published or referenced that they may shortly need to publish Section 114 notices, with several more expected to in the coming months. A number of these announcements have been made by local authorities who are simply running out of funding to finance core services and not related to governance failures or risky commercial decisions. It is hoped that central government heed these warnings and provide additional core

funding to local government beyond the sums already indicated which are not sufficient to cover the pressures faced.

- 12 The ongoing uncertainty is continuing to make financial planning extremely challenging and requires the council to be flexible and adaptable. In this regard the relatively strong financial position of the council will ensure that the council is well placed to react effectively to any outcome. That said, without significant additional government funding the council will be placed in a very challenging situation and will be required to make very difficult decisions to address these pressures in setting balanced budgets in 2024/25 and in future years.
- 13 The council is presently prudently planning on the basis that the council will receive additional core funding uplifts including inflation uplifts in Revenue Support Grants (RSG), Business Rates and Top Up grants and additional social care grant totalling £20 million in 2024/25 but that from 2025/26 the council will only receive Consumer Price Inflation (CPI) uplifts in RSG, Business Rates and Top Up grants i.e., no increase in core grant funding are included. This prudent estimate for future years is in line with announcements by the Chancellor of the Exchequer in the March 2023 Budget that across the three years 2025/26 to 2027/28 the public sector would only receive a 1% real terms funding increase with Health, Education and Defence expected to receive additional protection. This position will be closely monitored in the coming months especially once the next local government finance settlement is received in the autumn.
- 14 As we continue budget planning for 2024/25, in line with previous practice, the MTFP Model has been reviewed and the financial forecasts for the next four years updated. Financial plans have been updated to consider the impact of inflation upon council costs, particularly in relation to the National Living Wage and the ongoing impact upon future years pay settlements for council employees. The impact of the revised assumptions is that the scale of forecast savings to balance the budget across the MTFP(14) planning period has increased.
- 15 The latest forecasts indicate that even with assumed council tax increases in each of the next four years, the council will face a funding gap / savings requirement of £67.602 million in order to balance the budget over the 2024/25 to 2027/28 period, £11.588 million higher than the position previously reported to Cabinet in July, with £4.1 million of this increase falling into 2024/25.
- 16 Savings are forecast to be required in all years of MTFP(14) as unavoidable budget pressures outstrip the funding the Council will receive from Government and its ability to generate additional income from business rates and council tax. The forecasts assume the Council will apply the maximum increases in its Council Tax it is allowed to across each of the next four years, in line with government guidance and expectations.

- 17 The achievement of an additional £67.602 million of savings over the next four years will be extremely challenging and should not be under-estimated – more so given the savings that the council has been required to achieve in the last ten years to balance its budgets. The emphasis since 2011/12 has been to minimise savings from front line services by protecting them wherever possible whilst maximising savings in management and support functions and by targeting increased income from charging. This is becoming much more difficult however, as the scope for further savings in managerial and back office efficiencies is becoming exhausted following the delivery of £260 million of savings up to 31 March 2024.
- 18 The total savings required at this stage for 2024/25 to balance the budget amounts to £16.308 million, £4.173 million higher than the position previously reported to Cabinet in July.
- 19 There are £2.332 million of savings approved as part of MTFP(13) that can be delivered in 2024/25, with the savings previously agreed having been reprofiled and one of the savings proposals reduced by £74,000 following a review. The updated schedule of previously agreed savings is set out at Appendix 2.
- 20 Cabinet agreed additional savings proposals of £3.725 million for 2024/25 and £6.617 million in total across the MTFP(14) planning period for public consultation at its meeting on 12 July 2023, with public consultation commencing on 3 September 2023. These are set out at Appendix 3.
- 21 Within this report are further 2024/25 savings of £1.943 million and £2.909 million in total across the MTFP(14) planning period for further public consultation. If ultimately agreed, the total savings would be £8.0 million in 2024/25 and £15.330 million across the MTFP(14) planning period, reducing the forecast budget deficit / savings shortfall to £8.308 million in 2024/25 and £52.272 million if all savings are approved at Full Council on 28 February 2024.
- 22 It must be recognised however that these figures could change, depending on whether the government provide any much needed additional resources to the sector in 2024/25 beyond the levels indicated in the 2023/24 local government finance settlement and whether the council experiences further additional financial pressures due to demand, loss of income or due to the impact of inflation or identifies further savings options. If nothing changes then the Council will need to utilise a further £8 million of its MTFP Support Reserve to balance the budget next year.
- 23 The updated forecast position for MTFP(14) has slightly deteriorated since the 12 July 2023 Cabinet report. At that stage it was forecast that the budget deficit / funding shortfall in 2024/25 would be £12.1 million with total budget deficit / funding shortfall across the MTFP(14) period of £56 million.
- 24 Work will continue over the coming months to closely monitor and manage the councils budgets and to identify additional savings options to help to



balance next years and future years budgets. It is crucial however that local government is given confirmation of funding settlements for next year and for future to ensure there is a clear understanding of the financial challenges faced.

- 25 The MTFP(14) forecasts continue to assume that there will be a 4.99% council tax increase in 2023/24 and maximum 2.99% increase for the period 2025/26 to 2027/28. The 4.99% increases for 2024/25 includes an assumed 2.99% council tax referendum limit core increase and 2% for the adult social care precept. It may well be that Government provide additional flexibility in terms of council tax going forward, though there is no indication on whether this will be the case at this stage.
- 26 It is important to recognise that the income generated from a 2% adult social care precept does not fully offset the unavoidable budget pressures we face in our adult social care budgets, which are some of the largest budgets the council has. Additional income of circa £5.3 million would be generated by a 2% adult social care precept, however, the unavoidable inflationary base budget pressure from social care fees alone are more than three times this level (care fees for residential, nursing and home care services - largely driven by expected increases in the National Living Wage next year) and expected to be £17.8 million.
- 27 The updated MTFP(14) financial forecasts are attached at Appendix 5 and the report contains an explanation of the underpinning financial planning assumptions that support these financial forecasts.

## **Recommendations**

- 28 Cabinet is asked to:
- (a) note the updated MTFP forecasts and the requirement to identify additional savings of £67.602 million for the period 2024/25 to 2027/28, but also note that this forecast could change based upon outcome of future government funding settlements, the ongoing impact demand for services and inflationary pressures upon the council;
  - (b) note that at this stage a forecast £16.308 million of savings are required to balance the 2024/25 budget;
  - (c) note the revised profile and reduced quantum of the savings previously agreed as part of MTFP(13) as set out at Appendix 2;
  - (d) note the ongoing consultation on the new savings proposals agreed by Cabinet in July, which are set out at Appendix 3;

- (e) agree that the new additional savings proposals included at Appendix 4 to support MTFP(14) are consulted on; and
- (f) note that should the financial forecasts set out at Appendix 5 remain unaltered and the council tax increases and savings proposals at Appendix 2 to 4 are agreed at County Council on 28 February 2024 then the budget deficit would be reduced to £8.308 million in 2024/25, with a budget deficit of £52.272 million across the full MTFP(14) planning period.

## Background

- 29 To ensure the 2024/25 budget and MTFP(14) can be developed effectively and savings targets delivered in time to produce a balanced budget, it is important that the council has a robust plan and timetable that is agreed and followed. The budget setting timetable was agreed by Cabinet on 12 July 2023.
- 30 The council is committed to strong financial governance and getting value for money whilst ensuring that any council tax increases are justified and affordable.
- 31 It is prudent that the council continues to plan across a four year timeframe. During this period the Council will continue to face significant and unavoidable budget pressures, especially relating to future pay awards to council employees, the National Living Wage uplifts, Children's Social Care and Waste pressures and from a shortfall in housing benefit subsidy relating to temporary and support accommodation, whilst facing the uncertainty over the impact of the future Fair Funding Review (FFR).
- 32 Planning across the medium term in this way ensures that decisions can be made in the knowledge of the likely financial position of the Council and provides a basis for effective decision making taking account of the best estimates of income and expenditure.
- 33 Savings plans continue to be developed for consideration for 2024/25 and in future years. Unless there is a significant uplift in the level of local government financial settlements, additional savings are inevitable as the council suffers from a low taxbase and is not able to raise sufficient income locally from permissible council tax increases and from its locally retained share of business rates to meet its unavoidable inflationary and service demand pressures – particularly from its statutory social care services.
- 34 The council will be able to utilise the MTFP Reserve to help balance the budgets in the short-term whilst savings proposals are developed and or implemented. The MTFP Reserve balance is currently £27 million and can be utilised to balance the budget in the short term but this must be as a last resource and with the size and scope of funding shortfalls over the next four years would soon be exhausted.
- 35 The use of reserves to balance the budget is not a sustainable position and is only recommended where there is a need to smooth in more sustainable budget solutions.
- 36 At this stage of the planning cycle for MTFP(14) the following areas are presented for consideration by Cabinet:
- (a) an update on the development of the 2024/25 budget since the 12 July 2023 MTFP(14) report to Cabinet;

- (b) an update on the MTFP(14) savings plans previously forecast for the period 2024/25 to 2027/28;
- (c) a range of additional savings plans to augment the savings proposals considered and agreed by Cabinet in July which are recommended for inclusion in the MTFP(14) plans and for these to be consulted on to assist in balancing budgets.

## **Review of MTFP Forecasts**

- 37 The financial outlook for the Council continues to be extremely challenging. Prior to the pandemic the national finances were in a reasonably healthy state for the first time in ten years. The impact of the pandemic upon the national finances however alongside the impact of the Governments response to the cost of living crisis is forecast to have long term impacts on the flexibility for increases in expenditure across the public sector.
- 38 Local authorities continue to lobby strongly for a long term sustainable financial settlement, but it is becoming less likely that this will occur in the short term due to ongoing uncertainty in the national finances linked to the ongoing impacts of the pandemic, Brexit, and the inflationary impact of the crisis in Ukraine.
- 39 A number of local authorities across the country have either published or referenced that they may shortly need to publish Section 114 notices, with several more expected to in the coming months. A number of these announcements have been made by local authorities who are simply running out of funding to finance core services and not related to governance failures or risky commercial decisions.
- 40 Durham County Council currently has sufficient financial resilience, a strong track record of prudent financial management and sufficiently robust budget and MTFP planning processes such that we are not, at least at this stage, in danger of the Corporate Director of Resources having to consider issuing a Section 114 notice. That said, the financial challenges in 2025/26 and beyond are immense based on the current forecasts and if the council does not address these challenges in a planned way then the position could change rapidly.
- 41 It is hoped that central government heed these warnings from the sector and provide additional core funding to local government beyond the sums already indicated which are not suffice to cover the pressures faced.
- 42 The assumptions underpinning the development of MTFP(14) continue to be reviewed. This has resulted in a number of significant changes to the core financial planning assumptions for 2024/25 and in future years as well as consideration of increased costs and demand increases specifically

linked to the impact of high levels of inflation. The key adjustments and major areas for consideration are detailed below:

**(a) Revenue Support Grant (RSG) / Fair Funding Review**

The assumed increase in RSG in 2024/25 has been increased from 6% to 6.5%. CPI at the end of July fell to 6.8% and is forecast to be in this region at the end of September with the uplift in RSG for 2024/25 being based upon the CPI rate at the end of September. The revised assumptions benefit the forecasts by £240,000 of additional grant income next year.

**(b) Market Sustainability Improvement Grant**

In late July the government announced additional specific grant funding of £365 million for 2023/24 (the council will receive an additional £4 million of MSIF funding in 2023/24), falling to an additional £205 million for 2024/25, of which it is forecast the council will receive circa £2.3 million next year. This additional funding has been assumed to be non-recurrent and will be removed in 2025/26. This funding is to support the adult social care sector especially in relation to workforce support and as such will come with additional spending requirements.

**(c) Business Rates, Section 31 Grant and Top Up Grant inflation uplift**

In line with revised assumptions made on RSG uplifts, the assumed CPI uplift on Business Rates/S31/Top Up Grant funding has been increased to 6.5%. The revised assumptions benefit the forecasts by £800,000 of additional grant income next year.

**(d) Council Tax Taxbase**

Taxbase growth has slowed down significantly in recent months – due to a combination of lower than forecast new house completions and an increase in discounts and exemptions as interest rates have increased and the economy has slowed. This position was demonstrated by the quarter one 2023/24 forecast of outturn, where a c£2 million deficit is forecast on the Council Tax Collection Fund to 31 March 2024.

The assumptions for taxbase growth have been reduced in both the 2024/25 and 2025/26 financial years to just £0.5 million in each year. The impact of the revised assumptions is a reduction in resources available of £1.8 million in 2024/25 and £1.375 million in 2025/26 – a total adverse impact of £3.175 million across the MTFP(14) planning period.

(e) **Business Rate Taxbase**

The July 2023 Cabinet report included a forecast for business rate taxbase growth of circa £1.8 million 2024/25 and £0.5 million per annum thereafter. These forecasts have been updated taking into account appeals received and resolved alongside updated assessments of future appeals and forecasts for business rates growth over the coming years, particularly from the new developments at Milburngate, Integra 61 and at Tindale Crescent in Bishop Auckland. The review has resulted in an increase in the 2024/25 business rate taxbase forecast from £1.8 million to £2.8 million and for 2025/26 tax base growth from £0.5 million to £1 million. These revised assumptions benefit the forecasts by £1.5 million of additional tax base growth income.

(f) **Pay Inflation**

The July 2023 MTFP(14) report to Cabinet highlighted that the assumption of a 2% pay increase for council staff in 2024/25 could be a risk linked to the concern that inflation may reduce slower than was forecast by the Chancellor of the Exchequer.

The concern in relation to inflation coming down slower than forecast has manifest, however, in addition there is an emerging concern that the National Living Wage(NLW) may increase by circa 10% in April 2024, rather than the 7.1% originally forecast by the Low Pay Commission (see below).

If this is the rate of NLW then the Local Government Employers are likely to consider another 'flat rate' increase on all local authority spinal column points in 2024/25 in order to preserve the pay differential at the bottom end of the national pay spine, which is their over-riding concern.

With this in mind the forecast for the pay increase for 2024/25 has been uplifted from 2% to 4%. This revised assumption doubles the budget pressure in 2024/25 and increases the forecast cost by £5.3 million.

Cabinet will be aware that the pay award is agreed nationally and is largely outside the councils control. Every 1% on the councils pay bill equates to a budget pressure of circa £2.65 million, which is broadly the same as the council tax income generated from a 1% increase in council tax.

(g) **Price Inflation**

Consumer Price Inflation (CPI) forecasts for the financial year are higher than previously forecast with the Bank of England target of

2% not expected to be achieved until early 2025 now. With this in mind the price inflation forecast in the MTFP model for 2024/25 has been increased to 2% from 1.5% adding a £0.8 million budget pressure into 2024/25. Actual inflationary pressures faced are expected to exceed the budget provision, necessitating services to exercise spending restraints and driving value for money to remain within budget.

(h) **CPI Uplift impact upon adult care fees**

The July 2023 MTFP(14) Cabinet report assumed that the NLW would increase to £11.16 in April 2024, based upon the Low Pay Commission March 2023 report.

The March 2023 report identified that if national median wages increased at the top end of their expectations then the NLW increase could be as high as £11.43, rather than £11.16, which is an increase of 9.69%.

Recent reports on the increase in national median wages of 7.8% per annum or 8.5% if bonuses are included is coming out at the top end of the Low Pay Commission expectations. With this in mind our forecasts of adult social care fee uplifts, which are heavily based upon the annual NLW increase, have been reforecast based upon a 9.69% increase in the NLW from April 2024.

This increase in the forecast NLW has increased the forecast contract uplift pressure by £2.4 million.

In total, forecast base budget pressure from social care fees for residential, nursing and home care services, which are largely driven by expected increases in the National Living Wage next year, is £17.8 million next year.

The income generated from a 2% adult social care precept would be circa £5.3 million, less than a third of this budget pressure alone.

(i) **Energy Price Increases**

The July MTFP(14) Cabinet Report forecast a £2.6 million reduction in the 2024/25 energy budget followed by £0.75 million reductions in the two following years as energy prices gradually reduced.

Based on the most recent NEPO updates it is now forecast that the energy budget reductions in 2025/25 and 2026/26 can be accelerated into 2024/25, with a £4.6 million reduction now being applied in 2024/25.

This adjustment benefits 2024/25 by £2 million but only benefits the overall MTFP forecasts by £500,000 due to it largely being a reprofiling issue

(j) **Loss of School SLA Income**

For a number of years, the academisation of more and more schools has created both an opportunity and a threat in terms of our ability to sell services and attract SLA income. The ability to absorb the loss of such income is creating significant budget pressures in a number of service areas. Variable costs incurred in the provision of services can be reduced as SLA's are lost but it is becoming impossible to reduce fixed costs.

With this in mind a £300,000 per annum pressure for loss of SLA income to offset these pressures is built into each year of MTFP(14) based upon compensating services for 50% of any income lost going forward.

(k) **Housing Benefit Subsidy Shortfall**

Cabinet will recall that a £2 million budget pressure was factored into the July MTFP(14) update report linked the difference between the escalating costs of temporary accommodation and for supported housing vs the grant the council can reclaim from the Department for Works and Pensions.

The quarter one forecast of outturn report considered by Cabinet on 13 September 2023 indicated that the HB subsidy shortfall will be c£3.2 million in 2023/24.

On the basis of work being undertaken to address temporary accommodation it is estimated that the budget adjustment required next year will be circa £2.6 million, which is £600,000 higher than the figures included in the previous MTFP(14) forecasts.

(l) **Treasury Management – Investment Income and Prudential Borrowing**

Based upon updated forecasts of capital expenditure and cash flow modelling, which establishes the need to borrow and the timing of that borrowing, it is possible to reduce the budget reduction for investment income (which was increased temporarily in 2023/24) in 2024/25 from £3.5 million to £2.5 million pushing the £1 million reduction into 2026/27. This is a timing issue and effectively retains a higher level of budgeted investment income for longer.



It is also possible to push back the £2 million budget uplift for prudential borrowing from 2024/25 into 2025/26 to reflect the latest assumptions on borrowing.

The updated strategy assumes we will be borrowing £100 million in 2024/25 at a rate of 4.5% and a further £200 million in 2025/26 at a rate of 3.75%. Current PWLB 40 year borrowing rates are circa 5.5% - whereas the current weighted average interest paid on existing external loans is 3.11%..

## **2024/25 Savings Forecast**

- 43 Based upon the revised assumptions detailed in this report, the savings requirement for 2024/25 is forecast to be £16.308 million, £8.567 million higher than the position previously reported.
- 44 Although the budget deficit of £16.308 million in 2024/25 is the latest forecast, it should be recognised that this figure could and will likely change before Council ultimately sets the budget on 28 February 2024.
- 45 The MTFP(14) forecasts continue to be predicated on a 4.99% council tax increase being applied in 2024/25 (inclusive of a 2% adult social care precept) with 2.99% increases per annum across the remainder of the MTFP(14) planning period.
- 46 There are £2.332 million of savings approved as part of MTFP(13) that can be delivered in 2024/25, with the savings previously agreed having been reprofiled (bringing forward savings from 2025/26 into 2024/25 for restructuring in the HR Team (c£153k) and in Transactional and Customer Services Team (c£71k) and a saving in relation Internal Audit reprofiled to 2026/27 (c£43k)), and one of the savings proposals (Strategic Car Parking Review) reduced by £74,000 following updated forecasts for this proposal. The updated schedule of previously agreed savings is set out at Appendix 2.
- 47 Cabinet agreed additional savings proposals of £3.7 million for 2024/25 and £6.617 million in total across the MTFP(14) planning period for public consultation at its meeting on 12 July 2023, with public consultation commencing on 3 September 2023. These are set out at Appendix 3.
- 48 The July 2023 MTFP(14) report identified a forecast funding shortfall of £6.2 million for 2024/25 if all the savings to be consulted on were approved by Full Council in February 2024.
- 49 With this in mind service groupings have continued to work on saving plans to help close this forecast funding shortfall. This report provides details of savings plans amounting to £2.909 million over the next four years, with £1.943 million of these savings considered to be achievable in

2024/25, which if agreed would assist in closing the budget shortfall next year.

- 50 These savings plans have been fully assured in terms of delivery with every attempt made to seek to protect front line services as far as possible. The proposed new additional savings plans for next year, with indicative plans for 2025/26 to 2027/28 are attached at Appendix 4.
- 51 If ultimately agreed, the total savings would be £8.0 million in 2024/25 and £15.330 million across the MTFP(14) planning period, reducing the forecast budget deficit / savings shortfall to £8.308 million in 2024/25 and £52.272 million if all savings are approved at Full Council on 28 February 2024.
- 52 If government provide additional funding to local government in the finance settlement for 2024/25, this gap could be reduced and potentially eradicated depending on the level of support provided and whether there are any other budget pressures that emerge.
- 53 It is currently unclear whether and the extent to which any additional funding will be provided. However, there is also a risk that the gap widens if cost pressures, particularly in relation to energy and in looked after children's placement budgets, continue to escalate.
- 54 At this point it is likely the council would need to utilise its reserves once again to balance the budget in 2024/25.

## **Equality Impact Assessment of the Medium Term Financial Plan**

- 55 Consideration of equality analysis and impacts is an essential element that members must take into account when considering the savings plans at Appendix 2 to 4. This section updates Members on the outcomes of the equality analysis of the new MTFP(14) savings proposals set out at Appendix 6, building on information previously considered.
- 56 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
- 57 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.
- 58 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
- 59 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.
- 60 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 2024/25 Savings Proposals**

- 61 Consideration of equality analysis and impacts is an essential element that members must consider in approving any savings plans. A summary equality analysis and mitigations for the potential MTFP(14) savings included in this report for consideration and consultation can be found at Appendix 6. This section updates Members on the outcomes of the equality analysis of the MTFP (14) savings proposals as they currently stand. Where savings proposals are developed further, then analysis of impacts will be updated and included in the final decision making reports.

### **Adult and Health Services**

- 62 There is a proposal for the removal of a historic contribution towards community alarms in in-house extra care schemes which could potentially impact older and/or disabled residents with an additional small charge. Further work will be carried out with the housing provider and it should be noted that the proposed change in arrangements would ensure equity by bringing the arrangements for the community alarm charges in line with the other three extra care sites in County Durham.
- 63 Remaining proposals for AHS include; a review of commissioned services in view of efficiencies, staffing turnover assumptions and a review of contractual arrangements, for which there is no expected equality impacts.

### **Children and Young People's Services (CYPS)**

- 64 Most proposals for CYPS are at a formative stage and will require further analysis as proposals develop or have no expected equality impact.
- 65 In terms of Home to School Transport, there are potential negative and beneficial impacts in relation to the protected characteristics of disability (SEND), age (younger and working age) and sex (women). A full impact assessment has been carried out as part of Cabinet reporting and decision making processes for this proposal which has been subject to full public consultation. An increase in fare charges for the Standard and Maintained Concessionary scheme aligns with the Bus Service Improvement Plan offer and is 80p lower than the fare proposed as part of the consultation. This should mitigate some of the financial impact for working age families, and potentially (disproportionately), women. Programmes of review have been established for the remaining aspects of home to school transport changes to ensure children and young people have access to safe and sustainable transport and routes.
- 66 Review of the early help model involves the management of vacant posts which could lead to an increased workload for remaining staff who are delivering services for families and young people. However, new

approaches and working practices have evolved to deliver efficiencies. The equality impact assessment will be updated as the proposal progresses to fully assess and monitor impact.

- 67 The review of council nursery provision is a long term review which will minimise impact and allow for careful planning towards a sustainable future which is potentially positive for young children and their families. The government plans for the expansion of free childcare will be phased in over the period from April 2024 to September 2025. The extension of the free (30 hour) childcare support for working parents of children over the age of nine months, will allow opportunities for all four council nurseries to remodel their provision. It is expected that increased volumes of potential children requiring places along with increased funding rates will allow for a financially sustainable model. HR processes will be followed to ensure fair treatment where there is any impact on staff and the equality impact assessment will be updated to reflect this.

### **Neighbourhoods and Climate Change (NCC)**

- 68 NCC savings proposals are at an early stage of development and some require further analysis as proposals progress.
- 69 A fee increase for bulky waste collection is proposed which although impacts all customers, may have a disproportionate impact for disabled and older residents as 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. 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.
- 70 A reduction in grant funding for the voluntary and community sector is likely to impact on the protected characteristics in terms of a reduced capacity to support community projects which provide benefit across different groups. However, the level of grant reduction is extremely low and conversations will take place with organisations affected to minimise any adverse impact, such as providing support to secure alternative funding streams.
- 71 An adjustment to funding of Area Action Partnership (AAP) area budgets with a reduction in revenue budget, will be substantially offset by an increase in capital budget. As projects are broad in focus there is likely to be some impact on protected characteristics in terms of a reduced capacity to support projects which support older/younger people, people with disabilities, for example. An increase in capital funding is positive and will better support improvements to community infrastructure and equipment.

The AAPs will work closely with a range of internal and external partners and funders to potentially mitigate in full shortfalls in revenue funding.

- 72 There are proposals to introduce parking charges at Seaham Coast and Crimdon beach, which will impact all car park users with no disproportionate equality impact.
- 73 Any potential staff reductions will be managed through agreed HR procedures, and progression of ER/VR to minimise impact.

### **Regeneration, Economy and Growth (REG)**

- 74 At this stage of equality analysis there is no anticipated equality impact for the majority of REG savings proposals.
- 75 There are several proposals in relation to the car parking review, with a particular focus on Durham City. There is no disproportionate impact on any particular group as the changes will impact across the board, however, mitigations, exemptions and concessions exist for disabled people in particular circumstances. 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. Some of the proposals may provide a nudge towards more sustainable travel which could be of potential benefit to all in terms of improved health and air quality.

### **Resources**

- 76 There are a range of proposals for Resources, most in relation to service reviews where it is anticipated that process improvements and insight will lead to more innovative service delivery solutions. Fair treatment of staff will be ensured through agreed corporate HR change management procedures, and progression of ER/VR to minimise impact.
- 77 There is a proposal to make Durham County News an online publication, which will affect how we communicate with residents who do not have digital access. Digital exclusion disproportionately impacts the following groups: older residents, people with disabilities and people on low incomes (possibly more women and minority ethnic). Reasonable adjustments will be made for people with disabilities where necessary. Adjustments could include hard copies and/or alternative formats (large print, audio) distributed to those residents who request this as an adjustment. Equality impact will be reviewed and updated as the proposal progresses.

### **Corporate**

- 78 There is potential equality impact across the protected groups for two of corporate savings proposals.

- 79 A proposed 50% reduction in funding over two years for Town and Parish Councils is likely to adversely impact across the protected characteristics as it restricts investment. However, the impact of the grant reduction on individual authorities will be very much determined by the decisions individual authorities make upon increasing council tax. There is an expectation that normal taxbase growth of circa 1% alongside additional tax base income growth from utilising council tax additional flexibilities for empty and second homes will enable the impact of the grant loss to be partially mitigated.
- 80 An overall reduction in Member Budgets will reduce the total investment. This will result in investment being spread across larger populations as the overall number of members reduce and wards become larger. Member budgets cover a broad range of activity therefore there is likely to be some impact on protected characteristics in terms of a reduced capacity to support projects and/or individuals which will impact across the population age ranges although there is potential impact, the level of investment will still remain high with the council Member budgets being higher than the average across the country.

### **MTFP(14) – 20234/25 to 2028/28 Summary**

- 81 The adjustments to the MTFP(14) model have resulted in the following revised forecast across the four year period of the current MTFP:

	<b>Savings Requirement</b>	<b>Less Savings Previously Approved*</b>	<b>Savings Shortfall</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
2024/25	16.308	(6.057)	10.251
2025/26	20.432	(3.071)	17.361
2026/27	20.002	(2.784)	17.218
2027/28	10.860	(0.509)	10.351
<b>TOTAL</b>	<b>67.602</b>	<b>(12.421)</b>	<b>55.181</b>
<b>Previous Forecast</b>	<b>56.014</b>	<b>(12.495)</b>	<b>43.519</b>
<b>Difference</b>	<b>11.588</b>	<b>0.074</b>	<b>11.662</b>

\* Includes savings agreed in July Cabinet and subject to ongoing consultation (set out at Appendix 3) and updated assessment of previously considered MTFP(13) savings proposals (set out at Appendix 2).

- 82 Assuming the proposals previously considered are implemented, the additional savings required to be developed to balance the budgets over the next four years is estimated to be £55.181 million.
- 83 This report provides details of additional savings plans amounting to £2.909 million over the next four years with £1.943 million of these savings in 2024/25. These savings plans have been assured in terms of delivery with every attempt made to seek to protect front line services as far as possible. The proposed savings plans for next year, with indicative plans for 2025/26 to 2027/28 are attached at Appendix 4.
- 84 If ultimately agreed and delivered, the total savings would be £8.0 million in 2024/25 and £15.330 million across the MTFP(14) planning period, reducing the forecast budget deficit / savings shortfall to £8.308 million in 2024/25 and £52.272 million if all savings are approved at Full Council on 28 February 2024. The table below provides a summary of the position once the new savings proposals at Appendix 4 are factored in:

	<b>Savings Requirement</b>	<b>Less Total Potential Savings</b>	<b>Shortfall</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
2024/25	16.308	(8.000)	8.308
2025/26	20.432	(3.433)	16.999
2026/27	20.002	(3.046)	16.956
2027/28	10.860	(0.851)	10.009
<b>TOTAL</b>	<b>67.602</b>	<b>(15.330)</b>	<b>52.272</b>

- 85 The realisation of an additional £67.602 million of savings across the MTFP(14) planning period will have resulted in the Council being required to save circa £328 million from 2011/12 to 2027/28.
- 86 The updated MTFP(14) Model, factoring in the savings outlined at Appendix 2 to 4, is attached at Appendix 5.

## **Risk Assessment**

- 87 There is significant uncertainty and a wide range of financial risks that need to be managed and mitigated across the short, medium and longer 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(14) planning period. Some of the key risks identified include:
- (a) ensuring the achievement of a balanced budget and financial position across the MTFP(14) period – including balancing the Council's appetite to take decisions to increase council tax vs increase potential cuts to service provision;



- (b) ensuring any 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 the next two years with the earliest implementation now being 2026/27. Any implementation could result in significant changes to the distribution of government funding, however, at the same time there was expectation of a business rate reset in 2023/24 as part of Business Rate Retention (BRR). This did not progress due to the delay in the implementation of the FFR. It would appear unlikely that a business rate reset will be implemented until the FFR is progressed. The council would expect to be a beneficiary of any business rate reset as business rate income growth in the county has been lower than the national average since the implementation of BRR in 2013/14;
- (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. The coronavirus pandemic 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 retains 49% of all business rates collected locally but is also 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(14);
- (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. This risk has escalated since the Cabinet considered the MTFP update in July, which is why the assumed pay award in 2024/25 has been increased to 4%. The risk is not fully mitigated however, and there is still a risk that this will not be sufficient. Every 1% adds £2.65 million to the councils pay bill – increasing the funding gap that needs to be bridged to balance the councils' budget;
- (g) the council continuing to experience increases in demand for social care services – particularly children's social care – and for home to school transport, where 70% of the existing contracts are subject to procurement from September 2023. Although some allowance is made for demand increases across the MTFP(14) 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 and that costs can be contained within the grant provided going forward, as was the case in 2022/23 for the first time in seven years;
- (i) it is still not possible to be fully clear at this point as to any long-term impact from the coronavirus on council costs and income, though a budget adjustment is proposed with regards to leisure centre income levels based on experience over the last two years and forecasts for the shortfall that will materialise again this year. 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.

## **Conclusion**

- 88 The council continues to face significant financial uncertainty for the MTFP(14) planning period, covering the financial years 2024/25 to 2027/28. The uncertainty relating to future government financial settlements is exacerbated by the ongoing impact of demand for services and inflation including increases in the national living wage, social care pressures alongside enduring pressures in our looked after children's placement budgets.
- 89 The proposed new additional savings attached at Appendix 4 will be subject to consultation via our existing County Durham Partnership networks during October and November. This will include the fourteen Area Action Partnerships (AAPs) and the thematic partnerships that support the County Durham Partnership. The outcome of this consultation, together with greater certainty around the local government finance settlement, will inform final budget decisions in February.
- 90 The MTFP forecasts at this stage would indicate a budget gap next year even if all the savings identified for 2024/25 are ultimately taken. The council will be required potentially to utilise reserves to balance its budget next year.
- 91 The application of reserves to balance the budget is not a sustainable solution to the financial challenges we face. Whilst the review is undertaken and until there is greater clarity, the programmes and projects funded from a range of earmarked reserves will need to be paused at this time.

92 Planning will continue in relation to the identification of further savings to enable future years budgets to be balanced, which alongside the review of reserves currently underway will ensure the Council is well placed to respond to the financial forecasts as they are firmed up over the coming months.

### **Other useful documents**

- Medium Term Financial Plan (13), 2023/24 to 2026/27 – Report to Council 22 February 2023
- Medium Term Financial Plan (14), 2024/25 to 2027/28 – Report to Cabinet 13 July 2023

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## **Appendix 1: Implications**

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### **Legal Implications**

The council has a statutory responsibility to set a balanced budget for 2024/25. It also has a fiduciary duty not to waste public resources.

### **Finance**

The report highlights that at this stage savings of £16.308 are required to balance the 2024/25 budget, with £67.602 million of savings required across the next four years.

There are £2.332 million of savings approved as part of MTFP(13) that can be delivered in 2024/25, with the savings previously agreed having been reprofiled and reviewed. The updated schedule of previously agreed savings is set out at Appendix 2.

Cabinet agreed additional savings proposals of £3.7 million for 2024/25 and £6.617 million in total across the MTFP(14) planning period for public consultation at its meeting on 12 July 2023, with public consultation commencing on 3 September 2023. These are set out at Appendix 3.

The report sets out new additional saving plans amounting to £2.909 million over the next four years, with £1.943 million of these savings considered to be achievable in 2024/25, which if agreed would assist in closing the budget shortfall next year. These savings plans are set out at Appendix 4.

If ultimately agreed, the total savings would be £8.0 million in 2024/25 and £15.330 million across the MTFP(14) planning period, reducing the forecast budget deficit / savings shortfall to £8.308 million in 2024/25 and £52.272 million if all savings are approved at Full Council on 28 February 2024.

These savings plans have been fully assured in terms of delivery with every attempt made to seek to protect front line services as far as possible.

If government provide additional funding to local government in the finance settlement for 2024/25, this gap could be reduced further. However, there is also a risk that the gap widens if cost pressures continue to escalate.

The council is therefore likely to be required to utilise reserves to balance its budget next year.

The MTFP Support Reserve balance at 31 March 2023 was £36.996 million, however, £10.028 million was utilised to balance the 2023/24 revenue budget, leaving an unallocated balance of £26.968 million available to support MTFP(14).

The use of reserves to excessive levels to balance budgets is not a sustainable long term budget strategy.

## **Consultation**

Consultation on the 2024/25 budget and MTFP(14) begun in September with a range of meetings with the fourteen AAP's and with a public consultation and online surveys available via the Councils website.

Additional consultation will take place with AAP's and partners in relation to the new savings proposals included in this report during October and November. This will include the fourteen Area Action Partnerships (AAPs) and the thematic partnerships that support the County Durham Partnership.

The Corporate Overview and Scrutiny Management Board will continue to provide scrutiny of the MTFP(14) and budget setting process.

## **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 report contains summary details of the impact assessment that has been undertaken on the proposed savings, which is set out in more detail at Appendix 6.

## **Climate Change**

The council budget will be developed to provide resource to enable the council to meet the requirements set out in the council's Climate Change Emergency Response Plan.

## **Human Rights**

Any human rights issues will be considered for all proposals agreed as part of MTFP(13).

## **Crime and Disorder**

None

## **Staffing**

In terms of the new MTFP(14) savings plans set out at Appendix 4 it is forecast that these would result in a reduction in fte of 20.7 if all savings were approved.

Taken together with the estimated workforce implications of the proposals agreed in July for consultation (set out at Appendix 3 – 31.5 fte) and the MTFP(13) previously agreed proposals (set out at Appendix 2 – 41.9 fte) total forecast reduction in fte if all savings are approved would be 93.1 fte.

The staffing / HR implications arising from the action that will need to be taken to meet the £52.272 million shortfall over the next four years should these estimates prove accurate and the savings proposals outlined are fully delivered are yet to be determined and will need to be outlined in future reports for MTFP(14) and beyond.

## **Accommodation**

Medium Term Financial Plan (MTFP) savings of £275,000 were previously factored into MTFP12 from the expected move to the new HQ and closure/demolition of the existing County Hall building at Aykley Heads.

## **Risk**

The Council is continuing to operate in a period of significant financial uncertainty. When the 2023/24 budget was approved on 22 February 2023, the council was concerned about the ongoing and consequential impact of high levels of demand for services and historic high levels of inflation. These concerns still remain.

Prudent financial planning assumptions have been made in terms of forecasting the base budget pressures the council will face over the coming years. The underpinning rationale is explained in detail in the report and a range of key risks and issues is set out in the body of the report.

The savings plans attached at Appendix 2 to 4 have been assured in terms of delivery with every attempt made to seek to protect front line services as far as possible.

The report includes details of the impact assessments and key risks associated with the additional new savings proposals included at Appendix 4, building on information provided on the savings detailed in previous reports.

## **Procurement**

None

## SAVINGS APPROVED IN MTFP (13)

### Adult and Health Services

Savings Proposal	Description	2024/25	2025/26	2026/27	TOTAL
		£	£	£	£
Commissioned Services - Efficiencies	Review of contractual arrangements across Adult and Health Services	50,000	50,000	50,000	150,000
Market Shaping - Reablement & Direct Payments	Maximising use of reablement and direct payments to promote independence for service users	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	210,484	0	420,484
Review of Non-Assessed Community Based Services	Review of non-assessed community-based commissioned services	101,283	93,000	0	194,283
Extra Care Cleaning	Review of cleaning provision in extra care schemes	8,000	0	0	8,000
<b>Total - Adult and Health Services</b>		<b>419,283</b>	<b>603,484</b>	<b>350,000</b>	<b>1,372,767</b>

### Children and Young People

Savings Proposal	Description	2024/25	2025/26	2026/27	TOTAL
		£	£	£	£
Review of Support Services	Delivering resource efficiencies in the provision of non frontline services through greater automation of tasks and simplifying systems.	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	0	100,000
Early help, Inclusion and Vulnerable Children Services review	Achieving efficiencies within Early Help services through turnover of staff, reviewing deployment of staffing resources and use of non council funding to support activity	41,000	84,000	84,000	209,000
Cross Service Accommodation	Streamlining the use of Council staff accommodation to achieve savings in maintenance and running costs.	50,000	71,000	100,000	221,000
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	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	0	0	<b>100,000</b>
Reduction in Historic FE Liabilities	Planned reduction in Service Pension liabilities	10,000	0	0	<b>10,000</b>
<b>Total - Children &amp; Young People Services</b>		<b>351,000</b>	<b>485,000</b>	<b>184,000</b>	<b>1,020,000</b>

### Neighbourhood and Climate Change

Savings Proposal	Saving Description	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	110,000	145,000	0	<b>255,000</b>
Review of AAPs	Savings to be identified following a review of accommodation and running costs of Area Action Partnerships	61,250	0	0	<b>61,250</b>
<b>TOTAL - NCC</b>		<b>171,250</b>	<b>145,000</b>	<b>0</b>	<b>316,250</b>

### Regeneration, Economy and Growth

Savings Proposal	Saving Description	2024/25	2025/26	2026/27	TOTAL
		£	£	£	£
Strategic Car Park Review	A review of parking arrangements and tariffs across the county to allow a more equitable charging regime	205,000	0	0	<b>205,000</b>
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	0	0	30,000	<b>30,000</b>
Increase surplus rental income on commercial properties	Additional rental income generated from commercial properties managed by Business Durham	0	48,438	0	<b>48,438</b>
Theatre ticketing – introduce dynamic pricing	A revised approach to how and when tickets are sold to increase income and offer customers more choice	30,000	0	0	<b>30,000</b>
Theatre Marketing - contract out	Contracting out design, print and brochure production	7,000	0	0	<b>7,000</b>
Library Transformation including Sevenhills Lease	Review of built service offer with regard to co-location opportunities, delivery models and tech solutions	105,000	0	0	<b>105,000</b>



Library Transformation - Clayport Library Restructure & Remodel	Remodel and update the library to create a high quality environment to meet modern public requirements	200,000	0	0	<b>200,000</b>
Planning Income Volumes	Increase budget for planning fees income to reflect higher levels of planning applications in recent years	100,000	0	0	<b>100,000</b>
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	90,000	95,000	<b>185,000</b>
Review of Office Accommodation - New HQ operating costs	Saving in running costs generated from the move from County Hall	0	0	275,000	<b>275,000</b>
<b>TOTAL - REG</b>		<b>647,000</b>	<b>138,438</b>	<b>400,000</b>	<b>1,185,438</b>

## Resources

Savings Proposal	Description	2024/25	2025/26	2026/27	TOTAL
		£	£	£	£
Review of Corporate Policy Planning and Performance Team	Review and restructure of the Strategy Team	75,473	0	0	<b>75,473</b>
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	152,892	0	86,940	<b>239,832</b>
Review of Business Support (administration)	Review and restructuring of the Business Support service	150,000	0	517,000	<b>667,000</b>
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	10,433	0	43,000	<b>53,433</b>
Review of Corporate Finance and Commercial Services	Review and restructure focussing on management posts	41,000	0	0	<b>41,000</b>
Review of Legal Services	Review and restructuring of Legal Services Team	0	0	127,640	<b>127,640</b>
Review of Legal and Democratic Services non employee budgets	Review / Reduction of Non Staffing Budgets	0	0	12,000	<b>12,000</b>
Review of Digital Services	Review and restructure of Digital Services Team	0	164,011	0	<b>164,011</b>
Review of Digital Services non employee budgets	Review / Reduction of Non Staffing Budgets	65,000	65,000	0	<b>130,000</b>
Review of Charging for Deputee and Appointee Team	Introduction of charging in line with arrangements in place in other authorities	80,275	0	0	<b>80,275</b>

Review of Transactional and Customer Services non employee budgets	Review / Reduction of Non Staffing Budgets (including income budgets)	0	0	102,120	<b>102,120</b>
Review of Customer Services	Review of Customer Access Point provision and service model in line with changing customer demands	68,500	0	0	<b>68,500</b>
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	99,643	48,728	0	<b>148,371</b>
<b>TOTAL - RESOURCES</b>		<b>743,216</b>	<b>277,739</b>	<b>888,700</b>	<b>1,909,655</b>
<b>TOTAL COUNCIL SAVINGS FOR MTFP (13)</b>		<b>2,331,749</b>	<b>1,649,661</b>	<b>1,822,700</b>	<b>5,804,110</b>

## JULY 2023 CABINET SAVINGS - OUT FOR CONSULTATION

Savings Proposal	Description	2024/25	2025/26	2026/27	2027/28	TOTAL
		£	£	£	£	£
Staffing - Turnover	Targeted 3.75% staff turnover assumption to be extended to further service areas.	67,000	-	-	-	67,000
Service Provision to Other Bodies	Targeted review of contractual arrangements	50,000	-	-	-	50,000
Community Alarms - Contribution Removal	Removal of historic council contribution towards community alarms in in-house extra care schemes	43,000	-	-	-	43,000
Commissioning Efficiencies	A saving in MTFP(13) for £50k in each of the years 24/25, 25/26 and 26/27 can be accelerated into 24/25 and increased to £0.5 million in total	450,000	(50,000)	(50,000)	-	350,000
<b>ADULT AND HEALTH</b>		<b>610,000</b>	<b>(50,000)</b>	<b>(50,000)</b>	<b>-</b>	<b>510,000</b>
LCTR Grant to Town and Parishes	The grant payments to T&PCs in 2023/24 is forecast to be £1.5 million. The council is one of a few across the country and the only one in the north east that still pays a grant to T&PCs iro LCTR tax base impacts. There are no council tax capping requirements for Town and Parish councils. Consideration to reduce the grant by 50% over a two year period.	375,000	375,000	-	-	750,000
General Contingencies	If there is confidence that high risk revenue budgets can be managed within budget during 2023/24 then consideration could be given to reducing the general contingency budget to £1.5 million	500,000	-	-	-	500,000
Members Budgets	It is expected that the number of members will reduce from 126 to 98 from May 2025. After reviewing member allowance levels to reflect the overall increase in member numbers it is forecast that a saving will be realised from total member related budgets	-	165,000	35,000	-	200,000
<b>CORPORATE</b>		<b>875,000</b>	<b>540,000</b>	<b>35,000</b>	<b>-</b>	<b>1,450,000</b>
Corporate Affairs -Structure and vacancies	Review of Current Structure in the Team	160,000	-	-	-	160,000
Comms & Marketing - Durham County News	Move to online with one printed version	100,000	-	-	-	100,000
<b>CORPORATE AFFAIRS</b>		<b>260,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>260,000</b>
Home to School Transport	Review of Systems, Costs and Policies in relation to Home to School Transport	50,000	200,000	350,000	400,000	1,000,000
Reduction in Historic FE Liabilities	Planned reduction in Service Pension liabilities	100,000	100,000	100,000	100,000	400,000
Review of Music Service	Review of current model of delivery, including overheads, pricing policy and accommodation.	60,000	40,000	-	-	100,000
Review of Early Years service	To consider the delivery of EY services across CYPS	200,000	-	-	-	200,000
Fees and charges	Review of fees and charges across CYPS	50,000	50,000	-	-	100,000
Review of Safeguarding approach	Development of Family Help approach in line with national reform programme	70,000	-	-	-	70,000
Review of Early Help model	Removal of vacant posts and gradual change in service offer linked to Family Hubs	250,000	-	-	-	250,000
<b>CHILDREN AND YOUNG PEOPLE</b>		<b>780,000</b>	<b>390,000</b>	<b>450,000</b>	<b>500,000</b>	<b>2,120,000</b>
Increase in Fees & Charges in Community Protection	Increases to existing charges and some new charges will also be introduced where possible	50,000	50,000	50,000	-	150,000
Increased income in Highways	Increases would relate to licensing income and developer contributions	215,000	-	-	-	215,000
Reduction in PACE contributions	Reduce contributions to outside bodies	6,000	-	-	-	6,000
Increase in Fees and Charges within Environmental Services	Increases would relate to Refuse & Recycling, Fixed Penalty Notices, and Durham Crematoria surplus	235,000	100,000	90,000	-	425,000
Review of Neighbourhood Protection	Identification of efficiencies within Neighbourhood Protection	-	-	180,000	-	180,000
<b>NEIGHBOURHOOD AND CLIMATE CHANGE</b>		<b>506,000</b>	<b>150,000</b>	<b>320,000</b>	<b>-</b>	<b>976,000</b>
Strategic Traffic	Increase advertising revenue	25,000	-	-	-	25,000
Strategic Traffic	Additional traffic management / enforcement	25,000	-	-	-	25,000

Savings Proposal	Description	2024/25	2025/26	2026/27	2027/28	TOTAL
Economic Development	Re-charge revenue posts delivering Towns and Villages to capital	50,000				50,000
Planning & Housing (All)	Zero based review of service budgets	145,092	-	-	-	145,092
Development Management & Spatial Policy	Deletion of Current Vacancies (4.5FTE's)	190,000	-	-	-	190,000
Culture	Asset Transfer of Blackhill Park Lodge	13,000	-	-	-	13,000
<b>REGENERATION AND ECONOMIC GROWTH</b>		<b>448,092</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>448,092</b>
Corporate Finance and Commercial Services - Review of Service Structures	A review of roles in Corporate Finance is expected to enable a post reduction and the more effective use of Oracle is expected to enable a reduction in the resource requirement in the Capital/Systems /Commercial Team. In addition our new commercial developments are expected to reduce which could provide an opportunity to review resources. Once Oracle has been rolled out into schools a review of resource can be undertaken and with more effective working across the Team a reduction in resource could be reasonably be expected.	100,000	150,000	-	-	250,000
Legal and Democratic Services - Non-staffing reductions	The Council continues to undertake insurance work in-house which is funded from base budgets. There is an opportunity to recharge the costs (£47,192) of this work to the Insurance Fund. In addition the service has a small, combined training/conference fees & seminars budget of £9,000.	47,192	-	-	9,000	56,192
Digital Services - Further Review of Service Structures	Review of service structures	-	202,000	-	-	202,000
Transactional and Customer Services - Customer Feedback Review	Customer Feedback and Investigation Process Review with savings aligned to the implementation of process and technology improvements that focus on reductions in demand and increased capacity. without limiting the ability to meet statutory guidelines.	-	40,985	-	-	40,985
Transactional and Customer Services - Service Review	Review of service processes and structures and implementation of a new operating model to support innovation, new ways of working, increased capacity to meet changing levels of demand and effective delivery of strategic and corporate objectives	-		206,193	-	206,193
Internal Audit, Risk, Corporate Fraud and Insurance - Review of Recharges	Budget review has identified the potential to recharge cost of claims handling to Insurance Fund – generating a c£99k saving	99,000	-	-	-	99,000
<b>RESOURCES</b>		<b>246,192</b>	<b>392,985</b>	<b>206,193</b>	<b>9,000</b>	<b>854,370</b>
<b>TOTAL SAVINGS</b>		<b>3,725,284</b>	<b>1,422,985</b>	<b>961,193</b>	<b>509,000</b>	<b>6,618,462</b>

## ADDITIONAL MTFP(14) SAVINGS

**OCTOBER 2023**

Savings Proposal	Description	2024/25	2025/26	2026/27	2027/28	TOTAL
		£	£	£	£	£
Review of council nursery provision	Review of provision of early years and council run nursery services	-	-	-	150,000	150,000
<b>CHILDREN AND YOUNG PEOPLES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>150,000</b>	<b>150,000</b>
Review of AAP Area budgets	Adjustment to funding of AAP area budgets with a reduction in revenue budget, partially offset by an increase in capital budget	224,000	-	-	-	224,000
Neighbourhood Protection review	Review of the neighbourhood protection service	-	-	-	180,000	180,000
Review of Allotments	Review of maintenance and fees for council retained allotment sites	11,750	11,750	11,750	11,750	47,000
Alternative funding of Highways staff	Utilise Capital and additional external income to part fund Highways staff	200,000	-	-	-	200,000
Review of Local Networks	Review of the Local Network model, taking into account the ongoing Boundary Commission review of the County Council's Elected Member boundaries	-	250,000	250,000	-	500,000
Restructure in PACE	Staffing review within PACE	75,000	-	-	-	75,000
Development Management and Spatial Policy	Increased Fee Income	100,000	-	-	-	100,000
Income generation at Coastal Destinations	Additional income generation opportunities including introduction of car parking charges at Seaham and Crimdon	462,100	-	-	-	462,100
<b>NEIGHBOURHOOD AND CLIMATE CHANGE</b>		<b>1,072,850</b>	<b>261,750</b>	<b>261,750</b>	<b>191,750</b>	<b>1,788,100</b>
Catering review	Review of service to ensure it is cost neutral	100,000	100,000	-	-	200,000
Durham City Car Parking	Strategic Review of Car Parking in Durham City including on and off street parking tariffs and Park and Ride provision on Sundays to address air quality and promote sustainable travel - with the retention of targeted interventions / promotions at Christmas etc	420,600	-	-	-	420,600
Countywide Car Parking	Removal of Free After 2 Parking Initiative for off-street parking and replacement with targeted interventions including at christmas	350,000	-	-	-	350,000
<b>REGENERATION AND ECONOMIC GROWTH</b>		<b>870,600</b>	<b>100,000</b>	<b>-</b>	<b>-</b>	<b>970,600</b>
<b>TOTAL SAVINGS</b>		<b>1,943,450</b>	<b>361,750</b>	<b>261,750</b>	<b>341,750</b>	<b>2,908,700</b>

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### Medium Term Financial Plan - MTFP(14) 2024/25 - 2027/28 Model

	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000
<b>Government Funding</b>				
Revenue Support Grant (6.5%/0%/0%, 0%)	-2,140	0	0	0
Social Care Grant	-7,800	0	0	0
Better Care Fund - ASC Discharge Grant	-2,800	0	0	0
Market Sustainability and Improvement Grant	-5,500	2,300	0	0
BCF Inflation	-1,500	0	0	0
New Homes Bonus grant reduction	1,860	0	0	0
Services Grant reduction	120	0	0	0
B Rates/S31 - S31 Adj & CPI increase (6.5%/1.5%/1.0%/1.0%)	-5,800	-1,375	-933	-950
Top Up - CPI increase (6.5%/1.5%/1.0%/1.0%)	-4,800	-1,175	-793	-803
<b>Other Funding Sources</b>				
Council Tax Increase (4.99%/2.99%/2.99%/2.99%)	-13,350	-8,400	-8,650	-9,000
Council Tax Base increase	-500	-500	-1,950	-2,025
Council Tax Premiums - Empty and Second Homes	-900	-650	0	0
Business Rate Tax Base increase	-2,800	-1,000	-500	-500
<b>Estimated Variance in Resource Base</b>	<b>-45,910</b>	<b>-10,800</b>	<b>-12,826</b>	<b>-13,278</b>
Pay Inflation (4%/1.75%/1.5%/1.5%)	10,600	4,725	4,125	4,200
Pay Inflation 23/24 Shortfall (Average of 6.5%)	3,711	0	0	0
Price Inflation (2%/1.5%/1.5%/1.5%) - no social care fees	3,100	2,400	2,500	2,650
<b>Base Budget Pressures</b>				
Social Care Fee Uplift - includes NLW and CPI	17,800	4,600	7,100	7,300
Better Care Fund - New Spending Requirements	2,800	0	0	0
Adults Charging Reforms - Excl FCoC	0	1,750	1,750	0
National Living Wage Other Service Areas	400	0	0	0
Pension Fund Revaluation	0	0	1,000	0
Energy Price Increases	-4,600	0	0	0
Adults Demographic Pressures	0	1,000	1,500	1,500
Adults Supported Living - Staffing Ratios	0	0	0	0
Children's Demographic Pressures	8,000	5,000	4,400	3,200
Tees Valley SPV Set Up Costs	0	30	0	0
Vehicle Fleet - Transfer to electric vehicles	0	1,122	2,163	2,288
Community Protection Workforce Development	196	-200	-410	-200
Woodland Protection / Nature Reserves / Public Rights of Way	0	-145	0	0
Temporary Accommodation (Previous Growth Reduction)	-150	-150	0	0
Aykley Heads Cultural Venue (Former DLI Building)	600	0	0	0
Leisure Centre Income	1,000	0	0	0
Aycliffe Secure Income	600	0	0	0
Employability Service - Impact of UKSPF	1,000	0	0	0
Aykley Heads Innovation District	150	0	0	0
Empire Theatre Café	13	0	0	0
Member Support - Service Requests & Enquiries	150	0	0	0
Waste Disposal - New Contract	0	0	3,000	0
Fostering Allowances - national 12.4% uplift	590	0	0	0
Home to School Transport	1,000	0	0	0
Microsoft Licensing	336	0	0	0
Neighbourhoods - Joint Stocks Income Loss	144	0	0	0
Neighbourhoods - Find and Fix	300	0	0	0
School SLA's - Loss of Income	300	300	300	300
Housing Benefit Subsidy Shortfall (Supported & Temp Accom)	2,600	0	0	0
Unfunded Superannuation	0	0	-100	-100
Investment Income	2,500	2,000	2,500	0
Prudential Borrowing	0	8,800	3,000	3,000
General Contingencies	-500	0	0	0
Net Collection Fund Position after 75% Grant applied	-450	0	0	0
<b>TOTAL PRESSURES</b>	<b>52,190</b>	<b>31,232</b>	<b>32,828</b>	<b>24,138</b>
<b>Use of One Off funds</b>				
Adjustment for use of BSR in previous year	10,028	0	0	0
Use of MTFP Support Reserve in year	0	0	0	0
<b>Savings</b>				
Savings Agreed in MTFP(10)	0	0	-275	0
MTFP(13) Savings (Reprofiled)	-2,332	-1,649	-1,548	0
MTFP(14) Savings - July Cabinet	-3,725	-1,422	-961	-509
MTFP(14) Savings - October Cabinet	-1,943	-362	-262	-342
<b>SAVINGS SHORTFALL</b>	<b>8,308</b>	<b>16,999</b>	<b>16,956</b>	<b>10,009</b>
<b>TOTAL SHORTFALL</b>	<b>60,498</b>	<b>48,231</b>	<b>49,784</b>	<b>34,147</b>

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**Corporate Overview and Scrutiny  
Management Board**

**1 December 2023**



**Resources – Quarter 2 September 2023:  
Forecast of Revenue and Capital  
Outturn 2023/24**

**Ordinary Decision**

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**Report of Paul Darby, Corporate Director of Resources**

**Electoral division(s) affected:**

Countywide

**Purpose of the Report**

- 1 To provide details of the updated forecast revenue and capital outturn budget position for the Resources service grouping, highlighting major variances in comparison with the budget based on the position to the end of September 2023.

**Executive Summary**

- 2 The quarter 2 forecast position shows that the service is forecasting a cash limit underspend of £0.926 million against a revised budget of £23.252 million.
- 3 The Resources cash limit balance carried forward at 31 March 2024 is forecast to be circa £1.955 million. Other earmarked reserves under the direct control of Resources Management Team (RMT) are forecast to total £6.145 million at 31 March 2024.
- 4 The revised Resources capital budget is £8.576 million for 2023/24, with a total expenditure to 30 September 2023 of £1.845 million (21.5%).

**Recommendation(s)**

- 5 Corporate Overview and Scrutiny Management Board is recommended to note the forecast of outturn position.

## Background

6 County Council approved the Revenue and Capital budgets for 2023/24 at its meeting on 22 February 2023. These budgets have subsequently been revised to account for grant additions/reductions, corporate savings/adjustments, budget transfers between service groupings and budget profiling between years. This report covers the financial position for the following major budget areas maintained by the Resources service grouping:

- Revenue Budget - £23.252 million (original £25.082 million)
- Capital Programme - £8.345 million (original £8.400 million)

7 The original Resources General Fund budget has been revised in year to incorporate a number of budget adjustments as follows:

	<b><u>£,000s</u></b>
<b>Quarter 1:</b>	
Transfer to CEO – Design Services	28
Transfer to CEO – Corporate Policy Planning & Performance	(1,932)
Transfer to CEO – Corporate Affairs & Management	(299)
Transfer from CEO – Web Team	134
<b>Quarter 2:</b>	
Transfer from REG – Business Support Posts	48
Transfer from Contingencies – Customer Relations Manager	49
Transfer from Contingencies – Loss of Diocese school SLA income	132
Transfer from CEO – Corporate Affairs & Management	(16)
Transfer from AHS – Business Support Posts	26
<b>TOTAL</b>	<b><u>(1,830)</u></b>

The revised General Fund Budget for Resources is £23.252 million.

8 The summary financial statements contained in the report cover the financial year 2023/24 and show:

- The approved annual budget;
- The actual income and expenditure as recorded in the council's financial management system;
- The variance between the annual budget and the forecast outturn;

- For the Resources revenue budget, adjustments for items outside of the cash limit to take into account such items as redundancies met from the strategic reserve, capital charges not controlled by services and use of / or contributions to earmarked reserves.

9 The service is forecasting a cash limit underspend of £0.926 million (4.0%) against a revised budget of £23.252 million.

10 The tables below compare the actual expenditure with the budget. The first table is analysed by Subjective Analysis (i.e. type of expense), and the second by Head of Service.

### Type of Expenditure (Subjective Analysis) (£000's)

	2023/24 Budget £000	YTD Actual £000	QTR2 Forecast of Outturn £000	(From) / To Reserves £000	Items Outside Cash Limit £000	Cash Limit Variance £000
Employees	66,046	26,878	65,896	-	(223)	(373)
Premises	2,212	402	2,045	-	37	(130)
Transport	647	186	523	-	-	(124)
Supplies and Services	17,907	13,083	18,724	-	-	817
Third Party Payments	51	3,925	52	-	-	1
Transfer Payments	819	353	819	-	-	-
Central Support and Capital	12,648	1,154	12,635	(1,280)	(98)	(1,391)
<b>Gross Expenditure</b>	<b>100,330</b>	<b>45,981</b>	<b>100,694</b>	<b>(1,280)</b>	<b>(284)</b>	<b>(1,200)</b>
Income	(77,078)	(15,482)	(76,804)	-	-	274
<b>Net Expenditure</b>	<b>23,252</b>	<b>30,499</b>	<b>23,890</b>	<b>(1,280)</b>	<b>(284)</b>	<b>(926)</b>
HB Transfer payments	103,426	44,665	118,923	-	(3,200)	-
HB Central Support and Capital	300	-	300	-	-	-
HB Income	(103,726)	(34,896)	(116,023)	-	-	-
<b>HB Net Expenditure</b>	<b>-</b>	<b>9,769</b>	<b>3,200</b>	<b>-</b>	<b>(3,200)</b>	<b>-</b>
<b>Total Net Expenditure</b>	<b>23,252</b>	<b>40,268</b>	<b>27,090</b>	<b>(1,280)</b>	<b>(3,484)</b>	<b>(926)</b>

## By Head of Service (£000's)

	2023/24 Budget £000	YTD Actual £000	QTR2 Forecast of Outturn £000	(From) / To Reserves £000	Items Outside Cash Limit £000	Cash Limit Variance £000
Corporate Finance & Commercial Services	3,708	1,362	3,617	(62)	(29)	(182)
Digital Services	15,364	7,614	15,142	(168)	(34)	(424)
HR & Employee Services	4,609	1,695	5,115	(264)	(58)	184
Internal Audit & Insurance	1,135	472	1,140	(46)	(8)	(49)
Legal & Democratic Services	8,892	3,847	8,732	-	(74)	(234)
Pensions	83	511	92	-	(9)	-
Procurement Sales & Business Services	17,102	7,242	17,402	(251)	(81)	(32)
Resources Central Establishment Recharges	(38,665)	-	(38,665)	-	-	-
Resources Management / Central Charges	983	96	953		30	-
Transactional & Customer Services	10,041	7,660	10,362	(489)	(21)	(189)
<b>Net Expenditure Excluding HB</b>	<b>23,252</b>	<b>30,499</b>	<b>23,890</b>	<b>(1,280)</b>	<b>(284)</b>	<b>(926)</b>
Housing Benefit	-	9,769	3,200	-	(3,200)	-
<b>Total Net Expenditure</b>	<b>23,252</b>	<b>40,268</b>	<b>27,090</b>	<b>(1,280)</b>	<b>(3,484)</b>	<b>(926)</b>

- 11 The table below provides a brief commentary on the variances against the revised budget analysed by Head of Service. The table identifies variances in the core budget only and excludes items outside of the cash limit (e.g. redundancy costs) and technical accounting adjustments (e.g. capital charges):

Head of Service	Service Area	Description	(Under) / Over Budget £000	(Under) / Over Budget £000
Resources Central Establishment Recharges	Central Establishment Recharges	No material variances	0	0
Resources Management / Central Charges	Central Charges	No material variances	0	0
Corporate Finance & Commercial Services	Corporate Management	(£67,000) under budget on employees	(67)	
	Management Priority	(£23,000) under budget on employees for future incremental uplifts	(23)	
	Financial Systems	£13,000 over budget due to unachieved staff turnover savings	13	
	Financial Management	No material variance	2	
	Strategic Finance	(£76,000) under budget on employees due to vacant posts in advance of planned MTFP savings £13,000 over budget due to treasury management software (£50,000) over achieved income from the Pension Fund in advance of planned MTFP savings	(107)	
Procurement Sales & Business Services	Procurement	(£29,000) under budget on employees due to a vacant post within the Corporate Procurement team Plus other minor variances	(32)	<b>(32)</b>
Digital Services	Digital and Customer Services	(£770,000) under budget due to vacant posts for impending service restructure and planned MTFP savings (£104,000) under budget on premises due to reduction in service charge at EDC and electricity at the Data Centre (£19,000) under budget on transport due to a reduction in car allowances and staff travel (£123,000) under budget due to technicians supplies and circuit rentals (£248,000) under budget due to a 22- 23 related recharge not being processed until 23-24		

Head of Service	Service Area	Description	(Under) / Over Budget £000	(Under) / Over Budget £000
		£309,000 under achieved Income on Schools SLAs due to loss of customers and academisation £336,000 under achieved Income on Other SLAs due to loss of customers £195,000 under achieved Income on Non-SLA work due to lower ad-hoc work expected	(424)	<b>(424)</b>
Pensions	Pensions	No material variance	0	<b>0</b>
HR & Employee Services	Advice & Guidance	(£14,000) under budget on employees and staff travel due to new ways of working £104,000 under achieved income due to loss of school SLAs, which is partly offset by £86,000 generating other business	(5)	<b>184</b>
	Head of People & Talent Management	No material variance	5	
	Payroll & Employee Services	(£12,000) under budget due to reduced printing £186,000 under achieved income due to loss of school SLAs	174	
	Occupational Health	(£26,000) under budget due to flexible retirement and temporary vacant post (£10,000) under budget due to increased telephone counselling rather than face to face counselling £45,000 under achieved income due to loss of school SLAs	9	
Transactional & Customer Services	Customer Relations	(£80,000) under budget on employees due to vacant posts in advance of planned MTFP savings (£26,000) under budget on vacant post in contact centres (£33,000) under budget due to rent no longer required at CLS CAP £17,000 under achieved rechargeable income	(125)	<b>184</b>
	Service Management	(£25,000) under budget on employees for future incremental scp uplifts	(25)	

Head of Service	Service Area	Description	(Under) / Over Budget £000	(Under) / Over Budget £000
	Revenue & Benefits	(£36,000) under budget on employees and staff travel due to new ways of working (£39,000) under budget due to reduction in subscriptions £36,000 under achieved income due to enforcement fees £290,000 offset by £264,000 unbudgeted New Burdens funding	(39)	(189)
Internal Audit and Risk	Insurance and Risk	(£12,000) under budget on employees due to vacancies throughout the year (£7,000) overachieved income on SLAs	(19)	(49)
	Internal Audit	(£41,000) under budget on employees due to vacancies during the year (£10,000) under budget in advance of planned MTFP savings	(51)	
	Corporate Fraud	£10,000 over budget due to unachieved staff turnover savings £6,000 over budget due to NFI subscription £5,000 under achieved income on recharging other bodies	21	
Legal and Democratic Services	Corporate and Democratic Core	(£74,000) under budget on employees due to vacant posts in Committee Secretariat (£37,000) under budget due to reduction in travelling and conferences	(111)	(234)
	Legal and Other Services	(£132,000) under budget on employees due to vacant posts £14,000 over budget due to solicitor and professional fees £43,000 under achieved income for land charges (£42,000) over achieved income in the Registration Service	(123)	
<b>TOTAL</b>				<b>(926)</b>

12 In summary, the service grouping is on track to maintain spending within its cash limit.

## Capital Programme

- 13 The original Resources capital programme was £8.400 million, and this has been revised for additions, reductions, budget transfers and budget profiling. The revised budget remains at £8.576 million.
- 14 Summary financial performance to the end of September 2023 is shown below:

	Original Annual Budget 2023/24	Revised Annual Budget 2023/24	Actual Spend 30/09/2023	Remaining Budget 2023/24
	£000	£000	£000	£000
Digital & Customer Services	8,387	8,559	1,828	6,731
Corporate Finance & Commercial Services and Finance & Transactional Services	13	17	17	-
<b>Total</b>	<b>8,400</b>	<b>8,576</b>	<b>1,845</b>	<b>6,731</b>

- 15 The revised Resources capital budget is £8.576 million with a total expenditure to 30 September 2023 of £1.845 million (21.5%). A full breakdown of schemes and actual expenditure to 30 September 2023 is given in Appendix 2.
- 16 At year end the actual outturn performance will be compared against the revised budgets and at that time service and project managers will need to account for any budget variance.

## Background papers

- County Council Report (22 February 2023) – [Medium Term Financial Plan 2023/24 to 2026/27 and Revenue and Capital Budget 2023/24](#)
- Cabinet Report (13 September 2023) – [Forecast of Revenue and Capital Outturn 2023/24 - Period to 30 June 2023](#)
- Cabinet Report (15 November 2023) – [Forecast of Revenue and Capital Outturn 2023/24 - Period to 30 September 2023](#)

## Other useful documents

- Previous Cabinet reports / None



**Author(s)**

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## **Appendix 1: Implications**

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### **Legal Implications**

The consideration of regular budgetary control reports is a key component of the Council's Corporate and Financial Governance arrangements. This report shows the forecast spend against budgets agreed by the Council in February 2023 in relation to the 2023/24 financial year.

### **Finance**

Financial implications are detailed throughout the report which provides an analysis of the revenue and capital outturn position alongside details of balance sheet items such as earmarked reserves held by the service grouping to support its priorities.

### **Consultation**

Not applicable.

### **Equality and Diversity / Public Sector Equality Duty**

Not applicable.

### **Climate Change**

Not applicable.

### **Human Rights**

Not applicable.

### **Crime and Disorder**

Not applicable.

### **Staffing**

Not applicable.

### **Accommodation**

Not applicable.

### **Risk**

The consideration of regular budgetary control reports is a key component of the Councils Corporate and Financial Governance arrangements.

## **Procurement**

The outcome of procurement activity is factored into the financial projections included in the report.

## Appendix 2: Resources Capital Programme 2023/24 – Detailed Monitoring Statement to 30 September 2023

Resources	Revised Annual Budget 2023/24	Actual Spend 30/09/23	Remaining Budget 2023/24
	£000	£000	£000
Applications and Development	453	188	265
Design and Print	233	-	233
Technical Services	3,843	1,616	2,227
Digital Durham	3,987	-	3,987
Digital Engagement	43	23	20
<b>ICT Services Include Design and Print Total</b>	<b>8,559</b>	<b>1,828</b>	<b>6,731</b>
Migration of HR/Payroll Functionality	17	17	-
<b>Financing Resources Total</b>	<b>17</b>	<b>17</b>	<b>-</b>
<b>RES Total</b>	<b>8,576</b>	<b>1,845</b>	<b>6,731</b>

**Corporate Overview and Scrutiny  
Management Board**

**1 December 2023**



**Chief Executive's Office – Quarter 2  
September 2023: Forecast of Revenue  
and Capital Outturn 2023/24**

**Ordinary Decision**

---

**Report of Paul Darby, Corporate Director of Resources**

**Electoral division(s) affected:**

Countywide

**Purpose of the Report**

- 1 To provide details of the updated forecast revenue and capital outturn budget position for the Chief Executive's Office (CEO) service grouping, highlighting major variances in comparison with the budget based on the position to the end of September 2023.

**Executive Summary**

- 2 The quarter 2 forecast position shows that the service is forecasting a cash limit underspend of £0.548 million against a revised budget of £4.130 million.
- 3 The CEO cash limit balance carried forward at 31 March 2024 is forecast to be circa £0.608 million. Other earmarked reserves under the direct control of CEO are forecast to total £1.274 million at 31 March 2024.
- 4 The revised CEO capital budget is £1.892 million for 2023/24, with a total expenditure to 30 September 2023 of £0.531 million (28.1%).

**Recommendation(s)**

- 5 Corporate Overview and Scrutiny Management Board is recommended to note the forecast of outturn position.

## Background

6 County Council approved the Revenue and Capital budgets for 2023/24 at its meeting on 22 February 2023. These budgets have subsequently been revised to account for grant additions/reductions, corporate savings/adjustments, budget transfers between service groupings and budget profiling between years. This report covers the financial position for the following major budget areas maintained by the CEO service grouping:

- Revenue Budget - £4.130 million (original £0.000 million)
- Capital Programme - £1.892 million (original £0.000 million)

7 The original CEO revenue budget has been revised in year to incorporate a number of budget adjustments as follows:

	<u>£,000s</u>
<b>Quarter 1:</b>	
Transfer from RES – Design Services	(28)
Transfer from RES – Corporate Policy Planning and Performance	1,932
Transfer from REG – Comms and Marketing	1,935
Transfer from RES – Corporate Affairs and Management	299
Transfer to RES – Web Team	(134)
<b>Quarter 2:</b>	
Transfer to RES – Corporate Affairs and Management	27
Transfer from AHS – 2 x Business Analyst posts	99
<b>TOTAL</b>	<b><u>4,130</u></b>

The revised General Fund Budget for CEO is £4.130 million.

8 The summary financial statements contained in the report cover the financial year 2023/24 and show:

- The approved annual budget;
- The actual income and expenditure as recorded in the Council's financial management system;
- The variance between the annual budget and the forecast outturn;
- For the CEO revenue budget, adjustments for items outside of the cash limit to take into account such items as redundancies met from the strategic reserve, capital charges not controlled by services and use of / or contributions to earmarked reserves.

- 9 The service is forecasting a cash limit underspend of £0.548 million (13.30%) against a revised budget of £4.130 million.
- 10 The tables below compare the forecast of outturn with the budget. The first table is analysed by Subjective Analysis (i.e. type of expense), and the second by service.

### Type of Expenditure (Subjective Analysis) (£000's)

	2023/24 Budget £000	YTD Actual £000	QTR2 Forecast of Outturn £000	(From) / To Reserves £000	Items Outside Cash Limit £000	Cash Limit Variance £000
Employees	4,392	2,038	4,117	-	(16)	(291)
Premises	-	-	-	-	-	-
Transport	12	1	8	-	-	(4)
Supplies and Services	748	378	716	-	-	(32)
Third Party Payments	-	-	-	-	-	-
Transfer Payments	-	-	-	-	-	-
Central Support and Capital	6	-	42	(274)	-	(238)
<b>Gross Expenditure</b>	<b>5,158</b>	<b>2,417</b>	<b>4,883</b>	<b>(274)</b>	<b>(16)</b>	<b>(565)</b>
Income	(1,028)	(529)	(1,011)	-	-	17
<b>Net Expenditure</b>	<b>4,130</b>	<b>1,888</b>	<b>3,872</b>	<b>(274)</b>	<b>(16)</b>	<b>(548)</b>

### By Service (£000's)

	2023/24 Budget £000	YTD Actual £000	QTR2 Forecast of Outturn £000	(From) / To Reserves £000	Items Outside Cash Limit £000	Cash Limit Variance £000
CEO Management	480	273	477	-	(5)	(8)
Corporate Policy Planning and Performance	1,990	807	1,894	(197)	(11)	(304)
Comms and Marketing	1,660	808	1,501	(77)	-	(236)
<b>Net Expenditure</b>	<b>4,130</b>	<b>1,888</b>	<b>3,872</b>	<b>(274)</b>	<b>(16)</b>	<b>(548)</b>

- 11 The table below provides a brief commentary on the variances against the revised budget analysed by service. The table identifies variances in the core budget only and excludes items outside of the cash limit (e.g.

redundancy costs) and technical accounting adjustments (e.g. capital charges):

<b>Service</b>	<b>Service Area</b>	<b>Description</b>	<b>Variance (under) / over budget £000</b>	<b>Variance (under) / over budget £000</b>
CEO Management	Management	No material variance	(8)	<b>(8)</b>
Corporate Policy Planning and Performance	Equality & Strategy	(£108,000) under budget on employees due to a vacant post also vacant posts in advance of MTFP savings	(108)	<b>(304)</b>
	Research & Intelligence	(£85,000) under budget on employees due to a vacant post and a secondment	(85)	
	Transformation	(£88,000) under budget on employees due to a vacant post and a secondment (£23,000) unbudgeted income from Delivering Better Value fund	(111)	
Communications and Marketing	Communications and Marketing	(£116,000) under budget due to vacant posts deleted in advance of MTFP savings (£184,000) under budget on employees ahead of restructure to be implemented in November 23 plus other vacant posts (£30,000) unbudgeted advertising income £94,000 under achieved income relating to internal design works	(236)	<b>(236)</b>
<b>TOTAL</b>				<b>(548)</b>

13 In summary, the service grouping is on track to maintain spending within its cash limit.



## Capital Programme

- 14 The original CEO capital programme was £0.000 million and this has been revised for additions, reductions, budget transfers and budget profiling. The revised budget now stands at £1.892 million.
- 15 Summary financial performance to the end of September 2023 is shown below:

	Original Annual Budget 2023/24	Revised Annual Budget 2023/24	Actual Spend 30/09/2023	Remaining Budget 2023/24
	£000	£000	£000	£000
Policy, Planning & Performance – Equality	0	476	-	476
Policy, Planning & Performance	0	1,416	531	971
<b>Total</b>	<b>0</b>	<b>1,892</b>	<b>531</b>	<b>1,447</b>

- 16 The revised CEO capital budget is £1.892 million with a total expenditure to 30 September 2023 of £0.531 million (28.1%). A full breakdown of schemes and actual expenditure is given in Appendix 2.
- 17 At year end the actual outturn performance will be compared against the revised budgets and at that time service and project managers will need to account for any budget variance.

## Background papers

- County Council Report (22 February 2023) - [Medium Term Financial Plan 2023/24 to 2026/27 and Revenue and Capital Budget 2023/24](#)
- Cabinet Report (13 September 2023) –[Forecast of Revenue and Capital Outturn 2023/24 - Period to 30 June 2023](#)
- Cabinet Report (15 November 2023) –[Forecast of Revenue and Capital Outturn 2023/24 - Period to 30 September 2023](#)

## Other useful documents

- Previous Cabinet reports / None

**Author(s)**

Ed Thompson

Tel: 03000 263481

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## **Appendix 1: Implications**

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### **Legal Implications**

The consideration of regular budgetary control reports is a key component of the Council's Corporate and Financial Governance arrangements. This report shows the forecast spend against budgets agreed by the Council in February 2023 in relation to the 2023/24 financial year.

### **Finance**

Financial implications are detailed throughout the report which provides an analysis of the revenue and capital outturn position alongside details of balance sheet items such as earmarked reserves held by the service grouping to support its priorities.

### **Consultation**

Not applicable.

### **Equality and Diversity / Public Sector Equality Duty**

Not applicable.

### **Climate Change**

Not applicable.

### **Human Rights**

Not applicable.

### **Crime and Disorder**

Not applicable.

### **Staffing**

Not applicable.

### **Accommodation**

Not applicable.

### **Risk**

The consideration of regular budgetary control reports is a key component of the Councils Corporate and Financial Governance arrangements.

## **Procurement**

The outcome of procurement activity is factored into the financial projections included in the report.

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## Appendix 2 Chief Executive's Office Capital Programme 2023/24 – Detailed Monitoring Statement to 30 September 2023

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Chief Executive's Office	Revised Annual Budget 2023/24	Actual Spend 30/09/23	Remaining Budget 2023/24
	£000	£000	£000
Corporate Business Intelligence System	1,416	531	971
Changing Places – non DCC Properties	175	-	175
Changing Places – Durham Dales Centre	-	-	-
Changing Places – Bishop Auckland Bus Station	-	-	-
Changing Places – Hardwick Park Toilet Facilities	184	-	184
Changing Places – Teesdale Leisure Centre	80	-	80
Changing Places – Dunes Café Crimdon	37	-	37
<b>CEO Total</b>	<b>1,892</b>	<b>531</b>	<b>1,447</b>

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**Corporate Overview and Scrutiny  
Management Board**

**1 December 2023**

**Overview and Scrutiny Six Monthly  
update to Council**



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**Report of Corporate Management Team**

**Paul Darby, Corporate Director of Resources**

**Electoral division(s) affected:**

Countywide

**Purpose of the Report**

- 1 To provide members of the Corporate Overview and Scrutiny Management Board (COSMB) with the six monthly update report which is to be submitted to Council on 24 January 2024.

**Executive summary**

- 2 The update report highlights some of the work scrutiny has undertaken in the six month period to November 2023 and complements the annual report which was submitted to Council in July 2023.

**Recommendation(s)**

- 3 Members are asked to:
  - (a) Consider and agree the Overview and Scrutiny six monthly report to be submitted to Council on 24 January 2024.

## **Background**

- 4 Statutory guidance on overview and scrutiny arrangements in local authorities was published in 2019. The guidance stated, amongst other matters, that authorities should take steps to ensure full Council is informed of the work scrutiny is doing.
- 5 As a result, the County Council reviewed its constitution in March 2021 which included a new provision for a six-monthly report on overview and scrutiny activity to be submitted to Council.
- 6 The report highlights some of the work scrutiny has undertaken in the six month period to November 2023 and complements the annual report which is submitted to Council each year.

## **Background papers**

- None

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**Contact:** Stephen Gwilym

Tel: 03000 268140



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## **Appendix 1: Implications**

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### **Legal Implications**

None specific with the report.

### **Finance**

None specific with the report

### **Consultation**

None specific with the report.

### **Equality and Diversity / Public Sector Equality Duty**

None specific with the report.

### **Climate Change**

None specific with the report

### **Human Rights**

None specific with the report

### **Crime and Disorder**

None specific with the report.

### **Staffing**

None specific with the report

### **Accommodation**

None specific within this report.

### **Risk**

None specific within this report.

### **Procurement**

None specific within this report.

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**Appendix 2: Overview and Scrutiny – Six Monthly Update Report  
to Council 24 January 2024**

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Attached as a separate document.

**Council**

**24 January 2024**

**Overview and Scrutiny – Six Monthly Update**



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**Report of Corporate Management Team**

**Paul Darby, Corporate Director of Resources**

**Councillor Rob Crute - Chair of Corporate Overview and Scrutiny Management Board**

**Electoral division(s) affected:**

None

**Purpose of the Report**

- 1 To provide information to County Council on the activity of overview and scrutiny for the six month period June to November 2023.

**Executive summary**

- 2 It has previously been agreed that a six month update on the activity of overview and scrutiny is considered by Council, in addition to the Overview and Scrutiny Annual report which is submitted to Council in July/September each year.
- 3 This update sets out the approach that scrutiny has been taking since the elections in May 2021, regular matters which feature in the committee work programmes and highlights some items which have formed part of more in-depth scrutiny over the six month period to November 2023.

**Recommendation(s)**

- 4 Council is recommended to note the information on overview and scrutiny activity which has taken place in the six month period June to November 2023.

## Background

- 5 As a result of statutory guidance on overview and scrutiny arrangements in local authorities published in 2019, the County Council agreed a six-monthly report of overview and scrutiny activity be submitted to council to assist in the communication of scrutiny's role and purpose.
- 6 This update report highlights some of the work scrutiny has undertaken in the six month period to November 2023 and complements the annual report which is submitted to council each year.
- 7 At the annual meeting of Council in May 2023, Cllr Rob Crute was appointed as Chair of the Corporate Overview and Scrutiny Management Board (COSMB) and Cllr Chris Lines re-appointed as Vice Chair of the Board. In their role as the strategic driver of the overview and scrutiny function, they have encouraged an inclusive and transparent approach to carrying out scrutiny.
- 8 Contributing to policy development is a key task for scrutiny and the scrutiny chairs and vice-chairs have a clear ambition to increase activity in this field.
- 9 Overview and scrutiny has continued the practice of meeting with members of the Executive regularly. This approach was recommended in the statutory guidance issued in 2019 and it was acknowledged that Durham County Council has a strong record of sharing information with the Executive.
- 10 The Corporate Overview and Scrutiny Management Board (COSMB) oversees and co-ordinates the work of overview and scrutiny committees. Five thematic overview and scrutiny committees scrutinise the following themes:
  - Adults, Wellbeing and Health
  - Children and Young People
  - Economy and Enterprise
  - Environment and Sustainable Communities
  - Safer and Stronger Communities
- 11 Durham County Council's overview and scrutiny function has embedded the four principles of good scrutiny in all the work it does. These principles, originally developed by the Centre for Governance and Scrutiny, inform and shape scrutiny work. They state that overview and scrutiny should:

- Provide constructive critical friend challenge
  - Amplify the voices and concerns of the public
  - Be led by independent minded people who take responsibility for their role
  - Drive improvement in public services
- 12 Scrutiny committees undertake regular monitoring of budget and performance reports, receive updates on previous reviews and undertake light touch and in depth review activity.
- 13 All scrutiny members have received the corporate induction training following the May 2021 elections. This has been supplemented by bespoke scrutiny training delivered by the Scrutiny team. Overview and scrutiny members have also had the opportunity to take up training provided by the LGA in collaboration with the Centre for Governance and Scrutiny and the North East Regional Employers Organisation.
- 14 Comprehensive work programmes are developed by scrutiny committees each year and this update highlights only some of the work they carry out.

### **Scrutiny Committee Activity**

- 15 Corporate Overview and Scrutiny Management Board (COSMB)

Chair: Councillor Rob Crute,  
Vice Chair: Councillor Chris Lines

a) Medium Term Financial Plan (MTFP 14) 2024/25 – 2027/28

COSMB has a constitutional role in assisting Cabinet in the development of the council's annual budget. The Council is operating in a period of significant financial uncertainty with concerns about the impact of inflation and fuel and energy prices. The Board continues to be updated by the Head of Corporate Finance and Commercial Services and will consider the impact of the local government financial settlement on the council's budget and MTFP forecasts. The Board considered its first report on 1 September 2023 which included a review of the Local Council Tax Reduction Scheme and Council Tax Discounts and Premium Policy. A further report was considered on 1 December 2023 which updated financial planning assumptions for the MTFP14 process and set out details of further savings proposals that could be implemented to help balance the budget and details of the associated consultation process.

b) Community Engagement (AAP) Review

The Board considered an update report on the Council's review of its main community engagement function – its Area Action Partnerships at a special meeting on 22 September 2023. As part of its previous consideration of this matter, the Board had requested that the proposed model agreed by Cabinet at its meeting in July 2023 be brought back for further consideration including an examination of the consultation feedback and analysis, the key principles taken forward for the new model and those which have been discounted and the planned development of local networks. The Board asked that the proposed governance arrangements for the new model be brought back to the Board for consideration and comment.

c) RIPA Annual Report 2022/23

The Board considered a report of the Head of Legal and Democratic Services which provided information about the Council's use of its powers under the Regulation of Investigatory Powers Act 2000 ('RIPA') during the period of 1 April 2022 to 31 March 2023. The report also presented proposed changes on the Council's Corporate RIPA Guidance as part of the annual review for comment by the Board prior to its consideration by Cabinet. In considering the report, the Board noted the detailed RIPA training provided to responsible officers as well as awareness training to wider tier 4 and 5 managers.

16 Adults, Wellbeing and Health Overview and Scrutiny Committee (AWH OSC)

Chair: Councillor Veronica Andrews  
Vice Chair: Councillor Matt Johnson

a) North East and North Cumbria ICB Joint Forward Plan 2023/24 to 2028/29

The Committee considered a report and presentation on the North East and North Cumbria Integrated Care Board draft Joint Forward Plan 2023/24 to 2028/29. This was a national requirement and set out how the ICB and NHS Trusts would arrange and/or provide NHS services to meet the population's physical and mental health needs; deliver the NHS Mandate and NHS Long Term Plan in the area • and meet the legal requirements for ICBs. In considering the plan, the Committee raised several issues which they forwarded to the ICS Chief Executive as a formal response to the consultation and which included the need for strong links between the Joint Forward Plan and the ICB County Durham Plan considered in May 2023; support

for the service delivery plans for pharmacy, optometry and dental services and the need for a robust performance management framework to measure success against the plan.

b) Shotley Bridge Hospital project

The Committee received a presentation from representatives of County Durham and Darlington NHS Foundation Trust and the National Hospitals Programme updating members on the plans for the re-provision of services currently delivered at Shotley Bridge Hospital including the planned new Hospital development. The Committee highlighted local community concerns around the delays to the project and the impact of ongoing inflationary pressures on the project scope and funding.

It was reported that the financial envelope remained unchanged but that the scheme had to be affordable, deliverable and sustainable. Members expressed concerns that the financial pressures may lead to a reduction in the services to be provided from the new facility and agreed to write to the Chancellor of the Exchequer and Secretary of State for Health and Social Care requesting the sufficient resources were allocated to the project to ensure that the planned level of service delivery at the new site would be retained.

c) County Durham and Darlington NHS Foundation Trust Maternity Services Inspection and Improvement Action plan

As part of its assurance role in overseeing CQC Inspection reports for NHS Foundation Trust Services, the Committee received a presentation from Sue Jacques, Chief Executive of County Durham and Darlington NHS Foundation Trust detailing the findings of CQC Inspection reports into Maternity Services at Darlington Memorial Hospital and University Hospital North Durham. Members questioned the Trust representatives on the proposed improvement action plans following the Trust's maternity services being downgraded at both sites to Inadequate and have requested that a further report be brought to the Committee once the services have been re-inspected by the CQC.

17 Children and Young People Overview and Scrutiny Committee (CYP OSC)

Chair Councillor Anne Reed  
Vice Chair Councillor James Cosslett

a) Holiday Activities with Healthy Food (Fun and Food) in County Durham

At its meeting on 6 July 2023, the Committee considered a presentation setting out the County Durham Fun and Food Programme during 2022. Whilst noting that the Department for Education (DfE) provided all Local Authorities with funding to provide free holiday activities and healthy food for children that are eligible for benefits related free school meals during Easter, Summer and Christmas holiday periods in 2022. Half term school holiday periods are not funded by DfE. Durham was allocated £2,338,740.00, to provide free 'holiday clubs' and committed to offering all eligible and other vulnerable children access to a range of enriching activities with healthy food. Recognising the need and demand for holiday activities with healthy food remains during half term holidays an additional £80,00 from Public Health for February half term and £150,000 was secured from the Poverty Action Steering Group (PASG) for May and October half terms 2022.

Members noted that nearly 35,000 children and young people engaged with the Fun and Food programme in Easter, Summer and Christmas 2022 (DfE funded holidays). Over 11,000 children and young people engaged in the half term holidays (DCC funded holidays February, May and October 2022). Throughout 2022 a total of 46,000 children and young people engaged in Fun and Food provision.

b) Home to School Transport Services

In March 2023 the Committee submitted a response to the Council's consultation on Home to School Transport services. Following consideration of the consultation responses by Cabinet on 14 June 2023, the CYPOSC agreed to revisit the consultation responses and examine how these had influenced the recommendations agreed by Cabinet.

Members noted the response rates to the consultation and the specific recommendations agreed by the Cabinet. These included the charge for the standard and maintained concessionary scheme being set at £2 for the 2023/24 academic year. The Committee also agreed that further reports on the remaining recommendations be brought forward to the CYPOSC.

c) Best Start in Life, Family Health services and Family Hubs

The Committee's meeting on 13 November 2023 was a themed session with reports and presentations considered in respect of the progress made in addressing the 7 Best start in Life priorities; the 0-



25 Family Health Service workforce and service delivery across County Durham provided by Harrogate and District NHS Foundation Trust and the Family Hub and Start for Life Programme delivered across County Durham.

The Committee noted the development of a peri-natal and infant mental health strategy for County Durham which is to be consulted upon in early 2024 and due for approval by the Health and Wellbeing Board in May 2024. The Committee requested a further update report on the strategy development with a view to submitting comments as part of the consultation process.

## 18 Economy and Enterprise Overview and Scrutiny Committee (E&E OSC)

Chair Councillor Bill Moist

Vice Chair Councillor Angela Surtees

### a) Inclusive Economic Strategy

The EEOOSC has been extensively involved in the development of the Inclusive Economic Strategy (IES) and held a workshop on 20 July 2023 to examine the key areas of delivery against the Strategy's 4 "P's" of People, Productivity, Place and Promotion. The member comments at the workshop were fed back to the service to inform the Draft IES Delivery Plan which was subsequently considered at the EEOOSC meeting on 6 October 2023. Following further feedback provided to the service, the final draft IES Delivery Plan was adopted by Cabinet on 15 November 2023.

Members of the Committee were also advised that the IES and Delivery Plan will inform a new Investment Plan which will be used to promote major projects and investment opportunities to prospective investors and the Committee have asked for detail of the investment plan to come to a future meeting.

### b) Draft Housing Strategy

The Committee hosted a workshop on 10 July 2023 for all OS members to examine the 'Principles and Priorities Paper' used to develop the draft housing strategy. The comments made by members during the workshop were submitted as an Overview and Scrutiny response used to inform the development of the Housing Strategy. Key areas examined included prevention of

homelessness, ensuring a range of housing options are available to all groups, key housing issues within communities; housing's contribution to the Climate Emergency Response Plan; how housing supports the local economy; ensuring everyone has access to a warm, safe home and how we can meet the need for affordable homes.

c) Overview of County Durham's Visitor Economy – Draft Destination Management Plan 2023 to 2030

The Committee have identified the economic benefits and contributions of tourism and the visitor economy to the overall economic prosperity of County Durham as a work programme priority for 2023/24. At a special joint meeting of the EEOC and ESCOSC on 3rd November 2023, members received a report and presentation which set out the purpose and process of the draft Destination Management Plan (DMP). The plan set out a blueprint for growth and development of the visitor economy within County Durham, identifying challenges, gaps and opportunities for a successful sustainable visitor economy with prioritised actions. The committee were invited to provide comment on the draft DMP before its consideration by Cabinet.

The committee meeting was followed by a facilitated workshop supported by officers from Visit County Durham where members were invited to consider and comment on two questions - How can we sustainably enhance the overall visitor experience in our area, including accommodation, attractions, and amenities? and What are the key strengths and unique selling points of our destination that can be leveraged to attract more visitors? The areas and issues identified by members would inform the ongoing development of the Tourism offer within the County.

19 Environment and Sustainable Communities Overview and Scrutiny Committee (E&S OSC)

Chair Councillor Bev Coult  
Vice Chair Councillor Jonathan Elmer

a) Management of the Council's Woodland Estate and the Tree Policy

At the Committee's meeting on 21 July 2023 members received an update on the management of Council-owned woodland and its tree

planting programmes. Information was provided on the main themes of the work, including woodland creation, woodland restoration and active management, improving access to woodlands, working with young people to encourage them to consider a career in the forestry sector and supporting community groups to manage their local woodlands. There were concerns identified by members around the future funding of woodland management and tree planting.

Members also considered the County Council's approach to managing trees in its ownership, under its management and trees in private ownership that pose a safety risk to the public. The current policy was under review having been approved by Cabinet in July 2014, following a public consultation exercise. Members noted that a more proactive programme of tree inspections is being developed by the Council and would be embedded within the Tree Management Policy.

b) Street Lighting Energy Reduction (SLERP) Project

In October 2023, members received an update report and presentation in respect of the Street Lighting Energy Reduction (SLERP) Project providing detail on retrofit installations, the proposed final SLERP 3 project and the data regarding energy savings, carbon reduction and financial costs associated in relation to the project. Members noted that the SLERP project has been the biggest single contributor to date to the reduction in the Council's Carbon emissions with energy savings of up to 54% compared with previous installations. This generates annual revenue savings of £1.2m per year over a 25 year period.

SLERP 3 is the final element of the project which will convert 1900 street lights and commenced in September 2023 and is projected to be completed in March 2025. It was reported that at the conclusion of SLERP 3, 3500 street lanterns will remain outstanding and will be converted as part of the ongoing Capital preplacement programme.

c) Ecological Emergency Action Plan

The Committee have worked closely with Cabinet in respect of the Council's declaration in April 2022 of an ecological emergency and the development and adoption of an Ecological Emergency Action Plan (EEAP) which sets out how council services should respond to the issue. Its purpose is to review and revise the management of council land assets and put in place activities to promote and achieve best ecological practice.

The Committee have agreed as part of its work programme for 2023/24 that it will monitor progress against the EEAP to enable them to consider and review this progress against the key actions within the Plan.

At its meeting on 24 November 2023, members considered the latest progress update which set out actions planned and delivered against the key themes of Land Management; Education Awareness and Communication; Policies and Strategies. Members noted that the plan has key links to the Local Nature Recovery Strategy and that improvements and actions delivered against the plan must be within the current resource envelope. Members noted the good progress made to date with 14 areas of action being progressed across Council Services.

## 20 Safer and Stronger Overview and Scrutiny Committee (SSC OSC)

Chair Councillor Phil Heaviside  
Vice Chair Councillor Joyce Charlton

### a) Safe Durham Partnership ASB Group Update

The Committee have agreed that regular update reports from the Safe Durham Partnership ASB Group are considered by members following adoption of the SDP ASB earlier this year. In June 2023, the Committee received information regarding the Government's Anti-Social Behaviour Action Plan and at its September meeting members received further detail of how these actions sit alongside those within the SDP ASB strategy. Members noted that County Durham and Darlington had been agreed as one of 16 ASB trailblazer pilots with funding provided directly to the Office of the Police and Crime Commissioner. To progress the pilot initiative an ASB Action Plan is being formulated by the OPCC with involvement from key partners within the ASB Strategic Group. In addition, funding bid proposals are currently being prepared for further consideration by the OPCC to support the delivery of the Action Plan.

### b) Civil Contingency Planning and Storm Arwen Review

In May 2022, the Committee considered a report and presentation on civil contingency and emergency planning arrangements and a review of the response to Storm Arwen. The Committee was

consulted on the draft Storm Arwen improvement plan and its comments were provided to Cabinet when it considered the plan at its meeting of 13 July 2022.

In accordance with the SSCOSC Work programme for 2023/24, an update report detailing progress against the Storm Arwen Improvement Action plan was considered by members on 7 September 2023. Members noted that of the 27 improvement actions against the six key themes - twenty improvement actions have been completed; six have commenced and are still in progress; and one has yet to start, in the main because it is contingent on other work. Over 40 communities across County Durham have responded to the Council's offer of support to develop local community resilience plans.

c) Counter Terrorism and Security Act 2015

On 2 November 2023, the Committee received a report and presentation setting out key progress against the Safe Durham Partnership's statutory duties contained within the Counter Terrorism and Security Act 2015.

The presentation sets out the steps that the Council and its partners were taking to respond to the ideological challenge of terrorism and the threat we face from those who promote it; prevent people from being drawn into terrorism and ensure that they are given appropriate advice and support and finally work with sectors and institutions where there are risks of radicalisation that we need to address.

Members noted the "Channel" initiative which adopts a multi-agency approach to identifying and supporting individuals who are vulnerable to being drawn into terrorism. The report also highlighted the County Durham Contest Board's responsibility for developing and delivering the strategic Delivery Plan. It was reported that the arrangements within County Durham and Darlington were considered examples of best practice regionally and nationally.

## **Background Papers**

Reports and minutes (June – November 2023)

- Corporate Overview and Scrutiny Management Board
- Adults, Wellbeing and Health OSC

- Children and Young People OSC
- Economy and Enterprise OSC
- Environment and Sustainable Communities OSC
- Safer and Stronger Communities OSC

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**Contact:** Stephen Gwilym

Tel: 03000 268140

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## **Appendix 1: Implications**

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### **Legal Implications**

Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities published in May 2019 stated that to maintain the interest of full council in the work of the scrutiny committee, authorities should take steps to ensure full council is informed of the work the scrutiny committee is doing.

The council must have regard to the statutory guidance when determining its scrutiny arrangements and have good reasons for not following any aspects of the guidance

### **Finance**

None

### **Consultation**

The statutory role of some scrutiny committees means that consultations are regularly considered.

### **Equality and Diversity / Public Sector Equality Duty**

All scrutiny reviews are subject to an equality impact assessment

### **Climate Change**

The council has declared a climate emergency and scrutiny committees such as the Environment and Sustainable Communities OSC receive regular reports on the commitment to contribute to reducing the causes of climate change and the implications of responding to and adapting to the inevitable impacts of climate change. Any climate change implications will be included in individual reports to the appropriate scrutiny committee.

### **Human Rights**

None

### **Crime and Disorder**

Any crime and disorder implications will be included in individual reports to the appropriate scrutiny committee.

### **Staffing**

None

### **Accommodation**

None

**Risk**

None

**Procurement**

None



**Corporate Overview and  
Scrutiny Management Board**

**1 December 2023**



**Update in relation to Petitions**

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**Report of Corporate Management Team**

**Helen Bradley, Head of Legal and Democratic Services**

**Electoral division(s) affected:**

Countywide.

**Purpose of the Report**

- 1 To provide for information the quarterly update in relation to the current situation regarding various petitions received by the Authority.

**Recommendation(s)**

- 2 Members are requested to note the update report on the status of petitions and e-petitions received by the Authority.

**Background**

- 3 Following the introduction of The Local Democracy, Economic Development and Construction Act 2009 all of the petitions that have been received by the Authority are processed by democratic services in line with its petitions process.
- 4 The Board have received update reports on petitions since September 2008.
- 5 From the 15 December 2010, the Authority has provided a facility for members of the public to submit e-petitions on the Council's website.

**Current Notice of Key Decisions**

- 6 Since the last update three new e-petitions have been submitted. One e-petition is currently ongoing and collecting signatures via the website, two are closed and awaiting responses.

- 7 One new paper petition has been submitted and is awaiting a response. A list giving details and current status of all active petitions is attached as Appendix 2 to the report.

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**Contact:** Michael Turnbull

Tel: 03000 269714

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## **Appendix 1: Implications**

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### **Legal Implications**

None.

### **Finance**

None.

### **Consultation**

Petitions which refer to a consultation exercise are reported to committee for information and forwarded to the relevant officer for consideration

### **Equality and Diversity / Public Sector Equality Duty**

None.

### **Climate Change**

None.

### **Human Rights**

None.

### **Crime and Disorder**

None.

### **Staffing**

None.

### **Accommodation**

None.

### **Risk**

None.

### **Procurement**

None.

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Nature of Petition	Appropriate Service	Summary of Information	Status of Petition
<p>Petition 433</p> <p>Derelict and abandoned houses in Stanley</p> <p><b>E-Petition</b> Received 10.3.23 No. of signatures 10</p>	<p>REG</p>	<p>Petition asking the Council to put pressure on landlords and owners to bring back derelict/abandoned property back in to use. E-Petition ran from 13.3.23 – 31.8.23</p> <p>Durham County Council has processes and procedures in place to deal with all empty residential properties working within the legislation available to the team. Empty properties are dealt with on a case by case basis, each having different levels of intervention to bring them back into occupation. Working with internal and external partners to ensure relevant action is taken, interventions range from advice, support, and assistance to using enforcement as a last option.</p> <p>In 2022/2023 the target set of bringing 200 long term empty properties back into occupation was exceeded by eight, one of the properties being empty more than 30 years and another over 20 years. We are on course to achieve this year’s target set.</p> <p>We have supported owners to bring empty properties back into use, using interest free loans, advice, support, and negotiation. Empty Properties are monitored and visited frequently until they become occupied. The team has a range of tools to encourage owners to work with them, using the most appropriate one to achieve a satisfactory result.</p> <p>The following links provide information on how to apply for an empty homes interest free loan, how to report an empty property and what happens after the report is received.</p> <p><a href="#">Empty homes interest free loans - Durham County Council</a></p> <p><a href="#">Empty homes - Durham County Council</a></p>	<p>Petition Closed</p>

Nature of Petition	Appropriate Service	Summary of Information	Status of Petition
<p>Petition 443</p> <p>Pedestrian crossing requirement</p> <p><b>E-Petition</b> Received 17.08.23 No. of signatures 11</p>	<p>REG</p>	<p>Petition asking the Council to provide a public crossing area on Carr Street Road, Spennymoor from the Burton Woods Estate over to Jubilee Park E-Petition ran from 17.08.23 – 28.09.23</p> <p>All requests for formalised crossing such as zebra or signal controlled crossings are assessed against a national criteria devised by the Department for Transport (DfT), which takes into account various factors including traffic flow and the number of pedestrians crossing the road throughout the day, not just the busiest period. It is appreciated that residents have a desire for such facilities in the vicinity of their homes however research shows that putting a formal crossing in where this criteria is not met, can result in an increase in road traffic accidents as drivers become complacent and unaccustomed to being stopped at the crossing or simply ignore its existence. The guidance for assessment of Pedestrian Crossings Traffic Signs Manual Chapter 6 – Traffic Control can be found at the following link - <a href="https://assets.publishing.service.gov.uk/media/5df0e29fed915d15f42c4820/dft-traffic-signs-manual-chapter-6.pdf">https://assets.publishing.service.gov.uk/media/5df0e29fed915d15f42c4820/dft-traffic-signs-manual-chapter-6.pdf</a></p> <p>In this case where national criteria could not be satisfied, this is partly because there is no overall “desire line” on what is a long section of road where pedestrians choose to cross where it is convenient for them, rather than at a specific location. It is for this reason that you typically see formalised crossing facilities in commercial town centres only where pedestrians have been “funnelled” to a particular crossing point. In addition, and importantly, the pedestrian and vehicular flows are significantly too low to achieve the necessary threshold criteria to justify a crossing. Observations made indicated that due to the traffic volumes, pedestrians generally did not have to wait to cross the road.</p> <p>We have investigated the feasibility of providing a pedestrian refuge island however due to a combination of insufficient road width and the need to</p>	<p>Petition Closed</p>

Nature of Petition	Appropriate Service	Summary of Information	Status of Petition
		<p>accommodate turning movements for side roads, accesses, and bus stops this could not be installed within the existing road layout. The location was assessed based on a recent visit as part of enquiries relating to works in the immediate area and traffic data available from our database.</p>	
<p>Petition 444</p> <p>Southfield Way Crossing at the Sniperley Roundabout</p> <p><b>E-Petition</b> Received 29.09.23 No. of signatures 127</p>	<p>REG</p>	<p>Petition asking the Council to give (long overdue) priority to enhancing the safety of pedestrians and cyclists crossing Southfield Way at the A691 exit road into Durham from the Sniperley (Hospital) roundabout. E-Petition ran from 29.9.23 – 10.11.23</p>	<p>Awaiting response</p>
<p>Petition 445</p> <p>Urgently Introduce a 20mph Speed Limit on Burton Woods Estate</p> <p><b>E-Petition</b> Received 8.10.23 No. of signatures 32</p>	<p>REG</p>	<p>Petition asking the Council to Impose a 20mph Speed Limit on the Burton Woods Estate in Spennymoor. E-Petition ran from 8.10.23 – 19.11.23</p>	<p>Awaiting response</p>

Nature of Petition	Appropriate Service	Summary of Information	Status of Petition
Petition 446  Traffic lights to be put on 63 roundabout  <b>E-Petition</b> Received 16.10.23 No. of signatures	REG	Petition asking the Council to install traffic lights just before the entrance to the roundabout which would make a safe break from traffic entering from the A1(M) and Picktree Lane.	E-Petition to run from 16.10.23 - 31.12.23
Petition 447  Lanchester Traffic Calming  Received 2.11.23 No. of signatures 117	REG	Petition asking the Council to advise a plan for pavement widening, traffic calming measures and a reduced speed limit to be actioned on Durham Road, Lanchester stretching from All Saints Parish Church to the Oakwood Estate.	Awaiting response



**Corporate Overview and  
Scrutiny Management Board**



**1 December 2023**

**Notice of Key Decisions**

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**Report of Corporate Management Team**

**Helen Bradley, Head of Legal and Democratic Services**

**Electoral division(s) affected:**

Countywide.

**Purpose of the Report**

- 1 To consider the list of key decisions that is scheduled to be considered by the Executive.

**Recommendation(s)**

- 2 The Corporate Overview and Scrutiny management board is recommended to give consideration to items listed in the notice.

**Background**

- 3 New rules in relation to Executive decisions were introduced by The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, which came into force on 10 September 2012.
- 4 The regulations took away the requirement for the Executive to produce a Forward Plan of key decisions, however introduced that the decision maker cannot make a key decision unless a document has been published at least 28 clear days before the decision is taken, unless either a general exception or special urgency requirements have been met. The document which has to be published must state:
  - a) that the key decision is to be made on behalf of the relevant local authority
  - b) the matter in respect of which the decision is to be made

- c) where the decision maker is an individual, that individual's name and title if any and where the decision maker is a decision making body, its name and list of its members
  - d) the date on which or the period within which the decision is to be made
  - e) a list of the document submitted to the decision maker for consideration in relation to the matter of which the key decision is to be made
  - f) the address from which, subject to any prohibition or restriction on their disclosure copies of, or extracts from any document listed as available
  - g) that other documents relevant to those matters may be submitted to the decision maker
  - h) the procedure for requesting details of those documents (if any) as they become available.
- 5 The requirements also apply to an exempt matter as previously it did not strictly have to be included in the Forward Plan. Now a publicity document must contain particulars of the matter, but may not contain any confidential exempt information or particulars of the adviser or political adviser or assistant.
- 6 Notices of key decisions that are being produced meet the legal requirements of publication, as well as continuing to provide information for a four month period. Members will therefore be able to consider key decisions as previously for the four month period.

### **Current Notice of Key Decisions**

- 7 The notice of key decisions that is attached to the report at Appendix 2, is the latest to be published prior to the papers for the Board being dispatched to members. The notice complies with the requirements for Cabinet to take key decisions at its meeting to be held on 13 December 2023. It also contained information on those key decisions that are currently scheduled to be considered by the Executive up to 31 March 2024.

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**Contact:** Michael Turnbull

Tel: 03000 269714

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## **Appendix 1: Implications**

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### **Legal Implications**

Will be reflected in each individual key decision report to Cabinet. To publish the notice of key decisions in accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

### **Finance**

Will be reflected in each individual key decision report to Cabinet.

### **Consultation**

Will be reflected in each individual key decision report to Cabinet.

### **Equality and Diversity / Public Sector Equality Duty**

Will be reflected in each individual key decision report to Cabinet.

### **Climate Change**

Will be reflected in each individual key decision report to Cabinet.

### **Human Rights**

Will be reflected in each individual key decision report to Cabinet.

### **Crime and Disorder**

Will be reflected in each individual key decision report to Cabinet.

### **Staffing**

Will be reflected in each individual key decision report to Cabinet.

### **Accommodation**

Will be reflected in each individual key decision report to Cabinet.

### **Risk**

Will be reflected in each individual key decision report to Cabinet.

### **Procurement**

Will be reflected in each individual key decision report to Cabinet.

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## SECTION ONE - CORPORATE

Ref. No.	Date of Decision (i.e. date of Cabinet meeting)	Description of Decision to be Made	Background Documents	Lead Cabinet Member	Main Consultees & Means of Consultation	Contact details for further information	Scrutiny Input
CORP/R/2024/003	17/01/24	Council Plan 2024/25 - 2027/28		Leader of the Council		Steve Evans, Head of Corporate Affairs Tel: 03000 261441	The Council Plan refresh will be considered at the COSMB meeting in January 2024
CORP/R/2024/001	17/01/24	Medium Term Financial Plan - Details of Provisional Finance Settlement		Leader of the Council and Deputy Leader of the Council		Jeff Garfoot, Head of Corporate Finance and Commercial Services Tel: 03000 261946	Scrutiny members will have input into the formulation of the MTFP through Corporate Overview and Scrutiny Management Board meetings
CORP/R/2024/001	14/02/24	Medium Term Financial Plan 2024/25 to 2027/28 and Revenue and Capital Budget 2024/25		Leader of the Council and Deputy Leader of the Council		Jeff Garfoot, Head of Corporate Finance and Commercial Services Tel: 03000 261946	Scrutiny members will have input into the formulation of the MTFP through Corporate Overview and Scrutiny Management Board meetings

**SECTION TWO - CHILDREN AND YOUNG PEOPLE'S SERVICES**

<b>Ref. No.</b>	<b>Date of Decision (i.e. date of Cabinet meeting)</b>	<b>Description of Decision to be Made</b>	<b>Background Documents</b>	<b>Lead Cabinet Member</b>	<b>Main Consultees &amp; Means of Consultation</b>	<b>Contact details for further information</b>
CYPS/2024/001	14/02/24	School Admission Arrangements Academic Year 2025/2026		Portfolio Holder for Children and Young People's Services		Graeme Plews, Education Provision Lead Officer Tel: 03000 265777
CYPS/2024/002	14/02/24	Proposal to close Rookhope Primary School		Portfolio Holder for Children and Young People's Services		Jim Murray, Head of Education and Skills Tel: 03000 265808

**SECTION THREE - ADULT AND HEALTH SERVICES**

<b>Ref. No.</b>	<b>Date of Decision (i.e. date of Cabinet meeting)</b>	<b>Description of Decision to be Made</b>	<b>Background Documents</b>	<b>Lead Cabinet Member</b>	<b>Main Consultees &amp; Means of Consultation</b>	<b>Contact details for further information</b>
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## SECTION FOUR - REGENERATION, ECONOMY AND GROWTH

<b>Ref. No.</b>	<b>Date of Decision (i.e. date of Cabinet meeting)</b>	<b>Description of Decision to be Made</b>	<b>Background Documents</b>	<b>Lead Cabinet Member</b>	<b>Main Consultees &amp; Means of Consultation</b>	<b>Contact details for further information</b>
REG/08/2023	TBC	Durham City Regeneration Milburngate (Exempt Report)	Cabinet Report 13 June 2018	Portfolio Holder for Resources, Investment and Assets	Other Cabinet members and relevant service areas	Susan Robinson, Head of Corporate Property & Land Tel: 03000 267332
REG/2024/001	17/01/24	Concessionary Fare (ENCTS) Budget		Portfolio Holder for Economy and Partnerships		Mark Jackson, Head of Transport & Contract Services Tel: 03000 263577



**SECTION FIVE - NEIGHBOURHOODS AND CLIMATE CHANGE**

<b>Ref. No.</b>	<b>Date of Decision (i.e. date of Cabinet meeting)</b>	<b>Description of Decision to be Made</b>	<b>Background Documents</b>	<b>Lead Cabinet Member</b>	<b>Main Consultees &amp; Means of Consultation</b>	<b>Contact details for further information</b>
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