



Local Government Act 1972

I Hereby Give You Notice that an **Ordinary Meeting** of the **Durham County Council** will be held in the **Council Chamber, County Hall, Durham** on **Wednesday 27 March 2024** at **10.00 am** to transact the following business:-

1. To confirm the minutes of the meeting held on 28 February 2024 (Pages 3 - 22)
2. To receive any declarations of interest from Members
3. Chair's Announcements
4. Leader's Report
5. Questions from the Public
6. Petitions
7. Report from the Cabinet (Pages 23 - 28)
8. Appointments to the North East Mayoral Combined Authority - Report of Head of Legal and Democratic Services (Pages 29 - 34)
9. Independent Remuneration Panel - Appointments to Panel - Report of Corporate Director of resources (Pages 35 - 40)
10. Motions on Notice

Councillor K Shaw to Move

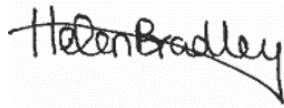
This council calls on the Cabinet to consider an immediate halt to all activity on the former DLI Museum site, for the

current development proposal to be cancelled and replaced with a memorial garden and a space for reflection and remembrance.

11. Questions from Members

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

Dated this 19th day of March 2024

A handwritten signature in black ink that reads "Helen Bradley". The signature is written in a cursive style with a long, sweeping underline.

Helen Bradley
Head of Legal and Democratic Services

To: All Members of the County Council

DURHAM COUNTY COUNCIL

At an **Ordinary Meeting** of the County Council held in the **Council Chamber, County Hall, Durham** on **Wednesday 28 February 2024** at **10.00 am**

Present:

Councillor J Nicholson (Chair) in the Chair

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

Apologies for absence were received from Councillors D Howarth, I Roberts and P Taylor

1 Minutes

The minutes of the meeting held on 24 January 2024 were confirmed by the Council as a correct record and signed by the Chair, subject to Councillor J Miller showing as submitting apologies for absence rather than being in attendance.

2 Declarations of Interest

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

3 Chair's Announcements

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

Resolved:

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

The Chair informed Council that, given the nature of the business to be transacted, she would not be making any announcements. However, a questionnaire from the County Durham and Darlington Fire and Rescue Service had been provided for each Member and the Chair requested that these be completed and returned at the end of the meeting.

4 Leader's Report

Councillor A Hopgood, Leader of the Council reported that since Council last met, an order had been laid in parliament to effect the creation of the new North East Mayoral Combined Authority.

This was an important milestone in the Council's devolution journey, paving the way for the election of a Mayor on 2 May 2024.

The devolution of powers and funds from Whitehall was a historic moment for the North East. It was something that had been talked about for many years and finally the region was on the cusp of making decisions closer to home.

The devolution deal would allow the delivery of economic growth across County Durham and the wider North East and would give the region and the county a stronger voice both nationally and internationally.

The Leader of the Council informed the Council that she held the interim portfolio for culture, creativity, tourism and sport on the new combined authority and she was both proud and excited about the opportunities this presented.

The North East was truly unique. From major events recognised nationally and internationally such as Lumiere and the Great North Run, to breathtaking landscapes, fascinating heritage sites and award-winning attractions, not to mention international cricket and Premier League football. The region had so much to offer and so much potential.

The focus was on celebrating and promoting the North East to the world, while opening up new opportunities for the people who lived and worked in the area.

The Leader thanked everyone across County Durham and the North East who had helped this important milestone to be reached.

5 Questions from the Public

There were no questions from the public.

6 Petitions

There were no petitions for consideration.

7 Report from the Cabinet

The Council noted a report from the Cabinet which provided information on issues considered at its meetings held on 17 January and 14 February 2024 (for copy see file of Minutes).

8 Council Plan 2024-2028

The Council considered a report of the Chief Executive which sought approval of the Council Plan 2024-2028 refresh (for copy see file of Minutes).

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

In June 2022, Council agreed to receive an updated and refreshed Council Plan on an annual basis going forward, presented to Council alongside the MTFP and budget setting reports in February. This was the third review since that decision was taken.

The Council was responsible for a wide range of public services and had a significant role to play in improving the lives of everyone who lived in, visited and worked in County Durham.

The County had both opportunities and issues that needed to be addressed. Many of the issues facing residents could not be solved by the council alone. Many required structural or policy changes at a national government level.

However, the council could make a positive difference through its democratically elected mandate and role as a leader of place. The Council Plan set out the Council's ambitions for doing so.

The Joint Administration recognised the critical importance of working in partnership with others across the public, private, voluntary and community sectors. This was why the Council Plan set out the Councils role in delivering the partnership developed County Durham Vision 2035.

The updated Council Plan, covering the period 2024 to 2028 did not and could not include a list of everything the Council did, but it was underpinned by a wide range of specific strategies and service specific action plans. This years plan provided a sharper focus on the Councils ambitions, with more transparent links to the detail of supporting strategies set out within the document.

The plan ensured that the Council's resources were used in a transparent and effective way, by setting out priorities to support the economy, people, environment, communities, and to further improve the efficiency and effectiveness of the council for everyone's benefit.

Ultimately it set the Council's and approach to directing its resources, including in the Medium Term Financial Plan.

Over the last year the Joint Administration had been focusing on the delivery of things that mattered to local people and local communities. Things which would support improved health, wealth and prosperity across the County. For example, the Inclusive Economic Strategy agreed in December 2022, a range of significant capital investment and the strides made turning the redevelopment of Aykley Heads from a concept into reality as part of ambitious plans for economic growth.

In November 2023, Ofsted carried out a focused visit looking at the council's arrangements for care-experienced young people, specifically the quality of preparation for adulthood, the quality and suitability of accommodation and care leavers with specific needs. Feedback was positive and identified that leaders had a detailed understanding of the strengths of this area of service and where further improvements could be made. Senior leaders had further developed and improved services for care-experienced young people.

The Council had also provided a greater focus on its environment and Climate Emergency Response Plan, where good progress had been made against ambitions.

The Council could be proud of the County, heritage, people and culture and because of this the County Council had been selected to lead on the culture theme in the regions devolution plans.

Moving forward there was a need to maintain sound management of resources in delivering on ambitions and priorities, seek to maximise the talents of people and use technology to provide the best services possible within the resources available. To this end the plan set out the key performance indicators which would be used to measure the success of plans and operational services.

Councillor Hopgood **Moved** that the Council accept the report and the recommendations set out at paragraph 18.

In **Seconding** the report Councillor S McDonnell, Cabinet Portfolio Holder for Digital, Customer Services and Procurement thanked the Head of Corporate Affairs and his team for the work undertaken to refresh and simplify the Council Plan. The Plan was now a shorter, sharper, and more easily digested document than in previous years. The Plan was a summary of the actions taken by the Council moving forward, underpinned by a series of corporate strategies, service planning and performance arrangements which provided more detailed information on the actions, major projects and improvements being undertaken. To ensure transparency key documents were accessible via hyperlinks within the Plan. The Plan set out the actions the Council would lead on and take forward and was aligned to and complemented the County Durham Vision 2035.

Resolved:

That the Council Plan 2024-2028 be approved.

9 Budget 2024/25 - Report under Section 25 of Local Government Act 2003

The Council considered a report of the Corporate Director of Resources which provided information on the robustness of the estimates and the adequacy of reserves in the Council's Budget for 2024/25 (for copy see file of Minutes).

Councillor Marshall asked the Corporate Director of Resources to outline the process should Council not agree the budget. The Corporate Director of Resources explained that firstly, the Council would need to be clear on the reasons why the budget was not agreed and in doing so, charge the Cabinet with reconsidering their proposals. A contingency plan discussed with the Monitoring Officer would result in a Cabinet meeting in one week's time and a Special County Council meeting to be convened on 8 March 2024.

Resolved:

That the Council have regard to the statement when approving the budget and the level of Council Tax for 2024/25.

The Chair reminded Council that under Paragraph 14.6 of the Council Procedure Rules recorded votes would take place for each of the budget and council tax items.

Councillor C Hood, Cabinet Portfolio Holder for Adult and Health Services **Moved** a Motion without Notice that Agenda Item Nos. 10 and 11 be considered together as they were inextricably linked. The Motion was **Seconded** by Councillor S McDonnell and agreed by Council.

The Head of Legal and Democratic Services advised Council that considering the two items together impacted on the length of time that Members could speak. The proposer and seconder of the Motion and all Group Leaders would have 10 minutes. Councillor R Bell, although a Group Leader, would be seconding the budget in his capacity as Deputy Leader and therefore could speak for 6 minutes. All other speakers would have 3 minutes and the Leader would then have a 6 minute right of reply. The deadline for amendments was noon on 23 February 2024 and none had been submitted.

10 Medium Term Financial Plan 2024/25 to 2027/28 and Revenue and Capital Budget 2024/25

11 Council Tax Setting in Order to Meet the County Council's Council Tax Requirement for 2024/25

In **Moving** adoption of the Cabinet reports, Councillor Hopgood made a statement on the budget proposals for 2024/25 and the Medium Term Financial Plan forecasts for the period 2024/25 to 2027/28, as follows:

The proposals were the culmination of months of hard work, in what had proven to be difficult circumstances for the council and the wider sector.

Overview and Scrutiny had been involved in the budget setting process at each stage and the report included details of the feedback from those meetings. Feedback was also included from two rounds of wider engagement through Area Action Partnerships, Business Rate Payers, Trade Unions, along with other partners and stakeholders.

The budget had been prepared against a backdrop of significant unavoidable inflationary and demand pressures in budgets, particularly in social care and home to school transport, and in the context of significant uncertainty over the future funding settlements beyond next year for the council and the wider sector. There had been a continuation of one-year settlements and late announcements on funding from Government which were not conducive to effective financial planning.

The report provided a comprehensive overview of the budget pressures being faced, the announcements made in the Autumn Statement in November last year and the Local Government Finance Settlement which was subsequently published including the additional funding that was announced on 24 January 2024.

In the 2024/25 budget provision needed to be made for uplifts to address a range of unavoidable inflationary pressures and to address overspends in the current year's budget, particularly for pay inflation and for placement costs for Looked After Children. The cost pressures in Adult and Children's Social Care, which were by far the largest budgets the Council had, were enormous.

The 9.8% increase in the National Living Wage from April had a significant bearing on Adult Social Care contracts in particular. The cost pressures in Children and Adult Social Care totalled nearly £36 million next year. The additional revenue generated from an increase in the Adult Social Care precept and the additional specific grant funding for these areas fell well short of the cost pressures being faced, mainly due to the Council's low tax raising capacity.

Home to School Transport Budgets needed to be increased by a further £2.5 million next year, which would mean that spending on Home to School transport would have trebled in the space of 5 years to around £32 million.

There was a further £12 million of budget growth factored into the budget for looked after children placement costs with £9 million of this to address the overspend this year, despite increasing the budget by £18 million in 2023/24.

Also included in the budget next year was £2.6 million to cover the shortfall in housing benefit subsidy in relation to temporary and specialist supported housing. This was effectively a cost shunt from the DWP to local authorities which had been flagged by the National Audit Office and an issue the Council had lobbied strongly with the government.

While the vast majority of the spending pressures faced next year were unavoidable there were some limited policy led investments factored into the base budget, including a £1m base budget pressure linked to the Employability Service, £300,000 to permanently fund the Find and Fix Team that was being funded on a non-recurrent basis from reserves, £275,000 to strengthen the Information and Data Governance Teams and £257,000 to expand the Park and Ride Service to better support the Aykley Heads site.

In overall terms, the Council faced spending pressures totalling nearly £62 million next year, inclusive of the £10 million use of the MTFP Support Reserve in the current year.

The huge cost pressures, allied with the level of uncertainty that existed beyond next year, meant that careful consideration had to be given about the affordability of capital investment aspirations. Across the MTFP planning period provision had been made for an additional £12.7 million of borrowing costs. With the limited resources available some difficult choices had needed to be made with regards to new capital investments.

Despite the challenging financial position, alongside continued construction price inflation and heightened cost of borrowing risk, the budget nevertheless included an ambitious capital programme, with around £93 million of new additional investments proposed, including further significant investment in schools, highways and bridges infrastructure, new Children's Homes and in the Leisure Transformation Programme.

This would bring the total capital programme across the period 2024/25 to 2027/28 to just under £550m, a huge investment at times of significant budget challenges, but a programme which was fully funded.

The uncertainty over funding settlements from 2025/26 onwards cast an ominous shadow over medium term financial planning, and there were some significant challenges to come beyond this.

The savings proposals included in the budget were largely in line with the proposals that were consulted upon last year. The Leader thanked everyone involved in these consultations exercises and the deliberations by the Corporate Overview and Scrutiny Management Board.

Sufficient income from council tax could not be raised to fund the cost pressures faced, and the Government was not meeting the gap, meaning there was a need to constantly find savings just to stand still.

The total identified savings across the MTFP14 planning period were £16.360 million, with £8 million falling into next year. The budget proposals included Council Tax increases in line with the Governments expectations. They took into account the Council Tax core referendum limits, and the Adult Social Care Precepting powers which were for an additional 2% next year. The clear expectation from Government was that these increases were applied and the recommendation from the Council's s151 officer was that these increases be implemented. Not implementing them would mean bigger reductions in spending in future years.

Increasing the council tax was a decision that should not be taken lightly and in considering this the squeeze on the cost of living at this time was recognised. However, not increasing council tax was simply not a

sustainable or prudent strategy to adopt and the Corporate Director of Resources outlined Members had a responsibility to set a balanced budget.

Every 1% of council tax increase applied generated around £2.65 million of additional funding. The choice was between increasing the Council Tax or increasing the scale of the budget deficit and the savings and efficiencies.

Assuming that Council agreed to the Council Tax increases set out in the report the budget shortfall next year would be £3.72 million, rising to £37.833 million over the four year planning period. Achieving further savings of such a magnitude would be incredibly challenging.

Many councils were already on the brink and not all of these were down to bad decision making or poor governance. Many well run councils were getting to the point where they were close to s114 territory. Durham was not at that stage. The overall system was in need of urgent reform, if councils like Durham were to survive and thrive going forward.

The additional funding Durham would receive from Government next year was significant but just not enough. The additional funding announced on 24 January had helped reduce reliance on reserves. Had it not been for the additional funding an extra £5.9 million of reserves would have needed to be used.

The estimates beyond next year were more indicative and would undoubtedly change. Work had already started on developing options to address these challenges so that consideration could be given to what further savings would be required in 2025/26 and beyond.

It was important that to follow the advice of the s151 officer in terms of the sufficiency of reserves. Those councils that did not listen to statutory officer advice had found themselves in real difficulty.

The report included details of the various Dedicated Schools block funding allocations, the Teachers Pay Award Grant funding and the High Needs SEND funding being provided.

The recommendations were summarised at paragraph 53, and the Leader confirmed that they satisfied the Council's statutory requirements with regards to the budget setting, including the declaration of the forecast deficit on the Collection Fund

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

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

Councillor R Crute, Chair of the Corporate Overview and Scrutiny Board (COSMB) welcomed the opportunity to scrutinise the Cabinet's budget proposals and the revenue and capital budget for 2024/25. It was a priority for COSMB to scrutinise the MTFP and budget both diligently and constructively.

The COSMB received four Cabinet reports on the development of the MTFP between September 2023 and early February 2024 and fed back its view on each occasion. The meeting held on 15 February undertook detailed scrutiny of the Cabinets final budget proposals. The Board had a robust challenging debate over the plans. All the points raised by COSMB were set out in paragraphs 206 to 210 of the report and Councillor Crute highlighted the following key concerns raised by Board Members as part of the process:

- The Government's decision to use £20bn of fiscal headroom to finance tax cuts and provide business incentives instead of responding calls from recognised bodies such as SIGOMA, the LGA and the County Council's Network to adequately fund local councils and public services;
- The continued absence of a long-term financial settlement for local government; and
- Continued pressures on key budget areas including pay awards, energy costs, high interest rates, inflationary cost pressures and increasing demands particularly across Children and Young Peoples Services including home to school transport, children looked after and children with special educational needs and disabilities.

The additional funding announced by Government in January 2024 did not go far enough to address cost pressures or reduce the need for budget savings. The Government's assumption that councils would increase Council Tax by the maximum amount permissible risked putting more cost pressures onto hard pressed local tax payers already suffering from a prolonged cost of living crisis.

Choices facing local government to balance budgets and the risks that non-statutory services may have to bear the brunt of cuts, examples of these services providing much needed support to the most vulnerable members in communities included the household support fund, welfare rights, welfare assistance and the local council tax reduction scheme. The large Capital

Programme was acknowledged, however, this came at the risk of adding further pressure on the council's revenue budget through the higher cost of borrowing. For that reason it was considered essential that prudent management of the Capital Programme was undertaken.

Finally, there was disappointment at the continued delay in the Leisure Transformation Programme coming to scrutiny and concerns at the risk of delaying this much needed programme in terms of its impact on public health improvement and promotion of physical activity.

Councillor P Sexton. Leader of the County Durham Independent Group acknowledged that while the setting of a budget was an extremely complex matter it was difficult to produce amendments when information was slow in being provided. Councillor Sexton expressed disappointment that plans for a new leisure centre for Chester le Street appeared to have been dropped, with a refurbishment of the current leisure centre now being proposed. Councillor Sexton asked members to remember that the Council had above average reserves before voting on the budget.

Councillor C Marshall, Leader of the Labour Group acknowledged the work done by officers in ensuring the budget was balanced within the financial envelope but made it clear to Members of the political choices within the financial envelope about where the priorities of the Council lay.

Councillor Marshall referred to a 2023 report 'Health, Wealth and Unequal Opportunities to Thrive' published by the County Durham Community Foundation and Health Equality North which set out the dire impacts of public service cuts and economic mismanagement for the people of County Durham.

Following fourteen years of Conservative cuts and broken promises on levelling up, in three years of mismanagement under the Councils administration, inequalities across County Durham were growing.

The report before Council today set out evidence showing that at the end of the first decade of Conservative cuts life expectancy and healthy life expectancy in the north east were in decline. The crisis in County Durham had been fuelled by Government cuts compounded by inflation and a Government cost of living crisis.

Unemployment rates were higher, wages were lower, and there were fewer jobs available in County Durham than elsewhere in the country. Poverty was much worse in the region than in the rest of the Country. Children in the region were more likely to be living in poverty than their peers in the rest of the Country. The north east had the highest number of children living in poverty. In County Durham 38.7% of children were living in poverty, more

than 10% higher than the national figure. The number of people with conditions such as depression, stroke, heart disease, cancer and dementia were at least 10% higher in County Durham. The health gap between County Durham and other parts of the Country was growing.

The budget was about priorities and the Joint Administration had laid out priorities for all to see. Monies pulled from those communities facing significant hardship and channelled into some of the most beautiful areas of County Durham. The contrast between Labour and the Joint Administration in County Durham had never been more stark. Labour was focussed on need, on evidence-led policy making, on putting the poorest and most vulnerable first. The Joint Administration was putting its own re-election before financial and moral responsibilities to the County as a whole, specifically the most vulnerable who relied on local services.

Local government was in an uncertain state and councils and officers had suffered on the frontline of austerity since 2010. Councils had declared themselves bankrupt and the LGA expected more to follow in the years ahead.

Since 2010 Durham had suffered annual cuts which had cost jobs, seen services stripped to the bone or terminated. Investment in schools and public buildings had been choked off. Since 2010 the Labour Group and Labour MPs had argued for better and fairer ways of funding councils while at the same time cutting the Councils cloth to suit. Tough decisions needed to be made. Local services were reformed and some bold decision taken in the way council buildings and accommodation were provided and reserves invested into local infrastructure like the Leisure Transformation Programme. Labour looked after the public purse, put all County Durham communities first and in 2021 handed over a council that had sound financial resilience, was politically competent and well led.

The Joint Administration had not displayed leadership. Decisions had been kicked down the road by Cabinet Members reluctant to make difficult choices or decisions made by a small few rather than the many across the County. Decisions had been made for political expediency, rather than putting communities first. The Council had spent more reserves in the past three years than any other similar authority in the Country. £5m had been earmarked in next years Capital Programme for the demolition of County Hall but there was nowhere for the staff to go.

The budget cut services while gambling on more income through charges and fines in outlying areas. Weeks ago the Council voted unanimously for a review of parking charges, yet these charges were included in the budget for next year. New parking charges had been introduced across Durham's Heritage Coast which would impact on local residents and businesses and

deter visitors. Two promised new leisure centres at Chester le Street and Seaham had been scrapped with no budget for Meadowfield or Shildon. Abbey Leisure Centre was delivered first at double the expected budget.

The Leader of the Council clarified that it was Councillor Marshall as a Portfolio Holder who had put Abbey Leisure Centre at the front of the investment on Leisure Transformation.

Councillor Marshall continued that it was wrong to cut Leisure and Community services while child poverty and mortality rates were going up. Over the past 12 months there had been over £1m spent from a regeneration reserve to fund cultural events and a programme in Durham City Centre. Over half of this was spent in the City centre itself on projects which were not funded at the beginning of the year. The Cabinet was planning spending £23m on a fancy restaurant and art gallery, a project branded as reopening the DLI, when the DLI archive and collection would open at The Story in June. The DLI was a waste of public money and had no business plan or business case and added additional budget pressures of £600,000 a year to the Council's revenue budget.

While culture funding had been poured into Durham City Centre there had been a consultation on reducing the cultural offering in outlying areas including reducing cultural venues in Bishop Auckland and in Consett.

The Council's leaders had promised not to hike up Council Tax before the last election, but with the £70m income from the sale of the new HQ building at The Sands nowhere to be seen the Council was faced again with a 5% Council Tax hike.

Councillor Marshall knew that Members across the Council from various political groupings were not happy with the proposals before Council today. The Labour Group took its responsibilities seriously and wanted to set a balanced budget, however, it could not be the budget as proposed. The Labour Group was willing to sit down with the Council's leadership and talk about the policy and priorities of the County Council adding that there was a need to set a budget which dealt with the difficult issues faced, invested in the future and targeted resources at need. Councillor Marshall urged all members to vote against the budget so that a fair budget could be produced for the whole of County Durham.

Councillors Hovvels, Deinali, Adam, Batey, Yorke, Shaw, Bihari, Varty, Fenwick, Miller, Wood, Scurfield, McKenna, Charlton-Lainé, McKenna, Kay, Gunn, Tinsley, Mulholland, Surtees, S Quinn, McKeon and Wilson spoke against the budget proposals.

Councillors Howey, Scott, Lines, Shuttleworth, L Brown, L mavin, Shield, Ormerod, Sutton-Lloyd, Robson, Rowlandson, Henderson, Hood, Watson, Blakey and Wilkes spoke in favour of the budget proposals.

Councillor R Bell, Deputy Leader and Cabinet Portfolio Holder for Finance thanked officers for a comprehensive and thorough report. Councillor Bell had listened to the debate which had thrown up such contradictory things as being accused of slashing services and going on a spending spree. Opposition Members had claimed credit for £74m of new government transport money yet painted a picture of life in County Durham so bleak that was unrecognisable, the Capital Budget being criticised as too fat and simultaneously heard calls to expand it. This was not coherent comment.

Focussing on the key figures in the budget and the pressures on the budget there were £13m additional costs from the 9.75% increase in the national living wage, this was mainly an Adult Social Care issue. Pay inflation for directly employed staff of £14.9m. Looked after children pressures had increased by £12m and this was primarily demand led. Home to school transport had increased by £2.5m. Total pressures were around £62m.

The additional funding being provided by Government next year totalled £30m which was very welcome but not enough to meet cost pressures. However the Joint Administration had been able to set a balanced budget with the assistance of almost £4m from the MTFP reserve and in doing so accommodate an additional £90m of new capital investment in assets and infrastructure. These were not vanity projects as had been suggested, most of the capital expenditure was necessary and sometimes overdue and referred to replacement of an ageing stock of council and school buildings, a network of roads and bridges coming to the end of their shelf life, including multiple footbridges in Durham City and several road bridges across the County. Provision of £5m had been made for investment in failing bridges County-wide as part of the MTFP round but this was clearly not enough to fix them.

£35m was proposed for next year to continue the new school builds at Belmont, Greenfield at Newton Aycliffe and Spennymoor Oxclose Primary.

Every £20m of capital borrowing roughly cost £1m a year to service the debt and it followed that the Joint Administration could not afford to do everything it would like.

Referring to Leisure Centres, Councillor Bell informed Council that the list of leisure centres to be built, produced in 2021 was an aspirational paper but the money was not in the budget to then build of the leisure centres. The Joint Administration was left with a wish list without the funding to fulfil it, therefore funding for this was not being cut because it was never there.

Utilising reserves to balance the budget represented good financial sense providing it was for the short term. The Joint Administration had been criticised for the use of reserves but over the 12 years from 2010/11 to 2021/22 the previous administration used reserves at an average of £9.5m a year which was above what the Joint Administration had spent in its previous two budgets and in this budget.

It would not be responsible to spend reserves on one-off capital schemes at this stage, reserves should only be used to develop plans to make savings to live within the Council's means.

In his Section 25 report the Corporate Director of Resources noted that total reserves will have reduced by £30m to £161m at the year end. On top of this was a general reserve of £29.3m which was within the threshold set.

Increasing the Council Tax was never easy or popular but statutory public services had to be protected and it was the correct thing to do. Those on low incomes in County Durham were afforded significant protection through the Local Council Tax Reduction Scheme which did not cap the limits people could receive.

The Joint Administration was in the business of sound management of the Council. The budget was a fair, balanced and a budget for the whole County and was a good endeavour in very difficult circumstances. Councillor Bell commended the proposals set out in the reports and **Seconded** the recommendations.

In closing the debate the Leader of the Council addressed some issues which had been raised during the debate. Members had referred to not having enough time to consider the budget, yet quarterly reports were taken to Overview and Scrutiny and the budget was presented to Cabinet every quarter.

It was the duty of elected Members to promote their areas instead of constantly talking them down. The figure for the new build of Chester le Street Leisure Centre was £25m and not £17m and Bishop Auckland was always the first leisure centre to be rebuilt because of the condition. All that changed was the siting of it moved from Tindale to Woodhouse Close at the request of the residents.

Councillor Marshall had referred to political choices yet the Labour Group had not submitted a single amendment. Rather than mismanagement, the Joint Administration had secured £99m of devolution funding for County Durham before the election of the Mayor, investment had been delivered with

£62m in leisure, £60m in NetPark and a joint venture partnership procurement for Aykley Heads.

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

Medium Term Financial Plan 2024/25 to 2027/28 and Revenue and Capital Budget 2024/25

For the Motion

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

Against the Motion

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

Abstentions

None

Resolved:

That the report and its recommendations be adopted in full

Council Tax Setting in Order to Meet the County Council's Council Tax Requirement for 2024/25

For the Motion

Councillors M Abley, A Bell, C Bell, R Bell, J Blakey, D Brown, L Brown, J Cairns, J Charlton, J Cosslett, B Coult, M Currah, T Duffy, J Elmer, D Freeman, P Heaviside, T Henderson, L Holmes, C Hood, A Hopgood,

J Howey, C Hunt, G Hutchinson, A Jackson, N Jones, P Jopling, C Lines, L Maddison, C Martin, E Mavin, L Mavin, B McAloon, S McDonnell, M McGaun, P Molloy, J Nicholson, D Oliver, R Ormerod, E Peeke, R Potts, J Quinn, A Reed, G Richardson, S Robinson, K Robson, K Rooney, J Rowlandson, A Savory, E Scott, A Shield, J Shuttleworth, M Simmons, A Simpson, M Stead, W Stelling, A Sterling, D Stoker, T Stubbs, D Sutton-Lloyd, M Walton, A Watson, M Wilkes and S Zair.

Against the Motion

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

Abstentions

None

Resolved:

That the following be adopted:

- (a) It be noted that the council tax base 2024/25 for:
 - (i) the whole council area is 146,645.3 Band D equivalent properties [Item T in the formula in Section 31B of the Local Government Finance Act 1992 (as amended)] and
 - (ii) dwellings in those parts of its area to which a parish precept relates is set out in the attached Appendix 3.
- (b) The Council Tax Requirement for the Council's own purposes for 2024/25 (excluding Parish precepts and the Charter Trustees for the City of Durham precept) is £268,638,407.
- (c) Agree the following amounts in accordance with Sections 30 to 36 of the Act being the:

- (i) aggregate of the gross expenditure which the council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by parish councils is £1,487,249,426.
- (ii) aggregate of the gross income which the council estimates for the items set out in Section 31A(3) of the Act is £1,187,384,855
- (iii) amount by which the aggregate at (c) i) above exceeds the aggregate at (c) ii) above in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year [Item R in the formula in Section 31B of the Act] is £299,864,571.
- (iv) amount at (c) iii) above (Item R), all divided by Item T ((a) i) above), in accordance with Section 31B of the Act as the basic amount of its council tax at Band D for the year (including parish precepts) is £2,044.83.
- (v) aggregate amount of all special items referred to in Section 34 (1) of the Act: (total of all parish precepts including Charter Trustees) is £16,226,164.
- (vi) amount at (c) iv) above less the result given by dividing the amount at (c) v) above by Item T ((a) i) above), in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax at Band D for the year for dwellings in those parts of its area to which no Parish precept relates is £1,934.18.

(d) It be noted that for 2024/25, the County Durham and Darlington Fire and Rescue Authority has recommended the following amounts be in the precept issued to the County Council, in accordance with Section 40 of the Act, as shown in the table below:

COUNTY DURHAM AND DARLINGTON FIRE AND RESCUE AUTHORITY

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
78.75	91.87	105.00	118.12	144.37	170.62	196.87	236.24

- (e) It be noted that for 2024/25, the Durham Police, Crime and Victims' Commissioner has recommended that the following amounts be in the precept issued to the County Council, in accordance with Section 40 of the Act, as shown in the following table:

DURHAM POLICE, CRIME AND VICTIMS' COMMISSIONER

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
178.83	208.63	238.44	268.24	327.85	387.46	447.07	536.48

- (f) That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992 (as amended) hereby sets the aggregate amounts shown in the tables below as the amounts of council tax for 2024/25 for each part of its area and for each of the categories of dwellings.

DURHAM COUNTY COUNCIL

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1,099.45	1,282.70	1,465.94	1,649.18	2,015.66	2,382.15	2,748.63	3,298.36

DURHAM COUNTY COUNCIL – ADULT SOCIAL CARE

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
190.00	221.67	253.33	285.00	348.33	411.67	475.00	570.00

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

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£

1,547.03	1,804.87	2,062.71	2,320.54	2,836.21	3,351.90	3,867.57	4,641.08
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- (g) The Council has determined that its relevant basic amount of council tax for 2024/25 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992 (as amended) and that the increase in council tax is not excessive in accordance with the principles approved under Section 52ZC Local Government Finance Act 1992 (as amended).
- (h) As a billing authority the council has not been notified by County Durham and Darlington Fire and Rescue Authority and Durham Police, Crime and Victims' Commissioner, as major precepting authorities, that their relevant basic amount of council tax for 2024/25 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK Local Government Finance Act 1992 (as amended).
- (i) The Council set a 0% discount for Second and Empty Furnished Homes, in accordance with Section 11A (3) of the Act.
- (j) The Council set a 0% discount for dwellings defined in classes C or D, in accordance with Section 11A (4A) of the Act.
- (k) The Council set premium charges for long term empty homes, in accordance with Section 11B (1b) of the Act: 100% premium for properties which have been empty for more than twelve months and up to five years, a 200% premium for properties empty for longer than five years but less than ten years and a 300% premium for empty properties longer than ten years.
- (l) The Chief Executive be instructed to publish a notice in accordance with Section 38 (2) of the Act, relating to the amounts of council tax set.
- (m) The Chief Executive be instructed to publish a notice in accordance with Section 11A (6) and 11B (6) of the Act, relating to the discount set.

12 Questions from Members

There were no questions from Members.

County Council

27 March 2024

Report from the Cabinet



Electoral division(s) affected:

All

Purpose of the Report

To provide information to the Council on issues considered by the Cabinet at its meeting held on 13 March 2024 to enable Members to ask related questions by no later than midday 3 working days before the day of the meeting

Contents

Item 1 - Spennymoor - Long Term Plan for Towns [Key Decision: REG/2024/002]

Item 2 - Corporate Enforcement Policy [Key Decision: NCC/2024/001]

Item 3 – Forecast of Revenue and Capital Outturn 2023/24 – Period to 31 December 2023 and Update on Progress towards achieving MTFP (13) savings

Item 4 – Tree Management Policy and Inspections Review

Item 5 - Public Space Protection Order – Durham City

Item 6 - New Business Units South Church Enterprise Park, Bishop Auckland

Item 1 — Spennymoor - Long Term Plan for Towns – [Key Decision: REG/2024/002] - Councillor Elizabeth Scott, Cabinet Portfolio Holder for Economy and Partnerships and Councillor James Rowlandson, Cabinet Portfolio Holder for Resources, Investment and Assets.

We considered a report of the Corporate Director of Regeneration, Economy and Growth which provided an update on the Government’s Long-Term Plan for Towns programme which was announced in October 2023 and sought to target funding to 55 towns across England including Spennymoor.

The report included details of the further guidance received in December 2023 together with the proposals for developing a Town Board and the development of a town plan.

Decision:

We:

- (a) noted the inclusion of Spennymoor within the Government's Long Term Plan for Towns Programme;
- (b) endorsed the process of seeking a chair for the Town Board through open recruitment; and
- (c) delegated approval of the submission of the Vision and Town Investment Plan to the Corporate Director of Regeneration Economy and Growth in consultation with the Cabinet Portfolio Holders for Economy & Partnerships and Resources, Investments & Assets.

Item 2 – Corporate Enforcement Policy [Key Decision No. NCC/2024/001] – Councillor Mark Wilkes, Cabinet Portfolio Holder for Neighbourhoods and Climate Change

We considered a joint report of the Corporate Director of Neighbourhoods and Climate Change which sought approval to adopt the revised Corporate Enforcement Policy from 1 April 2024 following internal review and wider public and partner consultation and grant delegated authority to relevant Corporate Directors in consultation with the Head of Legal and Democratic Services to review and amend the Corporate Enforcement Policy as appropriate as and when required in the future.

Decision:

We:

- (a) Noted the contents of the report and the final Corporate Enforcement Policy accompanying the report as attached at Appendix 2;
- (b) Agreed to formally adopt the Corporate Enforcement Policy from 1 April 2024, subject to any further amendments; and
- (c) Agreed to delegate authority to relevant Corporate Directors in consultation with the Head of Legal and Democratic Services to review and amend the Corporate Enforcement Policy as appropriate as and when required.

Item 3 – Forecast of Revenue and Capital Outturn 2023/24 – Period to 31 December 2023 and Update on Progress towards achieving MTFP (13) savings – Councillor Richard Bell, Deputy Leader and Cabinet Portfolio Holder for Finance

We considered a report of the Corporate Director of Resources which provided the updated forecast revenue and capital outturn at 31 March 2024,

based on the position to 31 December 2023, an update on the dedicated schools grants and forecast schools' outturn as at 31 March 2024, based upon the position to 31 December 2023, the updated forecast for the council tax and business rates collection fund outturn at 31 March 2024, based on the position to 31 December 2023 and details of the updated forecast use of and contributions to earmarked, cash limit and general reserves in 2023/24 and the estimated balances that will be held at 31 March 2024.

The report also provided an update on the 2023/24 capital programme, other budget adjustments and proposed sums treated as outside of the cash limit in year and an update on progress towards achieving MTFP (13) savings in 2023/24.

Decision:

We:

- (a) noted the council's overall forecast financial position for 2023/24 and the continuing uncertainty associated with the outturn forecast resulting from the significant inflationary and demand led cost pressures;
- (b) agreed the proposed 'sums outside the cash limit' and transfers to and from general contingencies as set out in the report;
- (c) approved the revenue and capital budget adjustments outlined in the report;
- (d) noted performance against the various prudential indicators agreed by Council in February 2023;
- (e) noted the forecast use of earmarked reserves in year;
- (f) noted the forecast 2023/24 cash limit underspend of £2.479 million (net of CYPS) alongside the forecast contribution of £4.336 million to general reserves resulting in a forecast overall net council underspend in 2023/24 of £6.815 million;
- (g) noted the net unavoidable inflationary pressures which are forecast to be managed from the General Reserve;
- (h) noted that all reserves will be reviewed to ensure sufficient sums are available in the ERVR and MTFP Support Reserve to support the MTFP going forward;
- (i) noted the Dedicated Schools Grant and Schools forecast outturn position;
- (j) noted the position on the capital programme and the Collection Funds in respect of Council Tax and Business Rates; and

Item 4 – Tree Management Policy and Inspections Review – Councillor Mark Wilkes, Cabinet Portfolio Holder for Neighbourhoods and Climate Change

We considered a report of the Corporate Director of Neighbourhoods and Climate Change which provided information on proposed revisions to the corporate Tree Management Policy and tree inspection procedures and sought endorsement of the resulting revised policy and procedures.

Decision:

We:

- (a) noted the content of the report.
- (b) endorsed the revised Tree Management Policy and proposed tree inspection procedures.
- (c) noted that a review would be carried out of budgets and resources and where they lie within the organisation to help ensure that safety works are adequately resourced and prioritised.
- (d) noted that further reports would be submitted to Neighbourhoods and Climate Change Management Team and Corporate Property Board outlining the results of the inspection regime and potential resource implications.
- (e) agreed to an internal audit of the revised tree risk management strategy after 12 months of complete implementation.

Item 5 - Public Space Protection Order – Durham City – Councillor John Shuttleworth, Cabinet Portfolio Holder for Rural Communities and Highways

We considered a report of the Corporate Director of Neighbourhoods and Climate Change which provided an overview of the powers, benefits and risks available under a Public Space Protection Order (PSPO).

The report also sought agreement to undertake a public consultation on the introduction of a Public Space Protection Order (PSPO) to help control:

- (a) Begging
- (b) Urinating or defecating.
- (c) The use of intoxicating substances

Decision:

We:

- (a) Agreed that a full public consultation exercise be undertaken to:
 - (i) gather evidence relating to the activities and behaviours to determine the need for a PSPO in Durham City
 - (ii) gauge the level of public support and opinion on the merits of introducing a new PSPO in Durham City.
 - (iii) seek views on whether any other behaviours and activities should be included in a PSPO for Durham City.
- (b) delegated the finalisation of the consultation proposals and the management of the consultation process itself to the Corporate

- Director for Neighbourhoods and Climate Change in consultation with the Portfolio Holder for Rural Communities and Highways.
- (c) agreed that a report would be presented for further consideration following the outcome of the consultation exercise to determine whether to introduce a PSPO in Durham City.

Item 6 - New Business Units South Church Enterprise Park, Bishop Auckland – Councillor James Rowlandson, Cabinet Portfolio Holder for Resources, Investments and Assets

We considered a report of the Corporate Director of Regeneration, Economy and Growth which sought approval to progress the development of speculative business units on land owned by the council at South Church Enterprise Park, Bishop Auckland, as part of the Stronger Towns Programme.

Decision:

We:

- (a) agreed to progress the scheme of new business units, apply for all statutory approvals, and go out to competitive tender for a construction partner.
- (b) delegated authority to the Corporate Directors of Regeneration, Economy and Growth and Resources in consultation with the Portfolio Holder for Resources, Investment and Assets, to enter into the construction contract should it be achievable within the council funding envelope set out within this report.

Background Papers

Cabinet Agenda and Reports

[Cabinet Agenda and Reports - 13 March 2024](#)

Councillor A Hopgood,
Leader of the Council
19 March 2024

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Report of Corporate Management Team

Helen Bradley, Head of Legal & Democratic Services

Electoral division(s) affected:

Countywide.

Purpose of the Report

- 1 To make appointments to the North East Mayoral Combined Authority (**NEMCA**) in advance of its first scheduled meeting on the 7 May, following the Mayoral Election on 2 May 2024.

Executive summary

- 2 Subject to the passing of the necessary statutory order, the North East Mayoral Combined Authority (**NEMCA**) will come into existence at 00:00 on 7 May 2024, following the Mayoral Election on 2 May 2024.
- 3 The first scheduled meeting of the new combined authority is on 7 May 2024, and in advance of that meeting the council is required to appoint a member and two substitutes to NEMCA.
- 4 Appointments to committees of NEMCA (including overview and scrutiny) shall take place in due course once arrangements have been made by the new Combined Authority.
- 5 It is proposed that the Leader of the Council is appointed and that the Deputy Leader and Portfolio Holder for Finance, plus the Portfolio Holder for Economy and Partnerships from the Executive are appointed as substitutes.

Recommendation(s)

- 6 Council is recommended to:
 - (a) Appoint the Leader of the Council (Cllr Amanda Hopgood) as its member of the North East Mayoral Combined Authority; and
 - (b) Appoint two members of the Executive, Cllr Richard Bell (the Deputy Leader and Portfolio Holder for Finance) and Cllr Elizabeth

Scott (Portfolio Holder for Economy and Partnerships) as substitute members of the same.

Background

- 7 In December 2022, Government agreed a 'minded to' devolution deal with the leaders of the LA7 and the Mayor of the North of Tyne Combined Authority. The deal will see the abolition of the North of Tyne Combined Authority and the North East Combined Authority and the establishment a new Combined Authority covering the entirety of the LA7 region.
- 8 On the 18 January 2023, Cabinet gave in principle endorsement to the 'minded to' deal and agreed to undertake consultation on the proposals.
- 9 On the 31 May 2023, Cabinet considered the response to the consultation and agreed to submit the response to the Secretary of State. Cabinet delegated authority to the Chief Executive, in consultation with the Leader, to give consent to the laying of an order to create the new combined authority.
- 10 On the 2 February 2024, in accordance with powers delegated to him, the Chief Executive gave consent to the Secretary of State's proposals to abolish the two existing Combined Authorities and establish a new Mayoral Combined Authority.
- 11 The draft order to establish the new Combined Authority was subsequently laid before both the House of Commons and the House of Lords and at the time of drafting this report, is currently making its way through the usual Parliamentary processes. By the time of the Council meeting on the 27th, it is very likely to have been approved and become law.
- 12 The draft order provides that each constituent council must appoint one of its members to the Combined Authority and also must nominate two members who can act as substitutes.
- 13 Ordinarily, appointments to the North East Combined Authority are made as part of the appointments to other Joint and Outside Bodies at the Annual Meeting, however the council's annual meeting this year will not take place until after the first meeting of the new Combined Authority.
- 14 In keeping with the expectations that have been set out by the Combined Authority for local authority representation on the NEMCA, and following previous practice, it is recommended that the council appoint the Leader of the Council to NEMCA. The Leader is currently the interim portfolio holder for culture, creative, tourism and sport.
- 15 It is further recommended that two Members of the Executive (the Deputy Leader and Portfolio Holder for Finance, and the Portfolio Holder for Economy and Partnerships are appointed as substitute members.

- 16 Appointments to committees of NEMCA (including overview and scrutiny) shall take place in due course once arrangements have been made by the new Combined Authority.

Background papers

- None

Other useful documents

- North East Devolution, Cabinet, 18 January 2023
- North East Devolution, Cabinet, 31 May 2023
- Creation of the North East Mayoral Combined Authority, Delegated Decision of the Chief Executive, 2 February 2024

Author(s)

James Etherington

Tel: 03000 269727

Appendix 1: Implications

Legal Implications

The proposed recommendations will comply with the council's legal duty as set out in the draft order.

Finance

None from these appointments.

Consultation

N/A

Equality and Diversity / Public Sector Equality Duty

N/A

Climate Change

N/A

Human Rights

N/A

Crime and Disorder

N/A

Staffing

N/A

Accommodation

N/A

Risk

N/A

Procurement

N/A

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27 March 2024

Independent Remuneration Panel -
Appointments to Panel



Report of Corporate Management Team

Paul Darby, Corporate Director of Resources

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 To consider the appointments to the Independent Remuneration Panel.

Executive summary

- 2 Under The Local Authorities (Member's Allowances) (England) Regulations 2003 ("The Regulations") the Council must make a Scheme of Allowances for Members each year. The Regulations also provide that before the beginning of each financial year, the authority shall review the Scheme and before it confirms or amends the Scheme, it shall have regard to the recommendations made by the Independent Remuneration Panel ("the Panel").
- 3 Also provided for in the regulations is that the Authority shall establish an Independent Remuneration Panel which must consist of at least three members.
- 4 In June 2019, Council agreed arrangements to refresh the Panel, and a new panel of up to seven was established with the term of office of its members being for a five year period to 30 September 2024.
- 5 Last year, the County Council resolved to retain the existing scheme in 2023/24 and 2024/25 and to ask the IRP to undertake a fundamental review in the summer of 2024 to inform the scheme for 2025/26 and beyond, which would coincide with implementation of the Local Government Boundary Review recommendations.
- 6 The terms of office of the current panel are due to expire on 30 September 2024.
- 7 The report sets out proposals to extend / re-appoint the existing IRP members (subject to their willingness to continue) for a further 12 months to ensure continuity whilst a new Member Allowance Scheme

for 2025/26 to 2028/29 is developed. A recruitment exercise will be undertaken in 2025 to seek nominations and appoint to the IRP for a five year period from 2025. Existing members of the IRP will be free to reapply if they wish at that stage.

Recommendation

5 County Council is recommended to:

- i. Record its thanks to the members of the Panel for their support to date in reviewing the Member Allowance Scheme.
- ii. Support the proposal to re-appoint the existing IRP (subject to their willingness to continue) for a further twelve months to ensure continuity whilst a new Member Allowance Scheme for 2025/26 to 2028/29 is developed;
- iii. Note the intention to undertake a recruitment exercise in 2025 for IRP members for a term of five years;
- iv. In the event fewer than three members are able to continue on the Panel, request that the Corporate Director of Resources undertakes a recruitment exercise with a view to appointing new Members.

Background

- 6 Under The Local Authorities (Member's Allowances) (England) Regulations 2003 ("The Regulations"), the Council must make a Scheme of Allowances for Members each year.
- 7 The Regulations also provide that before the beginning of each financial year, the authority shall review the Scheme and before it confirms or amends the Scheme, it shall have regard to the recommendations made by the Independent Remuneration Panel ("the Panel"). The Scheme may be amended at any time during the financial year.
- 8 Also provided for in the Regulations is that the Authority shall establish an Independent Remuneration Panel which must consist of at least three members none of whom:
 - a) is also a member of an authority in respect of which it makes recommendations or is a member of a committee or sub-committee of such an authority; or
 - b) is disqualified from being or becoming a member of an authority.
- 9 Local Authorities are to have regard to guidance that was issued on the regulations and to ensure that their appointments process commands public confidence. The guidance states that the Panel should be:
 - truly independent,
 - well qualified to discharge the functions of the Panel; and
 - representative of the diversity of the communities in the local authority's area.
- 10 The guidance also indicates that local authorities will need to consider the term of office of members of the Panel and recognises that the Panel may become more effective as its knowledge and understanding of members allowances is increased. Accordingly, local authorities may wish to consider appointing members of the panel for a term of office of several years, perhaps 3 to 5 years.
- 11 Local authorities may advertise for candidates in local newspapers or may ask particular stakeholders, for example for voluntary sector or the local business community to put forward candidates. In all cases the local authority is required to ensure its appointments process is open to public scrutiny.
- 12 To maintain credibility of its Panel a local authority must give due consideration to whether all its Panel members are recognised members of the local community. Political appointments and any

appointments which are made through friendship or any other personal association with members of the Authority are to be avoided.

Existing Independent Remuneration Panel

- 13 In 2019 Council agreed to establish a new panel of up to seven members with a five-year term of office. At that time, the IRP consisted of four Members. Appointments were offered to the two existing members appointed in 2015. The two panel members who had served since 2009 were not offered an extension to their appointments.
- 14 Following a recruitment exercise, three further appointments were made by the Corporate Director of Resources in consultation with the Leader and Deputy Leader of the Council. The current members on the Panel, whose terms of office are due to expire on 30 September 2024, are:-
 - Joyce Drummond-Hill
 - Alan Fletcher
 - Steve Lothain
 - Raymond Morris
 - Ian Youll
- 15 Panel members do not receive an allowance, however they are reimbursed for reasonable expenses incurred in attending meetings.
- 16 Following the Local Government Boundary Commission Review, the Council is required to conduct a fundamental review of the Member Allowance Scheme to be implemented from May 2025.
- 17 In June 2023, Council agreed that there would be no further changes to the existing allowances scheme pending this review. It also agreed that once a new scheme is adopted, it will be subject to review every four years, in advance of the new council being elected each electoral cycle.
- 18 It is envisaged that the review of the existing scheme will commence in June 2024 and will still be ongoing around the same time that the terms of office of the existing Panel expire. The review will be concluded by December 2024 at the very latest so that Council can consider the position and factor any amendments into the 2025/26 base budget as appropriate.
- 19 Consideration has been given to undertaking a recruitment exercise with a view to appointing a new Panel. However, it is considered preferable to re-appoint the existing Panel for a further term. This will avoid any issues arising in the event there is limited interest in applying for the roles and will also ensure continuity. The IRP are familiar with the Council's arrangements and have a well-established approach for considering the Scheme of Allowances.

- 20 This proposal is subject to the existing Members being willing to continue in their role. In the event that some or all of them are unable to continue, a recruitment exercise will need to be undertaken.
- 21 If the Panel are willing to continue, it is proposed that a recruitment exercise is conducted in advance of the review, which will need to be conducted in 2028 for the period 2029/20 onwards.
- 22 Constitution Working Group at its meeting on 22 February 2024 advised of its support for the proposals.

Background papers

The Local Authorities (Member's Allowances) (England) Regulations 2003

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Michael Turnbull

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Appendix 1: Implications

Legal Implications

To comply with the Local Authorities (Member's Allowances) (England) Regulations 2003 ("The Regulations").

Finance

Advertising costs of seeking applications and reimbursement of reasonable expenses.

Consultation and Engagement

None specific within this report.

Equality and Diversity / Public Sector Equality Duty

None specific within this report.

Human Rights

None specific within this report.

Crime and Disorder

None specific within this report.

Staffing

None specific within this report.

Accommodation

None specific within this report.

Risk

None specific within this report.

Procurement

None specific within this report.