

DURHAM COUNTY COUNCIL

At a Meeting of **Cabinet** held in the **Council Chamber, County Hall, Durham** on **Wednesday 13 November 2024** at **9.30 am**

Present:

Councillor A Hoggood (Leader of the Council)

Cabinet Members:

Councillors R Bell (Deputy Leader of the Council), T Henderson, S McDonnell, A Shield, J Shuttleworth and M Wilkes

Apologies:

Apologies for absence were received from Councillor Chris Hood, Councillor James Rowlandson and Councillor Elizabeth Scott

Also Present:

Councillor Chris Lines and Councillor Julie Cairns

1 Public Questions

There were no public questions.

2 Minutes

The minutes of the meeting held on 16 October 2024 were agreed as a correct record and signed by the Chair.

3 Declarations of interest

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

4 Council Tax Base 2025/26 and Forecast Surplus / Deficit on the Council Tax Collection Fund - Key Decision: CORP/R/2024/002

The Cabinet considered a report of the Corporate Director of Resources which sought to determine the council's tax base for domestic properties liable to pay council tax, which was an important component in the council's budget setting process for 2025/26 and to report on the estimated council tax collection fund surplus / deficit as at 31 March 2025 (for copy of report see file of minutes).

In moving the report, the Deputy Leader thanked the Corporate Director and his team, noting the importance and complexity of setting the tax base, and declaring the forecast surplus or deficit on the council tax collection fund. The calculations had been more complicated due to the impacts of the changes with regards to the introduction of the second homes premium. Following the introduction of the Levelling Up and Regeneration Act and consultation in 2023, the Council had amended the long-term property premium policy to apply a 100% premium on properties classed as second homes from April 2025.

The Council Tax base for 2025-26 showed an increase of 1.42% on the figure used to set the budget for 2024-25, which provided £3.3 million of additional council tax revenues into budget planning and was £2.8 million more than the initial forecasts which had been previously presented to Cabinet.

The Deputy Leader confirmed that he had consistently lobbied Government about the impact of the low tax base in County Durham and the limited council tax raising capacity compared to many other areas. He confirmed that 83% of all domestic properties in County Durham were in Bands A to C which was well above the national average of 65.3%. This disadvantaged the Council in terms of its tax raising capacity when compared to other authorities with higher proportions of properties in the higher council tax bands. The Council were unable to generate sufficient income from increases in council tax and therefore unable to meet basic inflationary pressures, let alone escalating demand or investment in improvements and this increased reliance on central government funding. Council Tax only funded around 21% of the Council's gross expenditure and the Council relied on support from central government through the local government finance settlement.

The Deputy Leader acknowledged that members of the public would be frustrated that the Council were increasing Council Tax in addition to reducing services and making savings, however this was due to the huge financial strain of statutory social care services. In terms of the Council's future funding position, the Government had made some positive statements in the Budget about seeking to revise the local government grant distribution formula to better take into account need, deprivation and council tax raising capacity. Without a boost to the funding position, the Council would be faced with a very challenging position across the coming years and have some difficult choices to make in terms of service cuts.

The Council Tax Collection Fund was forecast to have a surplus to the year end of £1.806 million and our share of this is £1.520 million. The Police and Fire authorities had been notified of the position for budget planning purposes. With regards to the Local Council Tax Reduction Scheme grant payments, the Council would make a £1 million of grant payments to Local Town and Parish Councils next year, it was reduced in line with the approved reductions between 2024/25 and 2026/27 however it was not a statutory requirement and the majority of other councils did not make these payments. Retaining payments at £750,000 once the agreed budget savings had been delivered would still represent a significant financial commitment to local Town and Parish Councils.

In seconding the report, the Leader thanked the Corporate Director and Officers in Resources for the report. She reiterated the complex nature of the report and the importance of the budget setting process.

The policy changes following consultation in 2023 would assist to bring into use empty properties and the changes were policy decisions mirrored in the majority of other Councils. It was pleasing that the tax base had grown however the council tax raising capacity continued to be inhibited by County Durham's low tax base which she hoped would be addressed by the Government.

Resolved:

That the recommendations in the report be approved.

5 Regulation of Investigatory Powers Act 2000

The Cabinet considered a report of the Director of Legal and Democratic Services which informed Cabinet about the Council's use of its powers under the Regulation of Investigatory Powers Act 2000 ('RIPA') during the period of 1 April 2023 to 31 March 2024.

The report also asked Cabinet to consider and adopt the annual review of the Council's Corporate RIPA Guidance following consideration by the Corporate Overview and Scrutiny Management Board on 28 October 2024 (for copy of report see file of minutes).

In moving the report, the Deputy Leader welcomed the opportunity to review the Council's use of the RIPA which enabled the Council to use surveillance to investigate and prevent the sale of illicit tobacco and counterfeit goods. The appropriate use of RIPA enabled the Council to safeguard the health and wellbeing of communities. The Council were expected to review its corporate guidance and RIPA Policy on an annual basis and there were no significant changes, other than to determine whether authorisation was required for the use of social media for investigations.

Councillor Wilkes, Portfolio Holder for Neighbourhoods and Climate Change, reiterated the Council's role in preventing the sale of illicit tobacco and counterfeit goods which had harmful effects on the health and wellbeing of children and young people. It was linked to antisocial behaviour and in some cases organised crime. The ability to use RIPA to investigate criminal activity, educate retailers and take enforcement action where appropriate, was crucial to improve lives and health of residents.

Councillor Wilkes thanked all Officers involved in overseeing the Council's use of surveillance and for ensuring the powers were effectively.

Resolved:

That the recommendations in the report be approved.

6 Highways Asset Management Plan (HAMP)

The Cabinet considered a report of the Corporate Director of Neighbourhoods and Climate Change which provided an update on the Highways Asset Management Plan (HAMP), including investment and highway condition across the county (for copy of report see file of minutes).

In moving the report, Councillor Shuttleworth, Cabinet Portfolio Holder for Highways and Rural Communities confirmed that the report demonstrated the Council's continued commitment to maintain and invest in the highway network and infrastructure. The highway network represented one of the highest value Council maintained assets and its condition and stability remained a priority. Due to investment in recent years the highway network remained good condition and this was visibly evident when comparing to other regions. Work would continue to ensure that County Durham received as much funding as possible and he welcomed the recently announced budget for potholes.

Councillor Shuttleworth commended the work undertaken by the highways teams to deliver a quality service. The HAMP underpinned their work by setting out a policy and establishing the conditions of assets to ensure the Council continued to deliver.

Councillor Wilkes seconded the report and reiterated the importance of the HAMP which set out areas of strength and areas that needed further investment. The joint administration were committed to improve the condition of the highway network with a focus on unclassified roads having had been identified as requiring improvement in previous plans. This goal had been achieved despite challenges of high inflation and increased material prices.

The Council had laid the first net zero road in the region, deployed AI to support highways inspectors and trialled nature friendly street lighting. This Council remained committed to improving condition of highway structures and the HAMP provided the information and framework to do this effectively. Over recent years the Council had invested more money than ever before to the highway network and this work would continue.

Resolved:

That the recommendations in the report be approved.

7 Community Engagement Review

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth which provided an update on the community engagement review project, in particular proposals for the governance, funding, and branding arrangements to replace Area Action Partnerships with a Local Network model.

The report also provided an update on the outcomes of the Local Network Boundary consultation exercise and sought approval on proposals to change the current 14 Area Action Partnership (AAP) boundaries to create 12 new Local Networks (for copy of report see file of minutes).

Councillor C Lines, representing Sedgefield Division, asked a question with regards to proposal to link Sedgefield and Newton Aycliffe and that there was an imbalance in the size of the two settlements which could impact funding allocation due to representation on the Local Network Panel. He was not satisfied that his concerns had been addressed and asked the Cabinet for reassurance that there were robust safeguards in place to prevent a single area from benefitting from Local Network Funding.

Councillor A Shield, Cabinet Portfolio Holder for responded to confirm that one of the key principles driving the move to a new Local Network model was to ensure that funding was spent in a strategic way, and used to address locally agreed priorities. The Local Network plans would guide spending over 4 year periods. This would ensure that funding was used to tackle issues identified as priorities across the Local Network area, and safeguard spend disproportionately going to a single area, unless already agreed as a specific priority for investment.

The four year funding cycle would also allow more time to be spent understanding an individual area. The Local Network approach would ensure that prior to any use of funding, local networks would have the strengthened information through the alignment to new electoral boundaries.

This would be combined with wide reaching community engagement to ensure a full picture of the opportunities to improve the whole area for all those who lived within it. It should also be noted that Neighbourhood Budgets were aligned to individual local ward members, meaning that there was already a healthy proportion of funding that was likely to be spread across the whole geography.

As a final point, whilst the Local Network budgets provided a very useful level of local investment, Local Networks were much more than funding vehicles, they were about harnessing the resources within a community. Although Durham County Council was offering a level of funding and devolution not available in most local authorities, the funding was modest when set in the wider council and partner investment that took place in every area of the county, but was about added value. By guiding funding through four year investment plans it would allow the Council to better align different funding strands and maximise the outcomes for communities, this would also help in resource planning for the interventions to support delivery.

Councillor Shield moved the report on behalf of Councillor E Scott, Portfolio Holder of Economy & Partnerships. The report highlighted proposals for a new engagement mechanism for the Council to effectively engage with communities. The new structure addressed the concerns raised in relation to the operating procedures Area Action Partnerships and revisions had been made to strengthen governance, terms of reference and improve guidance and processes in relation associated Local Network funds and County Council grants. To promote further engagement with communities, there were increased opportunities through enhanced and targeted community development activities.

He thanked all partners and stakeholders who had taken part in the engagement and consultation process and the AAP staff who had continued to maintain a high level of service delivery.

Councillor S McDonnell, Cabinet Portfolio Holder for Digital, Customer Services and Procurement confirmed that the community engagement review had been carried out with substantial work undertaken to understand the Councils main community engagement function of the AAP's and provide an improved arrangement to engage with part stakeholders and communities. The new structure would improve community engagement and provide better opportunities for wider and more effective engagement. The measures outlined in the report would build on the strengths of AAP's and provided improved ways of working.

Resolved:

That the recommendations in the report be approved.

8 Biodiversity and Non-designated Heritage Asset Supplementary Planning Documents

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth which sought approval to commence consultation on the second draft of the 'Biodiversity' and 'Non-designated Heritage Asset' (NDHA) Supplementary Planning Documents (SPDs). The SPDs supported the County Durham Plan (CDP) adopted in October 2020 (for copy of report see file of minutes).

Councillor Wilkes, Cabinet Portfolio Holder for Neighbourhoods and Climate Change referred to the public perception of consultations and that they may seem unnecessary or irrelevant, however he urged residents to support the second round of the consultation process. He confirmed that too many developments were taking place across the country with no consideration to ecology and biodiversity. This supplementary document would ensure that County Durham would lead the way to protect at risk species and the wider environment.

Each individual point in the Biodiversity SPD was important, even the small basic provisions, including the requirement for new developments to provide integrated bird boxes and access for hedgehogs in fencing. The SPD would ensure that any impact on biodiversity was improved beyond its original state and the start date set before any planning applications.

The Council recognised that there were limitations due to national planning guidelines, but would encourage developers to go beyond minimum national standards where possible, to further improve biodiversity.

Resolved:

That the recommendation in the report be approved.