

## **DURHAM COUNTY COUNCIL**

At an Ordinary Meeting of the County Council held in the Council Chamber, County Hall, Durham on **Wednesday 23 July 2014 at 10.00 a.m.**

### **Present:**

#### **Councillor J Robinson in the Chair**

Councillors E Adam, B Alderson, J Allen, B Armstrong, J Armstrong, L Armstrong, B Avery, A Batey, D Bell, E Bell, R Bell, J Blakey (Vice-Chairman), G Bleasdale, A Bonner, D Boyes, P Brookes, C Carr, J Chaplow, J Clare, J Clark, P Conway, J Cordon, K Corrigan, R Crute, M Davinson, K Dearden, M Dixon, S Forster, N Foster, I Geldard, B Graham, J Gray, O Gunn, C Hampson, J Hart, S Henig, D Hicks, J Hillary, G Holland, A Hopgood, K Hopper, E Huntington, I Jewell, O Johnson, C Kay, A Laing, P Lawton, J Lee, J Maitland, C Marshall, L Marshall, N Martin, J Maslin, O Milburn, B Moir, T Nearney, M Nicholls, H Nicholson, R Ormerod, A Patterson, T Pemberton, M Plews, C Potts, L Pounder, G Richardson, S Robinson, J Rowlandson, K Shaw, J Shuttleworth, M Simmons, M Simpson, T Smith, B Stephens, P Stradling, A Surtees, L Taylor, O Temple, E Tomlinson, J Turnbull, A Turner, A Watson, M Wilkes, M Williams, A Willis, C Wilson, S Wilson and R Young

Apologies for absence were received from Councillors J Alvey, A Bell, J Bell, H Bennett, J Brown, J Buckham, J Charlton, P Charlton, P Crathorne, K Davidson, D Freeman, B Glass, S Guy, D Hall, B Harrison, K Henig, M Hodgson, L Hovvels, S Iveson, J Lethbridge, H Liddle, R Lumsdon, P May, P McCourt, J Measor, S Morrison, A Napier, P Oliver, A Savory, A Shield, W Stelling, D Stoker, P Taylor, K Thompson, R Todd, R Yorke and S Zair

Prior to the commencement of the Meeting the Chairman informed Council that the Consett Brass Band had been invited to play outside of the Chamber to commemorate the 130<sup>th</sup> Durham Miners Gala and the 30<sup>th</sup> anniversary of the miners' strike.

The Chairman formally reported the death of Newcastle United supporters John Alder and Liam Sweeney in the Malaysian Airline tragedy in Ukraine. Members stood in silence in respect while the Consett Band played Gresford.

### **1 Minutes**

The minutes of the meeting held on 18 June 2014 were confirmed by the Council as a correct record and signed by the Chairman.

### **2 Declarations of Interest**

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

### **3 Chairman's Announcements**

#### **Kirk Merrington and Greenland Community Primary Schools**

The Chairman congratulated Councillor O Johnson, Cabinet Portfolio Holder for Children and Young People's Services, on the opening of Kirk Merrington Primary School in Spennymoor and Greenland Community Primary School in South Moor, Stanley.

#### **Belmont School**

The Chairman congratulated Belmont Community School Year 8 pupils on winning the 2014 Future Business Magnates competition, organised by Business Durham, with an app to tackle cyber bullying.

#### **Historic County Flag Day**

The Chairman informed Council that Historic County Flag Day was the day of the meeting, and to commemorate this, the flag of County Durham would be flying from the DLI Museum building.

#### **World War I**

The Chairman informed Council that a service would be held in the Council Chamber foyer at 11.00 a.m. on 4 August 2014 to commemorate the beginning of World War I and the 120 County Council workers who were killed in that War.

### **4 Leader's Report**

Councillor Henig provided the Council with an update report which included the following:

The Leader had attended an event with the Chairman of the Council to celebrate the 10<sup>th</sup> anniversary of the opening of NetPark at Sedgefield. Since NetPark opened in 1994 120,000 ft<sup>2</sup> had been developed. NetPark was the only science park in the North East and was a highly regarded facility. NetPark was currently 95% occupied with 23 businesses, including two PLCs, providing 400 direct jobs and an estimated 1,000 indirect jobs. There were currently 10 companies looking to locate to NetPark from outside of the County, and the County Council had agreed to support further development at NetPark.

The Leader was pleased to inform the Council of the decision by Atom Bank, a newly announced digital banking service, to locate their headquarters at Northumbria House at Aykley Heads, Durham. Over the next two years, Atom planned to build new offices on a five acre site beside the nearby Rivergreen Centre where it would employ more than 400 people by the end of the decade. The

Leader congratulated all those involved in working to ensure this development took place.

Finally, the Leader congratulated all those involved in this year's Brass Durham International Festival. The Festival, attended by approximately 30,000 people, saw 119 events take place over 10 days, featuring fun-filled, brass inspired performances and sold out concerts at the Gala Theatre and Durham Cathedral. The Festival hosted three world premieres in British Sea Power's Sea of Brass, Fractal Sparks featuring music from Jo Hamilton and a brass-inspired set from Lanterns On The Lake, and Steamsong, a multimedia opera from award-winning composer John Kefala Kerr.

The Festival also provided the opportunity for children and young people to experience performances at local schools, and towns and villages were treated to concerts from world class musicians as part of a community tour.

## **5 Questions from the Public**

A number of questions had been received from the public, briefly summarised as follows:

- Governance arrangements, policies and procedures, staff recruitment and codes of conduct at the Pupil Referral Unit (PRU)
- Responsibility for former garages owned by Easington District Council, the last review of council policy regarding the sale of garages and East Durham Homes working towards becoming a private company
- The demolition of garages without consultation and why garages in the Seaham area were likely to be demolished when parking problems exist.

A response to the first question (referring to the PRU) was made by the relevant Cabinet Portfolio Holder. With reference to the other questions received, the questioners were unable to attend the meeting and would receive written responses following the meeting. Councillor Tomlinson, Cabinet Portfolio for Housing and Rural Issues offered to meet with Mr Liiv, the second questioner, to discuss the issues he had raised.

The Head of Legal and Democratic Services informed the Council that all those who had submitted questions would receive a written response to their questions and both the questions and responses would be published on the Council's website, following the meeting.

## **6 Petitions**

There were no petitions for consideration.

**7 Report from the Cabinet**

The Leader of the Council provided the Council with an update of business discussed by the Cabinet at its meeting on 11 June 2014 (for copy see file of Minutes).

**8 Community Governance Review of Barnard Castle**

The Council considered a report of the Head of Legal and Democratic Services which provided details of the outcome of the consultation undertaken as part of the community governance review of Barnard Castle and the surrounding area and made draft recommendations in this regard (for copy see file of Minutes).

**Moved** by Councillor Henig, **Seconded** by Councillor R Bell and

**Resolved:**

That the report be approved.

**9 Request for Reduction of Council Size: Greencroft Parish Council**

The Council considered a report of the Head of Legal and Democratic Services which made final recommendations arising from the request from Greencroft Parish Council to reduce the number of Parish Councillors on the Parish Council from 11 to 8 (for copy see file of Minutes).

**Moved** by Councillor Johnson, **Seconded** by Councillor Henig and

**Resolved:**

That the report be approved

**10 Proposed Changes to the Constitution - Delegations to the Corporate Director, Regeneration and Economic Development, and Corporate Director, Neighbourhood Services**

The Council considered a report of the Head of Legal and Democratic Services which proposed amendments to the Council's Constitution to the Delegations of the Corporate Director, Regeneration and Economic Development and Corporate Director, Neighbourhood Services to reflect working practices (for copy see file of Minutes).

**Moved** by Councillor Henig, **Seconded** by Councillor Stephens and

**Resolved:**

That the report be approved.

## **11 The Openness of Local Government Bodies Regulations 2014**

The Council considered a report of the Head of Legal and Democratic Services which provided details of the implications for the Council following draft regulations relating to the openness of Local Government Bodies having been laid before Parliament and presented a protocol for reporting of meetings for approval (for copy see file of Minutes).

The Head of Legal and democratic Services informed Council that the regulations would come into force on 6 August 2014.

**Moved** by Councillor Henig, **Seconded** by Councillor Stephens and

**Resolved:**

That the report be approved.

## **12 County Durham Youth Justice Plan 2014/16**

The Council considered a report of the Corporate Director Children and Adults Services which presented the County Durham Youth Justice Plan 2014/16 for approval (for copy see file of Minutes).

The Plan had been approved by the County Durham Youth Offending Service Management Board on 19 May 2014 in line with Youth Justice Board and Ministry of Justice requirements, by Cabinet on 16 July 2014 and would be submitted to the Youth Justice Board at the end of July 2014.

**Moved** by Councillor Johnson, **Seconded** by Councillor Gunn and

**Resolved:**

That the Youth Justice Plan 2014/16 be approved.

## **13 Overview and Scrutiny Annual Report 2013/14**

The Council considered a report of the Assistant Chief Executive which presented the Overview and Scrutiny Annual Report for 2013/2014 (for copy see file of Minutes).

Councillor J Armstrong, Chairman of Overview and Scrutiny informed Council that the Annual Report contained details of key Scrutiny activity and achievements during 2013/14 and also the work programme for Overview and Scrutiny. The key activity and achievements included the following:

- Contribution to the budget process through consideration of the Medium Term Financial Plan
- Establishment of a Joint Health Scrutiny Committee with Hartlepool and Stockton Borough Councils to formally engage and respond to proposals to reconfigure emergency medical and critical care services at North Tees and Hartlepool NHS Foundation Trust

- Responding to the NHS Quality Accounts for 2012/13 for the North East Ambulance Service, County Durham and Darlington NHS Foundation Trust and the Tees, Esk and Wear Valley NHS Foundation Trust
- Responding to consultation exercises and engagement activity in respect of the Joint Strategic Needs Assessment, and Joint Health and Wellbeing Strategy.
- Responding to consultation on the Children, Young People and Families Plan.
- Involvement in the refresh of the Customer First Strategy through a Task and Finish Group

Overview and Scrutiny had also carried out reviews throughout 2013/14, including the following:

- Neighbourhood wardens – a review highlighting the work of the warden service within a partnership context and developing service delivery.
- The impact of public sector funding and policy changes on the economy of County Durham.
- Flooding within County Durham
- A major review on alcohol and substance misuse by young people looking at the number of referrals to County Council specialist services.

Councillor Wilkes, while praising the work of Overview and Scrutiny during 2013/14, expressed concern that issues were not called-in. Councillor Armstrong replied that there was a rigid, adopted procedure for call-in and that any request for a call-in would be considered on these criteria.

**Resolved:**

That the Council receive the Overview and Scrutiny Annual Report for 2013/14.

**14 Audit Committee Progress Report for the period October 2013 to May 2014**

The Council noted a report from the Audit Committee which detailed the work undertaken by the Committee during the period October 2013 to May 2014 (for copy see file of Minutes).

Councillor E Bell, Chairman of the Audit Committee, reported as follows:

The report covered the work of the Audit Committee during the period December 2013 to May 2014 and concluded the first full year of activity following the appointment of new Members to the Committee after the May 2013 elections.

During the period the Council had appointed Paul Bradley as the Council's Chief Internal Auditor and Corporate Fraud Manager and created the Council's Corporate Fraud Team following the consolidation of the Housing Benefit Fraud Team in January 2014.

There were 3 key areas of the Committee's work in this period that Councillor Bell particularly drew Council's attention to:

## **The Annual Audit Letter from the External Auditor.**

In November last year the Audit Committee received the first Annual Audit letter from its external auditor, Mazars. This was the first financial year Mazars had completed an external audit on:

- The Council's Financial Statements
- The Pension Fund's Financial Statements; and
- An assessment of the Council's Value for Money arrangements.

It was very pleasing to receive an unqualified opinion on both sets of financial statements for both the County Council and the Pension Fund.

The auditors also concluded that the Council had proper arrangements in place to ensure economy, efficiency and effectiveness in its use of resources whilst also commenting that due to significant funding restrictions the Council had risen to all its financial challenges well.

## **Refresh of the Internal Audit Charter**

This was the first year that Internal Audit had to be compliant with Public Sector Internal Audit Standards.

As a result of these new standards the Internal Audit service had refreshed its Charter.

The charter explained the role of Internal Audit, Senior Management and the Audit Committee and ensured the Council was compliant with the new standards.

## **Revised Counter Fraud and Corruption Strategy and Confidential Reporting Code**

The Committee approved revised versions of both the Council's Counter Fraud and Corruption Strategy and the Confidential Reporting Code policy.

The Counter Fraud and Corruption Strategy focused on the Council doing all it could to prevent fraud occurring and made it clear how the Council adopted a zero tolerance upon detection of any frauds.

The Confidential Reporting Code explained how any individuals could and should report any perceived wrongdoing.

Both of these documents had been brought into line with best practice and guidance.

## 15 Draft Annual Governance Statement for the year April 2013-March 2014

The Council noted a report of the Corporate Director, Resources which presented the draft Annual Governance Statement which had been approved by the Audit Committee on 26 June 2014 (for copy see file of Minutes).

## 16 Motions on Notice

In accordance with a Notice of Motion, it was **Moved** by Councillor M Wilkes, **Seconded** by Councillor N Martin:

*Durham County Council resolves:*

- a) to become a Living Wage Employer at the earliest possible opportunity and no later than the start of the next financial year;*
- b) to use these positive steps to promote the introduction of the Living Wage for all County Durham employees in both the public and private sector; and*
- c) to urge the government to increase the minimum wage to the level of the living wage as soon as is practicable*

In moving the Motion Councillor Wilkes referred to a report to Cabinet in July 2014 which showed that the Council's reserves had increased by £53m, with reserves being higher at the end of the spending cuts than at the beginning. The County Council now held 50 different reserves and the implementation of this motion would cost less than ½% of these reserves. A recorded vote was requested in accordance with Council Procedure Rule 16.4.

Councillor N Martin **Seconded** the Motion.

Councillor Henig informed the Council that it was expected the Authority would be subject to Government cuts of £30m for the next three years, and it was therefore prudent to build up reserves in advance of these anticipated cuts. Discussions were taking place within the Labour Party to correct the current unfair funding formula for Local Government. Councillor Henig reminded Members that it was the current Government which had given tax cuts to the highest rate tax payers.

Councillor Watson informed Council that the current economy punished those on benefits or low earnings, and the introduction of the living wage would boost activity within then local economy.

In **Moving** the following Amendment, Councillor B Stephens informed Council that it was a more practical Motion and he hoped all in the Chamber would support it:

- a) to **aim to achieve becoming** become a Living Wage Employer at the earliest possible opportunity **so long as the associated costs are both affordable and sustainable** and ~~no later than the start of the next financial year,~~*



- b) ~~to leave use these positive steps to promote the introduction of the Living Wage for all County Durham employers in both the public and private sector, and to make their own decisions with regard to the introduction of the Living Wage~~
- c) **to urge the government to increase the minimum wage to the level of the living wage and for the government to recognise the associated costs to local government within the annual revenue support grant settlements as soon as is practicable**

The Amendment was **Seconded** by Councillor O Johnson.

Councillor Stephens informed the Council that the Amendment was linked to affordability and sustainability of introducing the living wage, which would be at a cost of £400,000 a year to the Council and would add £1m a year to the schools bill. If external employers were to introduce the living wage this could result in increased prices for goods, some of which the Council would purchase. The Government should be urged to increase the minimum wage to the level of the living wage, while at the same time recognising the cost implications of this for local government.

Councillor M Dixon informed Council that following his Motion to Council in December 2012 to explore the affordability of introducing a living wage a Working Group was established which had shown that this would not be a straight forward policy to implement. One of the biggest beneficiaries of the introduction of the living wage would be the Treasury, with increased tax revenues and decreased benefit payments, and it was important to ensure any economic gain from the introduction of the living wage was returned to the local economy. The introduction of the living wage needed to be accompanied by Government regulation and safeguards and not on a piecemeal basis.

Councillor Brookes informed Council that the Working Group referred to by Councillor Dixon had identified that it would cost over £1m a year to implement the living wage. In Moving the Motion, Councillor Wilkes had focussed solely on Council reserves rather than on the £124m cuts to the Council's budget. Only 10 local authorities outside of London had currently implemented the living wage.

Councillor N Foster, in supporting the Amendment, informed Council that if central Government was to increase the revenue support grant to cover the cost of implementing the living wage, then the Council would do this.

Councillor N Martin informed Council that there was no evidence that the introduction of the living wage would not provide a boost to the local economy. The Motion did not refer to local employers being obliged to introduce the living wage but may encourage them to do so if the Council led by example. Although reference had been made to the cost of £1m to schools to implement the living wage, Councillor Martin informed Council that schools had recently received an extra £4½m funding. The introduction of the living wage could be done and should be done as soon as possible.

Councillor R Bel informed the Council that the living wage was primarily an issue which should be dealt with on a national level. The introduction of the living wage would result in decreased benefits for some, which would be a saving for Government. Additionally, the introduction of the living wage could have a cumulative impact on pay differentials within the Authority.

Councillor Wilkes informed the Council that while Councillor Stephens had not disagreed with the living wage, he was refusing to support his Motion by submitting an Amendment. The Council had £134m in 50 reserves and therefore had the ability to introduce the living wage for its employees.

Councillor Wilkes withdrew his request for a recorded vote in accordance with Council Procedure Rule 16.4.

Upon a vote being taken, the Amendment was **carried**.

Upon a further vote being taken the substantive motion was **carried**.

## **17 Questions from Members**

### **Councillor O Temple**

By whom was the decision taken that Labour members would be briefed on proposed changes to Children's Centre provision three weeks or more before the same briefings were provided to opposition members, and what was the logic behind that decision?

Councillor O Johnson, Cabinet Portfolio Holder for Children and Young People's Services thanked Councillor Temple for his question. Officers were requested to provide detail in relation to a proposal to consult on changes to children's centres at a meeting of the ruling group. This resulted in a request for further information which formed the basis of a briefing provided to members of that group. Briefings were also provided for members of the opposition. The briefing sessions aimed to ensure that all elected members had the opportunity to understand the implications of the proposals for their own locality prior to the start of formal consultation at the end of July.

Councillor Temple asked whether this had breached the Council's Constitution regarding the discussion of any matters of significance or sensitivity with local members prior to their discussion at Cabinet and whether it was contrary to the employee's code of conduct to serve the Authority as a whole.

Councillor Johnson referred Councillor Temple to his previous reply.