

DURHAM COUNTY COUNCIL

OVERVIEW AND SCRUTINY MANAGEMENT BOARD

At a Meeting of **Overview and Scrutiny Management Board** held in Committee Room 2, County Hall, Durham on **Friday 13 February 2015 at 9.30 am**

Present:

Councillor J Armstrong in the Chair

Members of the Committee:

Councillors P Stradling, A Batey, R Bell, J Chaplow, R Crute, B Graham, K Henig, A Hopgood, J Lethbridge, T Nearney, C Potts, L Pounder, A Shield, M Simmons, R Todd and J Turnbull

Faith Community Representative:

Revd K Phipps

Parent Governor Representative:

Mr R Patel

Also Present:

Councillors J Carr, J Hillary, G Holland, N Martin, L Taylor, M Wilkes, J Shuttleworth

1 Apologies for Absence

Apologies for absence were received from Councillors J Buckham, P Lawton, H Liddle and S Wilson.

2 Substitute Members

There were no substitute members.

3 Minutes

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

The Head of Planning and Performance referred to Item 3 of the minutes of the meeting held on the 18 December 2014 and advised that an update would be given on Key Decisions during item 10 on the agenda.

Referring to item 7 of the minutes, Councillor R Bell requested information on victim based crime which had been emailed to Councillor Bell on the 3 February.

4 Declarations of interest

There were no declarations of interest.

5 General Fund Medium Term Financial Plan, 2015/16 to 2017/18 and Revenue and Capital Budget 2015/16

The Board considered a report of the Assistant Chief Executive which informed members of Overview and Scrutiny Management Board and Corporate Issues Overview and Scrutiny Committee of the Cabinet report (11 February 2015) that provided comprehensive financial information to enable Cabinet to agree a 2015/16 balanced revenue budget, an outline Medium Term Financial Plan (MTFP 5) for 2015/16 to 2017/18 and a fully funded capital programme for recommendation to the County Council meeting on 25 February 2015 (for copy see file of minutes).

The Head of Finance advised that a revised budget report (for copy see file of minutes) had been circulated as the Council had received confirmation of its final grant settlement from the Department of Communities and Local Government on 4 February which had included an increase of £966,000 in revenue support grant in respect of additional funding for welfare assistance and social care services.

The Head of Finance continued to provide a summary and highlighted key issues within the report relating to:

- Local Government Finance Settlement
- Government Funding Reductions Based Upon 'Spending Power'
- Consultations
- Scrutiny Committee Feedback
- Net Budget Requirement and Council Tax
- MTFP Development
- Financial Reserves
- Capital Grant Allocation

The Chairman thanked officers for the work they had done during the budget process. He informed the Board that he had made representations at Cabinet on the 11 February regarding inflation, welfare provision and court cost fees and advised that Cabinet had taken the issues raised into consideration.

Councillor R Bell referred to paragraph 20 of the report and asked if the additional £966,000 received for Welfare Provision and Social Care pressures would be recurring and how the money would be spent. The Head of Finance confirmed that the money would be recurring and advised that he would be able to provide spend details after the meeting. He added that there was a reserve of £1m to be utilised over the next 12 months.

Referring to paragraph 11 of the report, the Head of Finance provided clarification to Councillor R Bell on the calculation of the council tax freeze grant.

In response to a question from Councillor Hopgood regarding the 1.5% price inflation increase, the Head of Finance explained that despite current trends, it would be difficult to predict changes over the next 12 months and for the current financial year it would be prudent for the Council to accept the 1.5%. He added that figures for 2016/17 could be amended if inflation prices remain low.

Referring to inflation and its impact on service provision, Councillor R Bell asked if it was possible to provide information regarding the pressures on service groupings in the future. The Head of Finance agreed and explained the Councils budget spends and how they impact on service contracts.

In response to a question from Councillor Wilkes regarding the Councils budget for capital repair and maintenance investment in schools that does not come directly from the government, the Head of Finance explained that the Council used two funding streams for major schemes, government grants such as the school capitalization maintenance grant and capital receipts. He added that a member working group sets a prioritised programme for the Councils capital maintenance budget.

Councillor Todd commented on the grant system and how the changes would impact on parish council resources. The Head of Finance responded that the Council works closely with town and parish council working groups and added that they are advised of changes and their impact well in advance.

Referring to the underspend in welfare provision, Councillor Shield asked if the money had been ring-fenced for welfare assistance. The Head of Policy and Communication confirmed that the underspend would be ring-fenced for the next 12 months.

Members discussed the budget reporting process and were advised that Cabinet had agreed to make the recommendations within the report to Council, taking into consideration feedback from scrutiny members, however it would be a decision of Full Council on the 25 February to set the Councils budget.

Resolved:

- i) That the contents of the Cabinet report of 11 February 2014 be noted and commented upon, prior to full Council on 25 February 2015.
- ii) That the Chairman of OSMB is charged with reporting the final scrutiny response to Council.

6 Welfare Reform and Poverty Issues

The Board considered a joint report of the Assistant Chief Executive, Corporate Director, Resources and Corporate Director, Regeneration and Economic Development that outlined the current thinking on welfare reform and poverty issues as they affect the county, how the council is responding currently and what it and its partners propose to do to maintain an effective approach to welfare reform and build a more comprehensive response to poverty in the county (for copy see file of minutes).

The Head of Policy and Communications reported that the government's welfare reform programme is having a significantly bigger impact on the county, given the disproportionately large number of benefit recipients in County Durham. He added that 40 different changes were made to the benefits system with the intention of reducing welfare spending by £18bn by 2015 and highlighted legislative changes.

In response to a query from Councillor R Bell regarding how the Citizen Advice Bureau would manage welfare issues, the Head of Policy and Communication would forward comments to the Head of Financial Services and report back to Councillor Bell.

Councillor Wilkes commented that the Council are doing well with triage systems, however felt that not enough money is used to support the harder to reach groups. He referred to the £1m underspend in welfare assistance money in the Council's budget and asked if the underspend could be used to assist other organisations and suggested that scrutiny look at those areas. The Head of Policy and Communication advised that the scheme had grown significantly and hard to reach groups would be included in the programme developed for further work.

Resolved:

That the information contained in the report be noted.

7 Implications for Durham County Council of the Government's Policy Programme

The Board considered a report of the Assistant Chief Executive that provided an update on the implications of the Government's policy programme, major policy developments and announcements and provided an analysis of the implications for the Council and County Durham (for copy see file of minutes).

The Head of Policy and Communications highlighted the most significant announcements since the last report to Members which relate to the following:

- Autumn Statement;
- Local authority funding;
- Welfare reform;
- Queen's speech;
- Transformation Challenge Fund;
- Public procurement;
- Economic growth and devolution;
- Planning reform proposals;
- Transport funding;
- Social mobility and poverty issues;
- Care Act;
- Integration of health and social care;

- Criminal Justice and Courts Bill;
- Anti-Social Behaviour, Crime and Policing Act;
- Counter Terrorism and Security Bill;
- Children and Families Act;
- Early years and schools funding.

Councillor Hopgood requested clarification regarding the announcement for LEP funding for the creation of the western relief road, The Head of Policy and Communications recalled the announcement was made in July subject to approval of the County Durham Plan, however he would clarify.

Councillor Shield raised concerns that focus for funding had been on projects in the Centre and South of the County with very little emphasis on North Durham. The Chairman commented that local areas have to bid to receive funding from the LEP and advised that the Government still had to agree a mechanism for finance and delivery. The Head of Policy and Communication added that funding was linked with the work of the Combined Authority and the economic plan for the region.

Commending the stance the Council had taken on payday lenders, Councillor Hillary questioned whether it could be extended to other companies. The Chairman pointed out that other avenues were available to avoid excessive prices.

In response to a query from Councillor R Bell regarding Universal credit, the Head of Policy and Communications advised that the scheme was supported by all political parties. An announcement would be made when the scheme was rolled out nationally after underlying processes had been resolved. He added that engagement would continue with claimants, partners and assured members that they would be fully informed.

Resolved:

That the information contained in the report and the actions taken to anticipate and respond to the government's reforms be noted.

8 County Durham Partnership Update

The Board considered a report of the Assistant Chief Executive that provided an update on issues being addressed by the County Durham Partnership (CDP) including key issues from the Board, the five Thematic Partnerships and all Area Action Partnerships (AAPs). The report also included updates on other key initiatives being carried out in partnership across the County (for copy see file of minutes).

The Head of Planning and Performance highlighted work carried out within the County Durham Partnership in recent months and the priorities and key areas of focus set out in the Sustainable Community Strategy (SCS).

Resolved:

That the information contained in the report be noted.

9 Update in relation to Petitions

The Board considered a report of the Head of Legal and Democratic Services which provided an update on the current situation regarding various petitions received by the Authority (for copy see file of minutes).

The Committee Services Manager reported that since the last update, 2 new petitions had been received and 9 had completed the process. She added that there were 3 live petitions on the council's website:-

- Public Road Crossing at Witton Gilbert
- Gritting Roads
- Traffic Calming Measures at Shotton Colliery.

Resolved:

That the information contained in the report be noted.

10 Notice of Key Decisions - Report of Head of Legal and Democratic Services

The Board considered a report of the Head of Legal and Democratic Services that provided a list of key decisions which were scheduled to be considered by the Executive (for copy see file of minutes).

The Committee Services Manager reported that since the last update there had been the following movement in items being considered at Cabinet:-

- Bishop Auckland Regeneration Framework Review had been moved from February to March;
- Council Plan and Service Plans 2015-18 also moved to the meeting in March;
- County Durham Plan including the Inspectors report had been added to the notice for the meeting in March.

Following comments from this Committee, the Chairman advised that a report was taken to the Constitution Working Group to consider the information contained in the Notice of Key Decisions, which some members felt should be reviewed. The Constitution Working Group agreed that there would be a further discussion between the Chairman of Overview and Scrutiny and the Executive on the issues raised. He met with the Leader to discuss the approach and concluded that the current approach to publication would be maintained for three reasons:

- the Government changed the rules to reduce publication requirements, and the current approach conforms to the Secretary of State's new rules;
- in reality the timing of Cabinet items can and often does move at a planning stage, so to publish fuller information would require frequent amendments to timescales, and so would be of limited help to plan scrutiny work programmes;
- Cabinet members regularly take part in Executive/Non Executive planning meetings between the Cabinet and Overview and Scrutiny Chairs/ Vice Chairs.

These meetings already provide the opportunity for the Executive to provide more information on items that are coming forward but which are not yet firmed up to help Chairs/Vice Chairs with planning the scrutiny work programme.

Resolved:

That the information contained in the report be noted.

11 Information update from the Chairs of the Overview and Scrutiny Committees

The Board considered a report of the Assistant Chief Executive that provided an update of overview and scrutiny activity from 19 December 2014 to 23 January 2015 (for copy see file of minutes).

Resolved:

That the information contained in the report be noted.