

DURHAM COUNTY COUNCIL

At a **Special Meeting of Cabinet** held in Committee Room 2, County Hall, Durham on **Wednesday 17 February 2016 at 10.00 am**

Present:

Councillor S Henig (Leader of the Council) in the Chair

Members of the Committee:

Councillors J Brown, N Foster, L Hovvells, O Johnson, A Napier, B Stephens and E Tomlinson

Apologies:

Apologies for absence were received from Councillors J Allen and M Plews

Also Present:

Councillors J Armstrong, H Bennett, J Clare, P Conway, M Dixon, B Graham, B Kellett, J Lethbridge, J Lindsay, A Liversidge, J Shuttleworth, A Surtees and M Williams

1 Declarations of interest

There were no declarations of interest.

2 Medium Term Financial Plan 2016/17 to 2019/20 and Revenue and Capital Budget 2016/17 [Key Decision: Corp/R/15/02]

The Cabinet considered a joint report of the Corporate Director Resources and Assistant Chief Executive which provided comprehensive financial information to enable Cabinet to agree the 2016/17 balanced revenue budget, an outline Medium Term Financial Plan (MTFP (6)) for 2016/17 to 2019/20 and a fully funded capital programme for recommendation to the County Council meeting on 24 February 2016. The report also updated the Discretionary Rate Relief Policy for 2016/17 (for copy see file of minutes).

The Leader advised that as the Council's final grant settlement for 2016/17 was not released by the Government until Monday 8 February, this special meeting was called to consider the report and the Cabinet's recommendations would be made to the Council meeting next Wednesday. In accordance with the Overview and Scrutiny Procedure Rules, the Chairman of the Council in consultation with the Chairman of the Overview and Scrutiny Management Board had been asked to consider that the call-in procedure would not apply in the tightened deadlines. He understood that this had been agreed and the Chairman of Overview and Scrutiny would advise this meeting about the agreement.

Councillor J Armstrong, Chairman of Overview and Scrutiny Management Board advised that Scrutiny members had considered the MTFP 6 reports, and overall members were supportive, and wanted to thank officers for their hard work in interpreting and explaining the medium term financial outlook for the Council. There remained considerable uncertainty in terms of the final settlement figure for public health, Better Care Fund and New Homes Bonus, and it was felt that this level of uncertainty at such a late stage was unacceptable, and that the Council should continue to make representations to Central Government. Members remained extremely concerned about the high level of savings required but welcomed the new methodology of the four years adopted by Central Government.

They would like to see greater detail in the savings proposals for consideration by scrutiny, and if possible provided at an earlier stage, and that two members requested delaying the savings proposed for the AAPs for a further year, although this was not supported by the Committee. He advised that the committee was meeting again on Friday to consider this Cabinet report and he would feed comments arising from it to full council next week. He advised that in line with the comments made by the Leader about the request to exempt the item from call-in by scrutiny, that there was agreement by himself and the Chairman of the Council to exempt the item from call-in.

Cabinet members remarked on the reasons for the extremely late settlement which had not been received by the Government until late afternoon on 8 February. It was disappointing that the Authority had not received any of the transitional funding despite having the greatest need of all the shire counties, and members spoke about the unfair distribution of funding making comparisons with other local authorities. This unfair distribution of funding from government continued to have an impact on Durham's spending power.

The scale of the cuts being imposed continued to be a huge challenge for the authority having already lost £150m from its budgets, and now a further £100m was to be found. The authority would be subject to a decade of austerity which was unprecedented, and the level of the cuts involved would mean that by 2020 the council would look much different and largely supporting its statutory duties only. As previously advised the budget support reserve was to be utilised, and it was forecasted that at this stage a total use of this reserve was £13.5m.

Cabinet members commended officers for the speed and professionalism on producing the report for consideration after having only received the final grant settlement late on the 8 February. They also thanked everyone across the council for their continued hard work in these difficult times.

Upon a recorded vote being taken on the recommendations detailed in the report, a unanimous vote in favour of the recommendations was reached by Cabinet members.

Resolved:

That the recommendations contained in the report be approved.