

DURHAM COUNTY COUNCIL

At a Meeting of **Corporate Overview and Scrutiny Management Board** held in County Hall, Durham on **Wednesday 13 February 2019 at 9.30 am**

Present:

Councillor R Crute (Chairman)

Members of the Committee:

Councillors A Patterson (Vice-Chairman), E Adam, A Batey, R Bell, D Boyes, M Clarke, P Jopling, H Liddle, C Martin, O Milburn, L Pounder, J Rowlandson, A Shield, H Smith, J Turnbull, M Wilkes and A Willis

1 Apologies for Absence

Apologies for absence were received from Councillors J Chaplow, K Hawley, L Maddison, J Makepeace, C Potts, J Robinson, M Simmons and F Tinsley

2 Substitute Members

Councillor D Freeman for Councillor M Simmons

3 Minutes of the meeting held on 17 December 2018 and 22 January 2019

The minutes of the meetings held on 17 December 2018 and 22 January 2019 were confirmed as a correct record and signed by the Chairman.

Matters Arising

With regards to matters arising, the Head of Strategy confirmed the following;

17 December 2018

Minute no. 6, in relation to comments made by Councillor Shield on the re-employment of staff. It was noted that of our 3000 plus ER/VRs since 2011, 85 junior staff had been re-employed. Most were in part time or temporary positions such as library and election assistants.

Further discussion ensued as to whether any senior staff had been made redundant and then re-employed.

Minute no. 5, with regard to information on savings achieved, it was noted that this would be picked up in the next quarterly finance update report.

Minute no. 6,

- It was noted that in response to information requested from Councillor Wilkes, six services had exceeded the average time taken to answer the phone, the highest being 34 seconds over the 60 second target.
- In response to a question from Councillor Jopling regarding whether the council offered zero-hour contracts it was confirmed that the council did not employ staff on such contracts.

Minute no. 7, regarding a query relating to contamination notices requested by Councillor Wilkes, a response from the Customer Relation Team Manager was read.

22 January 2019

Minute no. 4, In response to a query raised by Councillor Boyes regarding financial incentives from other local authorities to move into County Durham, it was noted that many schools in Durham did have high turnover rates and this was continually monitored, however the service had no evidence of incentives but would continue to monitor.

The Chairman added that the following amendment be made to paragraph 4 Item number 4 of the minutes of 22 January 2019 as follows:

“There was a worry that this *could* have an impact on funding for social care”.

4 Declarations of Interest

There were no declarations of interest.

5 Report on the Council's use of powers under the Regulation of Investigatory Powers Act 2000 - Quarter 3 - 2018/2019

The Board considered a report of the Head of Legal and Democratic Services which informed members about the Council's use of powers under the Regulation of Investigatory Powers Act ('RIPA') during the period 1 October 2018 until December 2018 (Quarter 3) to ensure that it is being used consistently with the Council's policy and that the policy remains fit for purpose (for copy see file of Minutes).

The Governance Solicitor advised that during Q3 there had been three RIPA Directed Surveillance applications, two of which were authorised by the Court. Further details were provided regarding the application which was refused and the reasons for this.

Resolved: That the quarterly report on the Council's use of RIPA for the period 1 October 2018 until 30 December 2018 be received and note that it is being used consistently with the Council's policy and that it remains fit for purpose.

6 Medium Term Financial Plan 2019/20 to 2022/23 and Revenue and Capital Budget 2019/20

The Board considered a joint report of the Corporate Director Resources and Director of Transformation and Partnerships which provided an update on the Medium Term Financial Plan (MTFP) including the Cabinet report of 6 February 2019 relating to the Medium Term Financial Plan (9) 2019/20 to 2022/23 and Revenue and Capital Budget 2019/20.

The report further provided a final opportunity for Members of COSMB to scrutinise the Council's Medium Term Financial Plans prior to consideration by full Council (for copy see file of Minutes).

The Head of Corporate Finance and Commercial Services provided an update to the Board on information relating to the local government settlement, the Fair Funding Review and Capital Programme.

It was reported that the Fair Funding Review was scheduled for implementation from April 2020 alongside a move to 75% Business Rates Retention (BRR), however there was no certainty as to future local authority funding allocations beyond this point, nor how it would be distributed. It was noted that should the government adopt an Advisory Council for Resource Allocation (ACRA) methodology to apportion Public Health funding then the council would be the biggest loser of any authority in the country.

The Head of Corporate Finance and Commercial Services did however note some good news in respect of additional one off funding to be received in relation to Winter Pressures and Social Care funding for 2019/20. Details were also provided regarding the government intention to reimburse authorities who would experience negative Revenue Support Grant (RSG) and would result in additional resources for those authorities and increase their Core Spending Power (CSP). Further information regarding the RSG reduction for 2019/20 and the savings required were details within paragraph 12 and 13 of the report.

Moving on to Council Tax, the Head of Corporate Finance and Commercial Services advised that the government had confirmed that the maximum the Council Tax can be increased by before a public referendum is required was 3%. In addition, however the council had the option to increase it by a further 2% for an adult and social care precept. This being the last year of the three year arrangement agreed by government.

Moving on to the analysis of the settlement received in December, the Head of Corporate Finance and Commercial Services referred members to paragraph 36 of the report and further information which had been received as part of the consultation process regarding adjustments for Negative RSG. He noted that many of the beneficiaries would be district councils. Table 2 highlighted the main beneficiaries, noting the comparisons to Durham. It was reported that, the governments Core Spending Power (CSP) per dwelling calculation for Durham was now significantly less than the England average. The Head of Corporate Finance and Commercial Services noted that if Durham's CSP was brought up to the

England authority average of £1,908 per dwelling, the council would annually receive additional government grant of £44 million. However, despite Durham being a relatively deprived area the authority has a lower spending power than more affluent areas such as the Surrey.

The Head of Corporate Finance and Commercial Services went on to provide details of the two Fair Funding consultation papers published alongside the Local Government Settlement and the issue of relative needs and resources contained within.

The report further went on to address Business Rate Retention and it was noted that the council would see some growth in this area as a result of the full reset planned by government for 2020/21.

The Head of Corporate Finance and Commercial Services went on to provide details in respect of the MTFP, savings requirements and base budget pressures. It was reported that after taking all things into consideration, the council's recommended Net Budget Requirement for 2019/20 will be £400.031 million.

Details were also provided regarding the MTFP(9) capital programme and details of the additional capital schemes for 2019/20 to 2020/21 were included for information within paragraphs 124 125 of the report.

Councillor Wilkes at this point put forward a proposal for consideration by scrutiny in relation to the budget proposals. He noted that given the high number of empty properties in the county area, it could be possible to raise the council tax levied on these properties which, would potentially bring in an additional £1.5m of funding over a 3 year period. He further suggested that the additional income generated could be utilised to help clear the backlog of highway repairs required across the county.

Councillor Boyes commented that empty homes were a huge problem, however noted that those properties already paid 150% council tax. The issue he felt was that the properties were in low demand areas and landlords struggled to tenant. He therefore queried how far Councillor Wilkes proposed to go with the suggested increase.

In response, Councillor Wilkes suggested the increase could be applied incrementally with each year the property stood empty. This would in turn put pressure on landlords to bring the property back into use. The Chair at this stage suggested that the comments raised by Councillors Wilkes be fed into the Housing Strategy Consultation.

Councillor R Bell in referring to paragraph 6 of the report asked whether a way to incorporate one-off elements of funding into the budget had been found. In response, the Head of Corporate Finance and Commercial Services advised that normally one-off funding streams should not be built into the MTFP however it had been assumed that the element of Children Social Care funding would reoccur in 2020/21 and therefore had been included.

Councillor Bell further noted that it was clear that councils would benefit from receiving clearer and more timely information from central government and suggested that this be raised as a point within the consultation response to government. He further asked whether the final response could be forwarded to members of the Board for information. The Head of Corporate Finance and Commercial Services agreed that this would be possible.

Further discussion ensued regarding highways expenditure and Councillor Shield queried who approved the maintenance plan and whether members could have sight of approved programmes. He noted that he was aware of highways maintenance work, which had been undertaken in particular areas, where it was known that there were higher priority repairs required and queried what justification there was for this.

In response, the Corporate Head of Finance and Commercial Services advised that there was a clear asset strategy for maintenance works, however he did acknowledge that Members could receive notification of works to be completed in their area. Councillor Batey commented that she did receive a schedule of inspections for the forthcoming 12/18 months. Councillor Wilkes also noted that he too received notification of works to be completed. The Chair asked that this be reviewed to ensure that each member is receiving the appropriate notice.

The Head of Strategy in summarising the discussion noted that Members had requested sight of the consultation response in relation to the Fair Funding Review and furthermore that it had been suggested that a request be made to central government for earlier notice of funding in the future.

Resolved: That the content of the report be noted.

7 Notice of Key Decisions

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

The Senior Committee Services Officer advised new to the plan was the inclusion of the 2019/20 General Fund Revenue & Capital, MTFP(9), Council Plan & Service Plans and the School Admission Arrangements for Academic Year 2020/21

Resolved: That the content of the report be noted.

8 Information Update from the Chairs of the Overview and Scrutiny Committees

The Board considered a report of the Director of Transformation and Partnerships which provided an update on overview and scrutiny activity from 17 December 2018 – 13 February 2019 (for copy see file of Minutes).

Resolved: That the content of the report be noted.