

DURHAM COUNTY COUNCIL

At a Meeting of **Cabinet** held in the Council Chamber, County Hall, Durham on **Wednesday 14 September 2022 at 9.30 am**

Present:

Councillor A Hopgood (in the Chair)

Cabinet Members:

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

1 Public Questions

There were no public questions.

2 Minutes

The minutes of the meeting held on 13 July 2022 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 Providing a sustainable solution for Durham Community Business College, part of the former Durham Federation

The Cabinet considered a joint report of the Corporate Director of Children and Young People's Services and Corporate Director of Resources that outlined a course of action that could be taken by the council to ensure the provision of a sustainable education offer for pupils attending Durham Community Business College (DCBC), avoiding closure of the school and the significant pressure this would place upon the Durham Central planning area (for copy of report, see file of minutes).

In moving the report Councillor T Henderson, Cabinet Portfolio Holder for Children and Young People's Services explained that the proposal would see the school join a multi academy trust.

The Department for Education was supportive of the proposal and the Council were committed in providing additional financial assistance for the school building and to support the transfer which would benefit the children and the community.

Councillor R Bell, Deputy Leader and Portfolio Holder for Finance explained that the pressure on school places meant that capacity was needed. The school would go from strength-to-strength post transfer.

Resolved:

That the recommendations in the report be approved.

5 Quarter One, 2022/23 Performance Management Report

The Cabinet considered a report of the Corporate Director of Resources that provided an overview of progress towards achieving the key outcomes of the council's corporate performance framework and highlighted key messages to inform strategic priorities and work programmes, in and to the end of quarter one 2022/23, April to June 2022 (for copy of report, see file of minutes)

In presenting the report the Corporate Director of Resources informed Cabinet that the recovery from the pandemic was still ongoing and the impacts of COVID-19 could still be seen in performance reporting. The last two financial years were not representative for many areas of performance and would be an unfair comparison due to pandemic impacts.

The Leader of the Council thanked the Corporate Director for the detailed and comprehensive update provided and welcomed the new style and format of the report which was clearer and allowed the Council to focus on key areas. In terms of areas performing well, the Leader was pleased that unemployment had continued to fall represented by sustained reductions in the number of people claiming unemployment benefits. Business Durham's property rental portfolio was 97% occupied. The visitor economy had continued to grow post-pandemic. Air quality in Durham City had improved. Cleanliness surveys had approved across the board. The Council had adopted a second Climate Energy Reduction Plan and were working towards a 2045 net zero target. Gym and swim memberships had increased, and the Council had recently welcomed 61 new apprentices.

There were, however, areas requiring attention, where action was taking place and would continue to be taken. The impact of inflationary pressures and the cost of living had increased demand for welfare assistance, discretionary housing payments and home energy/fuel debt.

The quantity of waste collected was 8% higher than pre-pandemic levels, however, it was encouraging to see the percentage of recycling contamination decreasing and the Leader thanked the workforce for their hard work on improving performance in this area. Staff turnover rates had increased as had sickness absence per FTE which had returned to pre-pandemic levels once Covid 19 related absences had been excluded. Absences linked to mental health and fatigue were higher than pre-pandemic levels.

Resolved:

That the report be noted.

6 Forecast of Revenue and Capital Outturn 2022/23 - Period to 30 June 2022 and Update on Progress towards achieving MTFP(12) savings

The Cabinet considered a report of the Corporate Director of Resources that provided information on:

- (a) the initial forecast revenue and capital outturn for 2022/23, based on the position to June 2022;
- (b) the forecast for the council tax and business rates collection fund position at 31 March 2023, based on the position to 30 June 2022; and
- (c) details of the forecast use of and contributions to earmarked, cash limit and general reserves in 2022/23 and the estimated balances that would be held at 31 March 2023.

The report sought approval of the revised capital programme 2022/23, other budget adjustments and proposed sums treated as outside of the cash limit in year and provided Cabinet with an update on progress towards achieving MTFP(12) savings in 2022/23 (for copy of report, see file of minutes)

The Corporate Director of Resources informed the Cabinet that forecasts were dominated by the current rate of inflation. Pressures outlined in the report would impact and carry over till next year and into the Medium Term Financial Plan.

Councillor R Bell, Deputy Leader and Portfolio Holder for Finance commended officers for the comprehensive and thorough report. The Council were faced with significant inflationary pressures the likes of which had never been seen for 40 years largely related to the conflict in the Ukraine and the damage to the worldwide economy by Covid. These factors had created overspends across a range of areas particularly in relation to energy budgets and a higher than anticipated pay settlement.

The Council would need to rely on reserves this year, however, this was not a sustainable long-term position. Covid inflationary pressures had been treated outside the cash limit. Overall, reserves were expected to fall to around £42m. There remained uncertainty around government settlement for the current and future years. The Deputy Leader of the Council informed Cabinet that he had called on government to contribute additional financial support next year and had recently written to the new Prime Minister and Chancellor regarding the significant financial strain on the County Council and across the local government sector.

Councillor M Wilkes commented that County Durham was a rural county with hundreds of villages spread across thousands of square miles but were not recognised as such by the Government. Councillor Wilkes could see at first hand significant improvements on the ground and the excellent work being undertaken in all services. However, the government would need to assist if the expectation was for Council's to continue to provide essential and statutory services which residents required. The Council required an increase in government funding in-year and into the new financial year and the Council could not afford the usual delays around funding and the issues faced required an immediate response.

Resolved:

That the recommendations in the report be approved.

7 Corporate Parenting Panel Annual Report 2021-22

The Cabinet considered a report of the Corporate Director of Children and Young People's Services which presented the Corporate Parenting Panel Annual Report April 2021 – March 2022 for endorsement (for copy of report, see file of minutes).

Councillor T Henderson, Cabinet Portfolio Holder for Children and Young People Services explained that as corporate parents the Council had a duty to guide young people. The Annual Report demonstrated the Council's commitment to listen to the young people who are, or had been in the Council's care to make continuous changes and improvements to the services provided.

The Annual Report included a range of achievements. The recent Ofsted inspection fell outside of the Annual Report timeframe, however, it was pleasing to note that the Council are 'good' and continue to move in the right direction with the impact of leaders on social work practice being 'outstanding'. The Corporate Parenting Strategy was also noted as ambitious.

Councillor T Henderson thanked everyone for their work to support the children and young people in our care.

Councillor C Hood addressed Cabinet as a member of the Corporate Parenting Panel and Portfolio Lead for health. Councillor C Hood was committed to achieving good outcomes for our young people, ensuring issues addressed had the biggest impact on their health and wellbeing, particularly, with the ever increasing financial pressures.

Councillor C Hood welcomed the involvement of the young people and would look forward to the proposed development of a young people's Scrutiny Panel whereby young people would ask questions, review services and make recommendations for improvements.

Councillor C Hood thanked everyone involved in the development of the Annual report, and second the recommendations.

Resolved:

That the recommendations in the report be approved.

8 Health and Care Integration

The Cabinet considered a report of the Corporate Director of Adult and Health Services that updated Cabinet of the potential changes to health and care integration and sought agreement to a preferred option for discussion with health and care partners and sought agreement to present further reports following discussions with health and care partners (for copy of report, see file of minutes).

Councillor C Hood, Cabinet Portfolio Holder for Adult and Health Services explained that the vision for integration was to bring together health, social care and voluntary organisations to achieve improved health and wellbeing for the people of County Durham which the proposals in the report reflected.

Councillor E Scott commented that the proposal would afford greater opportunities to keep residents in better health and well looked after, recognising that good housing, leisure, education and jobs contributed to good health.

Resolved:

That the recommendations in the report be approved.

9 Discharge of Transport Functions by Durham County Council 2021/22

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth that updated Cabinet on the transport activity carried out by the Council under delegation originally from the North East Combined Authority (NECA) which had continued under the North East Joint Transport Committee (for copy of report, see file of minutes).

Councillor E Scott informed the Cabinet that the report covered extensive work over the year. There had continued to be strain on the sector due to the covid pandemic. The Council had continued to support the public transport network with new and varied contracts arranged where necessary. School transport formed a large part of transport work with 6500 pupils occupying school transport and a further 3000 under non-statutory concessionary schemes. The Council had continued to provide a range of information. The report also illustrated the breadth of work across passenger transport and teams working in this area deserved special mention for their efforts in keeping the network going.

Resolved:

That the report be noted.

10 County Durham Pound Project Update

The Cabinet considered a report of the Corporate Director of Resources that provided Cabinet with an update on the progress and agree to the proposed next steps of the County Durham Pound project which was initiated following Cabinet approval of the Social Value and Wealth Building Report on 13 January 2021 (for copy of report, see file of minutes).

Councillor S McDonnell, Cabinet Portfolio Holder for Digital and Customer Services, thanked the Head of Procurement, Sales and Business Services for driving the agenda forward both locally and nationally and there were some fantastic examples of sector leading community wealth building and social value.

Councillor E Scott extended her thanks to all of the teams involved in the project. The Council should be proud of the progress made to date, with much more to do, for example, it was pleasing to see the embedding of social value and community wealth building considerations into procurement processes. The work of the twelve partners was just the beginning of a long term and sustained focus on the agenda and it was hoped that the focus would be embraced by contractors and suppliers.

Resolved:

That the recommendations in the report be approved.

11 Maintained Schools Budget Plans and Permission to Set Deficit Budgets 2022/23

The Cabinet considered a report of the Corporate Director of Children and Young People's Services that highlighted that schools had delegated budgets and carried forward surpluses and deficits from year to year. The report set out the responsibilities of the Governing Bodies and the Council with regards to agreeing budgets. The report also provided an overview of maintained schools' budget plans for 2022/23, as agreed by the relevant Governing Bodies and highlighted where the Corporate Director of Resources had exercised his judgement in terms of approving the setting of deficit budgets, in accordance with the Council's constitution and the Scheme of Financing for Schools (for copy of report, see file of minutes).

Resolved:

That the report be noted.