

DURHAM COUNTY COUNCIL

At a Meeting of **Cabinet** held in the **Council Chamber, County Hall, Durham** on **Wednesday 16 November 2022** at **9.30 am**

Present:

Councillor A Hopgood (Leader of the Council) 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 12 October 2022 were confirmed as a correct record and signed by the Chair.

3 Declarations of interest

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

4 Council Tax Base 2023/24 and Forecast Deficit on the Council Tax Collection Fund as at 31 March 2023 (Key Decision: CORP/R/22/02)

The Cabinet considered a report of the Corporate Director of Resources to determine the council's tax base for domestic properties liable to pay council tax, an important component in the council's budget setting process for 2023/24 and to report on the estimated collection fund deficit as at 31 March 2023 (for copy see file of Minutes).

In moving the recommendations, Councillor R Bell, Deputy Leader of the Council and Portfolio Holder for Finance thanked the Corporate Director of Resources and his team for the comprehensive and very important report. Councillor Bell referred to the limited council tax raising capacity of the Council compared to many other areas, which the report illustrated. 83.2% of all domestic properties across County Durham were in Band A-C.

This was well above the national average of 65.4% which placed the Council at a disadvantage compared to other authorities. The Government had been lobbied and continued to be lobbied on this issue. The report also proposed the continuation of grant payments to Town and Parish Councils of £1.5m next year, however, Councillor Bell commented that this continued concession would need to be seriously reviewed moving forward given the financial situation the Council faced.

The Leader of the Council seconded the report and was pleased to be able to agree a tax base with some modest growth next year. Colleagues in Police and Fire would welcome notification of the initial estimates to aid their budget planning. The Leader supported the proposal to defer declaring the financial position for budget setting purposes until January 2023 to allow officers to consider the Q3 position on the collection fund.

Resolved:

That the recommendations in the report be approved.

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

The Cabinet considered a report of the Corporate Director of Resources which provided Cabinet with updated information on the:

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

The report also sought approval of the 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 see file of Minutes).

Councillor R Bell, Deputy Leader of the Council and Portfolio Holder for Finance commended officers for a comprehensive and thorough report and budget managers across the Council for their continuing efforts to manage budgets. The unavoidable cost pressures being experienced currently were immense. Inflation and interest rate increases were impacting on pay and the price of everything we buy. The escalating demand for children's social care and home to school transport was resulting in significant overspends. Apart from Adult and Health Services and Resources, all other services were forecasting overspends against their cash limit budgets this year, despite any ongoing covid related pressures and inflationary pressures linked to pay and price inflation being treated outside their cash limits.

There remained significant uncertainty over the financial settlement from government from the next year into future years and the Council would await with interest the forthcoming budget announcement. The strong financial standing of Durham was better than many other councils. An amended capital programme, taking into account reprofiling would result in a huge capital programme. There were a range of budget pressures outside of the Council's control, with many pressures continuing to impact into the next financial year. Strong financial resilience meant that some pressures could be met from reserves this year and into next, however, as everyone was accurately aware this was not a sustainable position to move forward. It did however, allow the Council to reform to find savings whereby difficult decisions would need to be made without significant funding from the Government.

The Leader of the Council explained that accurately forecasting and keeping track of the finances for a Council with the scale and complexity of Durham was a huge challenge and indeed, managing finance was a key issue for us all set against a backdrop of increased demand, volatility, and an uncertain outlook in terms of future finance settlements. Pay and price inflation, particularly around energy, waste and transport costs were placing unprecedented pressures on the Council's budgets which had been reflected in the forecasts. This would continue into next year and the continued uncertainty in terms of a government settlement meant that the Council would need to carefully reflect on updated forecasts in terms of impact it would have on the 2023/24 budget and on the MTFP position.

Resolved:

That the recommendations in the report be approved.

6 Growing Up in County Durham Strategy 2023-25

The Cabinet considered a report of the Corporate Director of Children and Young People's Services and Chair of Children, Young People and Families Partnership Board that presented Cabinet with the Growing Up in County Durham (GUICD) 2023-25 Strategy for endorsement (for copy see file of Minutes).

Councillor T Henderson, Cabinet Portfolio Holder for Children and Young People's Services informed Cabinet that the views of Children and Young People had been listened to. Their views had guided the development of the strategy. Alongside this there had been a comprehensive consultation process which included a wide range of stakeholders, key partners and the voluntary and community sector and most importantly children, young people and their families. The strategy was written in an easy to understand format and focussed on adding to the excellent work already taking place across the County. Councillor Henderson was confident that the strategy included the correct actions for children and young people and their families and fully supported the vision.

Councillor J Shuttleworth, Cabinet Portfolio Holder for Rural Communities and Highways, commented that during the consultation process many children and young people spoke of the importance of being able to go out in the community and access services, particularly after the series of lockdowns throughout the coronavirus pandemic. They recognised the importance of being able to socialise face to face and go to leisure facilities. As Portfolio Holder for Rural Communities and Highways, living in a rural community in County Durham during hard financial times made it difficult for people to access services they wanted or needed. It was pleasing to note that public transport issues had been recognised within the strategy.

Resolved:

That the recommendations in the report be noted.

7 Poverty Strategy and Action Plan

The Cabinet considered a joint report of the Corporate Director of Resources and Corporate Director of Children and Young People's Services which presented the revised Poverty Strategy and Action Plan for approval following a consultation exercise undertaken April to August 2022. The report also presented to Cabinet the updated Child Poverty Action Plan as a separate document that focussed on addressing child poverty and was aligned with the wider Poverty Strategy and Action Plan (for copy of report see file of Minutes).

In moving the report, Councillor Alan Shield, Portfolio Holder for Equality and Inclusion thanked the Corporate Director of Resources and his team for their dedication and hard work on this extensive consultation and engagement programme working with all partners and stakeholders. Poverty was a complex issue, its impact devastating. The causes were complex and tackling such a complex problem required a multifaceted approach. Councillor Shield highlighted that the response was comprehensive and a strong safety net was in place to capture those who are were most disadvantaged and vulnerable in society. The Council needed to ensure that people in crisis were provided with advice, guidance and financial assistance to provide a sustained route out of poverty.

Councillor S McDonnell, Portfolio Holder for Digital, Customer Services and Procurement also paid tribute to the Corporate Director of Resources and his team, particularly the Head of Transactional and Customer Services in helping to shape and deliver on the actions contained in the action plans. Whilst the scale of challenge was significant, it was important to highlight that the scale of the response had also been significant and was the envy of many other areas. The County Council could be proud of the scheme, support and initiatives that were in place across the County which would help and continue to help thousands of the most disadvantaged and vulnerable people across the County. Councillor S McDonnell seconded the recommendation.

Resolved:

That the recommendation in the report be approved.

8 County Durham Local Development Scheme and Publication Draft Minerals and Waste Policies and Allocations Document

The Cabinet considered the report of the Corporate Director of Regeneration, Economy and Growth which sought approval to commence consultation on the Publication Draft Minerals and Waste Policies and Allocations Development Plan Document (M&WDPD) which supports the policies and provisions of the County Durham Plan which was adopted in October 2020. The report also sought approval of a new Local Development Scheme (LDS) which sets out the timetable for the preparation of planning documents including the M&WDPD (for copy see file of Minutes).

Councillor E Scott, Cabinet Portfolio Holder for Economy and Partnerships moved the report. Councillor Scott explained that the County Durham Plan was adopted in October 2020. The new LDS set out how the council would bring forward a number of documents over the next few years to support the content of the County Durham Plan.

Documents such as the Draft Minerals and Waste Policies and Allocations Development Plan provided additional detail and clarity on what is required for new development to be acceptable which provided certainty for developers and reassurance for residents. Councillor Scott spoke of the importance of consultation and views would be sought on the document to inform its final content before examination in public.

In seconding the report, Councillor J Rowlandson Portfolio Holder for Resources, Investment and Assets spoke of the importance for the County Durham economy in ensuring that we were planning for mineral extraction, waste management to provide the infrastructure, buildings, energy and goods the County needed.

Resolved:

That the recommendation in the report be approved.

9 Finance Durham - the First Five Years

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth which provided an overview and update on the performance of the Council's Finance Durham Fund in its first five years of operation, and to look forward to its next phase following the re-procurement of the Fund Manager, which had recently been completed (for copy see file of minutes).

Councillor J Rowlandson, Portfolio Holder for Resources, Investment and Assets commented that the Council vision for County Durham included the ambition to create more and better jobs and was convinced that Finance Durham was playing a key role in realising this vision. The fund had aligned well with other County Council initiatives and examples of the good work that had taken place were provided for information.

Resolved:

That the report be noted.

10 County Durham Partnership Update

The Cabinet considered a report of the Corporate Director of Neighbourhoods and Climate Change which update Cabinet on issues being addressed by the County Durham Partnership (CDP). The report also included updates on other key initiatives being carried out in partnership across the county (for copy of report see file of Minutes).

The Leader of the Council, as Chair of the County Durham Partnership was delighted and inspired to see extent of partnership working across the County which had been drawn together in the update. The uncertain and difficult financial circumstances for many had cast a shadow over the update. The partnership event to be held later in the month would focus on the cost of living crisis and how partnership and community sectors could respond.

The Board regularly received updates from the Poverty Action Steering Group which demonstrated the power of partnership working on this agenda and examples of several initiatives which had been delivered across the county such as the warm spaces network were provided to the Cabinet for information.

Other areas highlighted related to the safeguarding adults work, the vital work of the partnership in terms of building on the innovative e-conversation process, highlights of Area Action Partnerships across the County alongside the vital humanitarian support work taking place and the role the partnership played in providing a place of safety for those fleeing conflicts across the world.

Councillor E Scott, Portfolio Holder for Economy and Partnerships echoed the positive comments, the work of the partnership and referred to some of the inspiring initiatives in the report. Councillor Scott also highlighted the work of the economic partnership in the new inclusive economic strategy and referred to the review of community engagement which was progressing well.

Resolved:

That the report be noted.

11 Such other business

The Journal Culture Awards 2022

The Leader of the Council announced that the Council and the Durham Bid team for Durham 2025 received a special recognition award for their work around the City of Culture bid and the ongoing journey for culture and County Durham at the Journal Culture Awards 2022 held at Durham Cathedral. The Leader of the Council placed on record her thanks to everyone involved which epitomised the strength of partnership working.