

DURHAM COUNTY COUNCIL

At a meeting of **Cabinet** held in the **Council Chamber, County Hall, Durham** on **Wednesday 12 July 2023 at 9.30 am**

Present:

Councillor A Hoggood (Leader of the Council)

Cabinet Members:

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

Apologies:

Apologies for absence were received from Councillor James Rowlandson

1 Public Questions

There were no public questions.

2 Minutes

The minutes of the meeting held on 14 June 2023 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 Medium Term Financial Plan (14), 2024/25 - 2027/28, Review of the Local Council Tax Reduction Scheme and Council Tax Discretionary Discounts and Premiums Policy (Key Decision: CORP/R/23/01)

The Cabinet considered a report of the Corporate Director of Resources which provided an update on the development of the 2024/25 budget and the Medium Term Financial Plan (MTFP(14)) covering the period 2024/25 to 2027/28. The report also considered a review of the Local Council Tax Reduction Scheme for 2024/25 and proposed changes to the Council Tax Discretionary Discounts and Premiums Policy (for copy of report see file of minutes).

In Moving the report, Councillor R Bell, Deputy Leader of the Council and Portfolio Holder for Finance thanked officers for the thorough report, which updated the financial forecasts agreed at County Council in February and outlined the significant financial challenges faced and consideration of options for balancing next year's budget and beyond.

Councillor R Bell explained that the assumptions on Council Tax increases included in this report were for financial planning and forecasting purposes, although the implications of ultimately not making decisions in line with the assumptions was made clear in the report.

Every 1% on council tax generated around £2.7 million of additional council tax revenues – or to put it another way, if the Council did not maximise its council tax raising powers, as expected by the Government, then the financial challenge deficit faced increased by £2.7 million for every 1%.

The Local Government Finance settlement last year provided some much needed additional investment and greater certainty in terms of government funding for 2023/24 and 2024/25, however, there remained significant uncertainty beyond 2024/25.

This funding and the additional revenue generated from expected increases in the Council Tax, fell well short of the unavoidable cost pressures faced. The Council could simply not raise sufficient income locally to meet the unavoidable cost increases faced each year, therefore unless additional government funding met the shortfall, difficult choices were always going to be required under the current system of funding. The Council had, and would continue to call for the current system, including the Council tax to be reformed.

Those on low incomes were currently afforded significant protection through the Council Tax Reduction Scheme, which is proposed to be retained again next year. This decision did come at a cost in terms of lost council tax revenues compared to virtually every other council, however, on balance, particularly in relation to the current cost of living crisis, it was simply the right decision for next year. The position would once again be reviewed in a years time to enable the Council to reflect on the administrative burden being created through multiple changes in circumstances for those households on Universal Credit.

Balancing the budget next year and across the next four years would be challenging based on the forecasts, however, it was vital that the Council plans for the medium term. It was noted that many authorities had fallen foul of not planning sufficiently well ahead, of not taking the tough decisions, taking far too high commercial risks and using reserves to unsustainable levels.

The report set out a range of measures that could be implemented to help close the £12 million shortfall in next years budget. The new savings proposals, which totalled £6.6 million and once again sought to protect front line service delivery as far as possible, were being published to allow consultation to commence as soon as possible. Full details were set out at Appendix 3 to the report.

Councillor R Bell feared that the financial uncertainty would continue beyond 2024/25 and would not be resolved until after a General Election until the publication of the final details of the Fair Funding Review.

The Council and the wider sector clearly needed more certainty and that would only come from receipt of a multi-year settlement.

In Seconding the report, the Leader of the Council said that the MTFP forecasts and the challenges faced in balancing the budget for next year would be difficult to manage once again.

The continued significant unavoidable costs pressures including the impacts of National Living Wage increases, enduring demographic pressures in Children and Young Peoples services, the Employers Pay Offer, had once again outstripped budget estimates this year, and were placing a huge strain on budgets next year.

Local government funding levels beyond 2024/25 were very uncertain which made accurate forecasting beyond next year extremely difficult. Cuts would inevitably need to be made going forward without further investment to help the sector.

The forecasts in the report showed that there was a funding gap of around £12 million next year and around £51 million over the next four years. It is more important than ever that the Council had a well-managed medium term financial planning process to help us address the challenges.

The report set out a clear path for setting a balanced budget in February next year and the Cabinet had been working with officers to develop some initial savings plans for consultation, which could help move us close to achieving a balanced budget next year, albeit that there was still a funding gap of nearly £7 million next year even if all the proposals were implemented.

The proposed changes to Council Tax premiums, were only for consultation at this stage. The Cabinet would reflect carefully on the feedback received before making any final decisions closer to budget setting time in February next year.

Using reserves to push away the problem and avoid difficult decisions was not a sustainable budget strategy to adopt and not something the administration would entertain. Reserves would only be used when it was prudent to do so and only to help smooth in more sustainable budget solutions.

Given the position, it was inevitable that savings would be required and these could impact on service delivery in the future. The proposals in this report sought to maximise income raising opportunities and prioritise efficiencies in non-front line service delivery.

Councillor Bell had, and would continue to lobby government directly for the additional financial support and continue to call on the government to undertake a fundamental review of the local government finance system – including the council tax – as the current system disadvantaged Durham and was inherently unfair in our opinion.

The report set out a recommendation for cabinet to recommend the retention of the Local Council Tax scheme without a cap on support. This was the right thing to do given the hardship faced by so many residents particularly at this time due to the continued squeeze on household incomes.

Referring to paragraph 149 of the report, Councillor M Wilkes, Cabinet Portfolio Holder for Neighbourhoods and Climate Change, highlighted that Durham was one of only two councils in the region to have increased its council tax recovery rate over the last decade. The Council were top, which not only demonstrated the amazing work that officers were doing, but also that protection of those on the very lowest incomes was morally the right thing to do, made economic sense and saved the County's poorest residents as much as £350 and kept Council collection costs down.

Councillor Wilkes was also very proud that the Council were continuing to protect its most vulnerable residents.

Resolved:

That the recommendations in the report be approved.

**5 Review of Customer Access Point Service Offer
(Key Decision: CORP/R/23/06)**

The Cabinet considered a report of the Corporate Director of Resources which outlined proposals to consider adjustment to the face-to-face service offer in four of our least used Customer Access points (CAPs) considering reduced demand and in line with preserving channel choice.

The report set out the consultation and equalities impact assessment (EIA) on the proposals, which are linked to the achievement of savings targets included in MTFP(13) (for copy of report see file of minutes).

Councillor S McDonnell, Cabinet Portfolio Holder for Digital, Customer Services and Procurement explained that the demand and footfall analysis of CAPs highlighted that maintaining the status quo would not be value for money, nor the most efficient use of resources.

During the pandemic the Council were able to accelerate and expand its digital offer and people's behaviours and access requirements. These habits were starting to change pre-pandemic had most definitely changed post pandemic. It was important that the service offer adapted and changed to suit the needs of residents and maximise the efficiency of the service.

Telephony remained the most popular form of contact but there had been an increase in the popularity and use of digital means to access services, however, as the report acknowledged there would always be a need for some face to face provision so that people were not excluded.

Implementing the proposals for the revised opening hours would allow the Council to deploy more resources into telephony, thus improving the service to thousands of residents. Savings would also be achieved through the deletion of vacancies and the progression of one ERVR case, which meant that no one would be at risk from the proposals.

Naturally, there would be some impacts and some people would not be happy with the revised opening hours, however, it was important to point out that face to face provision would still be available in the areas concerned and overall service standards would increase as the Council maximised its resources.

Councillor J Shuttleworth, Cabinet Portfolio Holder for Rural Communities and Highways was pleased to see that there had been engagement with local members on the proposals and that nearly 400 people responded to the consultation.

Councillor Shuttleworth highlighted that some of the original proposals had been amended to take on board the feedback received, noting that the Equality Impact Assessment attached to the report. Councillor Shuttleworth was satisfied that the potential impacts on older people and people with disabilities, who were more likely to access face to face provision, could be mitigated.

It was vitally important that the Council carefully communicated the revised opening hours so that users of the facilities were given ample forewarning of the changes and the days they would be available from October onwards.

Resolved:

That the recommendations in the report be approved.

6 Joint Local Health and Wellbeing Strategy 2023-2028

The Cabinet considered a joint report of the Corporate Director of Adult and Health Services, Corporate Director of Neighbourhoods and Climate Change and Corporate Director of Children and Young people's Services which presented Cabinet with the Joint Local Health and Wellbeing Strategy (JLHWS) for information (for copy of report see file of minutes).

Councillor C Hood, Cabinet Portfolio Holder for Adult and Health Services explained that health and wellbeing was influenced by a range of factors. The strategy addressed the impact of behavioural risk factors and wider determinants of health (the building blocks of good health) as well as the impact of access to and quality of health and social care.

There were four points which a focussed effort would have the biggest impact on Durham's health outcomes. These points were based on evidence from the Joint Strategic Needs and Assets Assessment to determine and were:

- To make smoking history,
- Enable a healthy weight for all,
- Improve mental health, wellbeing and resilience, an
- Reduce alcohol harms

The Joint Local Health and Wellbeing Strategy was underpinned by the County Durham Approach to Wellbeing which helped focus on the key role that people, families and communities played in supporting health and wellbeing. The Strategy is high-level, simple and easy to understand and helps partners, communities and individuals get on board in tackling priority areas.

Councillor Hood would look forward to working with members of the Health and Wellbeing Board and across the wider system to strengthen the relationship with partners who would support the wider influences of health.

Councillor T Henderson, Cabinet Portfolio Holder for Children and Young People's Services explained that it was reassuring that mental health remained a priority, as this was something that children and young people often flagged as an issue for themselves and their families.

It was good that the strategy alluded to vaping, as while we wanted to encourage adults to stop smoking, we needed to ensure that this was not something our children and young people take up.

Councillor T Henderson was confident that the strategy would support children and families' health and wellbeing needs.

Resolved:

That Cabinet receive and note the Joint Local Health and Wellbeing Strategy 2023-28.

7 Community Engagement Review

The Cabinet considered a report of the Corporate Director of Neighbourhoods and Climate Change which provided Cabinet with an update on the findings from the countywide public consultation on ERS consultant's proposals for the council's community engagement function and to agree the recommendations for a revised function (for copy of report see file of minutes).

Councillor E Scott, Cabinet Portfolio Holder for Economy and Partnerships explained that the report represented an important step towards renewing and revitalising our community engagement processes, breathing new life and a fresh perspective into our arrangements. A substantial amount of work had been delivered, with a depth and breadth of analysis and consultation over the last year or so, involving many of our partners and stakeholders.

Area Action Partnerships had delivered many benefits over their lifetime, but they had also, in the main, remained unchanged and unchecked since their inception in 2009. There had not been a significant review or any major developments for some time and on that basis it was only right that Cabinet took the decision in March 2022 to commence a review to inform how we worked with communities going forward.

The report presented was the culmination of outcomes from two robust engagement and consultation activities with all those involved in Area Action Partnerships: an independent, extensive and inclusive countywide review; and an extensive and inclusive countywide consultation exercise.

The results from both confirmed that levels of satisfaction and support for the principles for AAPs remained high, but the diversity and effectiveness of community outreach and engagement had reduced over time. This was partly due to the burdens associated with grant funding processes. Both activities confirmed that there was a clear appetite for change and provided positive ideas to help shape a new approach going forward.

Councillor Scott, thanked all partners and stakeholders who took part in the engagement and consultation activities for their dedication and valuable contributions, and to the AAP staff who throughout the period had continued to maintain the level of high service delivery as the Council had always been accustomed to.

The implementation of new Local Networks would ensure that community engagement mechanisms were fit for the future and would continue to meet the corporate needs of the council and key partners. This fresh approach to community engagement would ensure that the model was inclusive, responsive, innovative, collaborative and effective going forward.

Councillor C Hood, Cabinet Portfolio Holder for Adult and Health Services welcomed the report and outcomes of the long-needed review into Durham County Council's community engagement function, namely Area Action Partnerships. Based on the extensive consultation process, the council received valuable input and feedback from a diverse range of stakeholders. Councillor Hood thanked those who submitted survey responses that provided quantitative data, which had been analysed to identify common themes and represent a cross-section of the community's opinions and preferences. Councillor Hood also outlined the different types of consultation methods used, including multiple online interactive discussions that enabled participants to express their thoughts, concerns, and suggestions. These online consultations allowed us to reach a wider audience and provide an inclusive platform for those who may not have been able to attend physical meetings. Councillor Hood also explained that presentations were delivered as agenda items at various partner and key stakeholder meetings, ensuring that important decision-making forums gave participants to opportunity to provide their comments and perspectives on the matter at hand. The involvement of staff, elected members, AAP Board and Forum members, key partners and the communities demonstrated the Council's commitment to transparency and accountability.

Councillor Hood highlighted and welcomed the proposed new governance arrangements, including terms of reference, as well as decision making and transparency which clearly defined the purpose, structure and functions of the "Local Networks" and that there will be "robust processes around recruitment and selection of Panel members to deliver improved assurance that Local Network Panels will be non-political."

Councillor Hood would look forward to seeing the Terms of Reference which would ultimately underpin the function of our community engagement and officer functions, as well as seeing proposals for increased transparency on funding applications.

Councillor C Hood thanked his colleague Councillor Elizabeth Scott, Cabinet Portfolio Holder for Economy and Partnerships for her work in this area which had been a significant challenge.

Councillor A Shield, Cabinet Portfolio Holder for Equality and Inclusion highlighted that the review of Community Engagement was long overdue given that the system had been in place for fourteen years, regardless of how well the current operation was perceived to be working a review of the operation effectiveness should be welcomed by all stakeholders and partners.

Councillor Shield felt that the introduction of local networks would build upon the current strengths of AAPs and provide forward thinking improvements of where we are going and where we have been and ultimately improve how the Council engages with communities as widely and effectively as possible in broadening our horizons whilst remaining diligently focussed on local aspects.

Resolved:

That the recommendations in the report be agreed.

8 Adult Social Care Update on the Introduction of Local Authority Assessment by the Care Quality Commission under the Health and Care Act 2022

The Cabinet considered a report of the Corporate Director of Adult and Health Services which provided Cabinet with an update on the framework which the Care Quality Commission (CQC) began to use in April 2023 to assess how local authorities discharge their Adult Social Care duties under Part 1 of The Care Act 2014.

The report also provided Cabinet with information relating to the update to the Government's plan for care and support reform, 'Next steps to Put People at the Heart of Care' April 2023 (for copy of report see file of minutes).

Councillor C Hood, Cabinet Portfolio Holder for Adult and Health Services highlighted that much had happened since the last update to Cabinet relating to the implementation of the CQC Local Authority Assessment Framework and that from 1 April 2023 the CQC's regulatory powers came into effect.

Development work continued to progress from the recent annual conversation as referred to in the previous Cabinet report. Councillor Hood was particularly pleased to note the improved processes for governance and oversight that provided members and executive management team assurance of how the responsibilities to discharge the Adult Social Care duties under Part 1 of The Care Act were being met.

The ongoing monitoring of the feedback and outcomes of assurance activity which had been carried out within the local authority would continue to be analysed and used to inform service plans and drive further improvement and innovation.

Significant work was being undertaken in preparation for the assessment process. This included working in conjunction with other local authorities across the North East ADASS footprint, developing thought processes, sharing learning, and providing mutual support.

In relation to 'Next steps to Put People at the Heart of Care' published in April 2023 it was pleasing to note that the local authority was undertaking a body of work to respond to key themes and much work was already in development locally with close monitoring on changes.

As referenced in Appendix 4 of the report there was short term government funding being provided to support capacity associated with market sustainability and improvement. However, not all funding proposed has been forthcoming and challenges remain. For example, in the reduction from £500m for investment into workforce as indicated in the White Paper to now £250m over the next 2 years and the removal from the final publication of the £300m to integrate housing and local health and care strategies.

Councillor Hood would look forward to bringing further updates to Cabinet in due course

Resolved:

That the report be noted.

9 2022/23 Final Outturn for the General Fund and Collection Fund

The Cabinet considered a report of the Corporate Director of Resources which provided Cabinet with information on the final revenue and capital outturn for the General Fund for 2022/23 and final outturn for the Council's Council Tax and Business Rates Collection Fund for 2022/23. The report also detailed the use of and contributions to earmarked, cash limit and general reserves in year and at year end together with the closing position regarding balances held at 31 March 2023; and achievement of Medium Term Financial Plan (MTFP) (12) savings targets in 2022/23 (for copy of report see file of minutes).

Councillor R Bell, Deputy Leader of the Council and Cabinet Portfolio Holder for Finance placed on record his thanks to the Corporate Director and his team for the very comprehensive and thorough report, which provided a detailed breakdown of financial performance across the last financial year and the position at the year end.

Councillor R Bell referred to financial performance being impacted by high inflation and successive bank interest rate increases across the year, together with legacy issues caused by the pandemic in terms of waste tonnages and income from leisure centres.

Residents and businesses had also been impacted by high inflation levels and increases in the bank interest rates, which had in turn driven additional demand and costs towards the Council as we had sought to help vulnerable people and businesses at these difficult times.

Many of the issues featured in the report, such as the overspend on Looked After Children placements last year; the budget shortfall as a result of the local government pay settlement last year; and the overspend in energy, home to school transport and waste budgets had to be accommodated in base budgets in the current year.

With the exception of Resources and Adult and Health Services, all other service groupings had an in-year cash limit overspend in 2022/23. The Children and Young People's Services outturn was a cash limit overspend of £14.252 million to year end, which had required a transfer from corporate reserves to offset this at the year end.

At the same time last year £10 million was set aside as earmarked reserve to help meet the expected inflationary pressures in 2022/23 in relation to our pay, waste, transport and energy budgets.

To ensure the General Reserve was in line with the policy agreed by Council in February officers had transferred £5.5 million from the MTFP Reserve at year end to ensure the Council went into the current financial year holding the minimum level required for an organisation of the size and complexity and with the risks the Council managed. The General Reserve balance at 31 March 2023 was just over £26 million.

In terms of the Capital Programme, it was pleasing that £143 million of capital expenditure was delivered last year, broadly in line with the level of capital spending achieved in 2021/22 – and significantly higher than what the Council was able to deliver in the years prior.

Whilst this was £22 million less than what was anticipated there were good reasons for this underspend and as the report outlined, the budget and funding was to be re-programmed.

In summary the report continued to demonstrate that the Council had strong financial resilience and exercised prudent financial management. This resolve and the strength of the balance sheet would continue to be tested going forward both now and in the future.

The Leader of the Council explained that managing the budget was difficult at the best of times due to the scale and complexity of the Council, however, it had been particularly challenging in 2022/23 as the Council had faced significant demand and volatility in its cost base. Pay and price inflation – particularly energy, waste and transport related costs had placed unprecedented pressure on budgets last year.

The Leader of the Council said that a close eye would need to be kept on Looked After Children costs across the coming months.

The outturn position for our maintained schools was a significant improvement on the £7.3 million of their retained reserves they had anticipated drawing on when the budgets were set – with only £423,000 required to be drawn down in year.

A small underspend against the High Needs DSG last year was the first time since 2015/26 that the Council had not overspent against the grant since the new statutory requirements were brought in.

The Leader of the Council passed on her thanks to everyone concerned in the delivery of significant capital expenditure in year in difficult and complex circumstances.

Resolved:

That the recommendations in the report be agreed.

10 Discharge of Transport Functions by Durham County Council 2022/23

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

Councillor E Scott, Cabinet Portfolio Holder for Economy and Partnerships highlighted the problems that had beset bus services as a consequence of the coronavirus pandemic. The huge reductions in patronage due to lockdowns and changes in travel demands had placed great strain on the sector and meant that some bus services that were commercially viable now required financial support.

Councillor Scott explained that bus services were a lifeline to many residents in County Durham which was why the Council had devised a proposal to support bus companies to keep running essential connections by using the forecast savings from the ENCTS budget during 2023/24 to support bus services across the county. The position would be reviewed annually.

Durham had played a key role in ensuring the inclusion of many work streams in the aspirational Bus Service Improvement Plan for the region. The region had received over £163m indicative funding. The funding amount was significant, being the largest indicative funding amount for any BSIP. Whilst it did not cover the costs for full delivery of all of the North East BSIP proposals. It would enable delivery of key workstreams such as better value fares and improvements to bus services within County Durham, which would provide significant benefits to residents and visitors to our county.

The report also provided a good overview of the broad and wide ranging work being delivered in fulfil the discharged the transport functions delegated by NECA.

Resolved:

That the report be noted.

11 Council House Delivery Programme Update

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth which provided Cabinet with an update on work undertaken to develop a viable council house delivery programme since initial approval was given by Cabinet in October 2020 to deliver 500 council homes by 2026.

The report provided information on how the Council had responded to a number of challenges, including:

- inflationary pressures in the construction sector;
- rising interest rates; and
- the quality and size of some of the allocated sites in Phases 1 and 2, which have presented additional challenges for the delivery of the programme.

The report also provided an updated business case for the delivery of both general needs and bungalow accommodation, provided an updated business plan model and outlined new governance and delivery arrangements. The report sought Cabinet approval for the development of three sites to commence the programme (for copy of report see file of minutes).

Councillor R Bell, Deputy Leader of the Council and Cabinet Portfolio Holder for Finance highlighted that there remained a need for more affordable homes across County Durham. The council house delivery programme would provide a valuable new route of supply of affordable homes in the County.

Homes would be developed to meet general affordable needs for families and couples, helping to tackle homelessness and bring down the cost of temporary accommodation. Bungalows would be built which would meet the needs of older people within communities.

The homes would be owned by the Council and therefore the Council could utilise its stock to provide move on accommodation, which would reduce the reliance on more costly forms of temporary accommodation and provide permanent accommodation for those in need.

Councillor E Scott, Cabinet Portfolio Holder for Economy and Partnerships explained that the council house delivery programme would consist of new development within communities alongside acquisition of properties, including empty homes. In addition to meeting affordable housing needs, the programme would also contribute to creating and maintaining sustainable, mixed and balanced communities.

Alongside the delivery of the council house programme, the Council would continue to work closely with registered providers and other partners to deliver homes to meet housing needs.

Councillor J Shuttleworth asked if sites could be identified in the West of the County.

Councillor Wilkes, Cabinet Portfolio for Neighbourhoods and Climate Change commented that the last time the council built any council houses under a Labour Administration was way back in 2012. Councillor Wilkes recalled he was Councillor for the Electoral Division which included Bearpark at the time where he helped secure new council homes at Taylor Avenue on Colliery Road. Councillor Wilkes recalled meeting one of the residents and seeing how happy that resident and their family were moving into their new home. For a decade after that the Labour run Council did not build a single council home, apart from their unwanted, expensive Headquarters at The Sands, which had been sold for a significant profit to help fund the priorities of residents.

Councillor Wilkes was delighted that the Joint Administration was not only purchasing properties to help with temporary accommodation costs, having already purchased six council homes in Gilesgate from Chapter Homes. It was now rapidly ramping up the building of more brand new council homes.

Councillor Wilkes thanked Cllr Rowlandson and officers for their work on this and fully endorsed the next tranche of housing in three different parts of the County in Burnhope, Spennymoor and Seaham and would look forward to achieving even more in the future.

Resolved:

That the recommendations in the report be agreed.

12 Digital Strategy for County Durham

The Cabinet considered a report of the Corporate Director of Resources which sought approval and adoption of a new and updated Digital Strategy for the county (for copy of report see file of minutes).

Councillor S McDonnell, Cabinet Portfolio Holder for Digital, Procurement and Customer Services thanked the Corporate Director and his team for developing the updated Digital Strategy and for all the engagement work undertaken with a range of stakeholders.

The Strategy underpinned and complemented many of the things the Council were trying to achieve, with specific and close alignment to the Inclusive Economic Strategy and the Poverty Strategy and Action Plan.

At its core was a set of themes that would frame and drive forward work in this area, underpinned by a range of commitments in the core of the Delivery Plan that would follow.

The Council had come a long way since the existing strategy was adopted in 2019, as exemplified in the report, and the next five years would undoubtedly see more significant changes to the way the Council worked, engaged and indeed the way people accessed services and the services provided by the Council.

It was vitally important that the Council took people with them on the digital journey, including the workforce, elected members, communities and partners so that no one was excluded. Inclusivity was at the heart of the Digital Strategy so that everyone could benefit from the technological benefits of today and of tomorrow as they emerged.

Councillor S McDonnell also thanked the Corporate Overview and Scrutiny Management Board for their review of the draft Digital Strategy in advance of this Cabinet meeting.

In seconding the report, Councillor A Shield, Cabinet Portfolio Holder for Equality and Inclusion was pleased that the strategy had a focus on Digital Inclusion and building Digital Communities so that everyone could benefit. This was one of the cornerstones of the Poverty Strategy and Action Plan.

This strategy was about providing more choice to people not less. It was also about leveraging opportunities we have and those to come, however, it was also important that access to services was not wholly dependent on digital access and that other alternatives, through telephone and face to face services, continued to be available to those who preferred or needed them, with digital assistance available to those that required it.

Resolved:

That the recommendations in the report be approved.

13 Maintained Schools Budget Plans and Permission to set Deficit Budgets 2023/24

The Cabinet considered a joint report of the Corporate Director of Children and Young People's Services and Corporate Director of Resources which provided an overview of maintained schools' budget plans for 2023/24, as agreed by the relevant Governing Bodies. The report also highlighted where the Corporate Director of Resources would exercise 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).

Councillor R Bell, Deputy Leader of the Council and Cabinet Portfolio Holder for Finance informed the Cabinet that maintained schools were budgeting to utilise £7 million of their retained balances in year, which if ultimately required would see maintained balances reduce to £21.2 million at the end of this financial year.

Councillor R Bell spoke of the importance to not only support but also challenge schools to properly manage their budgets and ensure that school leadership teams, including their governing bodies, were living within their means.

Resolved:

That the report be noted.

14 Council Employment Services - Future Delivery

The Cabinet considered a joint report of the Corporate Director of Children and Young People's Services and Corporate Director of Regeneration, Economy and Growth which updated Cabinet of issues surrounding the approaching project end date for Council delivered employment services funded by the European Social Fund (ESF) (for copy of report see file of minutes).

Councillor T Henderson, Cabinet Portfolio Holder for Children and Young People's Services was pleased to propose the report, which updated Cabinet of the difficult issues created by the end to the European Social Fund. The report also explained how we could move forward with the new funding mechanism, which would take us up to April 2025.

The new funding solutions from January 2024 presented very different challenges for our greatly valued Employment Support Services, and for many of our excellent delivery partners.

We recognised the need to increase the base budget of core funding, so that we could continue to support the service and its continued statutory commitments, to the highest level.

The recommendations in this report would ensure that we continue to successfully start these programmes at the earliest and most effective place possible, and that is within our secondary schools and academies throughout Durham.

Councillor E Scott, Cabinet Portfolio Holder for Economy and Partnerships explained that the Council currently used funding from the European Social Fund (ESF) to directly deliver a range of employment programmes, supporting an average of 7,000 County Durham residents each year. These programmes made a significant contribution to the reduction of youth and adult unemployment in the county.

The move from ESF to the UK Shared Prosperity Fund (UKSPF) meant there would be a reduction in the funding the Council received to deliver employment programmes, and an assessment was being made as to how it could continue to maximise the support provided in a sustainable way and one that left us with the best places to secure UKSPF allocations in the future.

Resolved:

That the recommendations in the report be approved.