

DURHAM COUNTY COUNCIL

At a Meeting of **Cabinet** held in Council Chamber, County Hall, Durham on
Wednesday 13 September 2023 at 9.30 am

Present:

Councillor A Hopgood (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 meetings held on 12 July 2023, 26 July 2023 and 29 August 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 Quarter One, 2023/24 Performance Management Report

The Cabinet considered a report of the Chief Executive which presented an overview of progress towards delivery of the key priorities contained within the Council Plan 2023-27 in line with the Council's corporate performance framework in and to the end of quarter one, 2023/24, April to June 2023 (for copy of report see file of minutes).

The Leader of the Council informed Cabinet that the enhancements to the report via the inclusion of a range of dashboards for key services was an important addition and the improved transparency relating to how well services were being delivered for the people of County Durham was something that the joint administration were championing.

Notably, the Council was continuing to deliver strong performance alongside a sharp delivery focus for service users, communities and partners. This was despite the headwinds created by the impact of the current cost of living squeeze.

The Leader of the Council highlighted some areas of the stated ambitions which were performing well. This included:

- continuation in promoting the county as a year-round tourist destination through both national and international marketing campaigns. The latest data showed tourism contributed more than £1 billion to our local economy for the first time, above the target of just over £760 million. There were almost 18 million visitors, a million above target, resulting in nearly 12,000 people employed in tourism across the county.
- investment in cultural events programme;
- determination of 91.2% of major planning applications within the 13 week deadline, exceeding the target (90%) and this placing the Council in the top quartile nationally;
- acquisition of twenty electric midi vans which would each save 3 tonnes of carbon emissions per year and would reduce carbon emissions within the council's operations;
- improving caseloads with targeted recruitment activity over the spring being particularly successful;
- stronger Families programme continuing to exceed expectations with 80% of the annual target for families to achieve significant and sustained outcomes completed by quarter one;
- rate of adult admissions to permanent residential and nursing care for adults aged 65+ was better than the Better Care Fund target and numbers entering permanent care continued to be lower than pre-pandemic levels. The percentage of older people still at home 91 days after discharge from hospital also continued to be high. Combined, these indicators demonstrated progress to meet the aim of maintaining the independence of people for longer;
- final figures for net homes completions reported in the financial year 2022/23 had been updated to reflect a number of sites that had completed but had not yet been recorded. This brought the final year-end total for homes completed for 2022/23 to 1,551. This was 19% (243 homes) above the target of 1,308 included in the Local Plan and Housing Strategy. Additionally, a number of large, recently

commenced schemes were expected to complete later in the year, making even further progress in this important area.

- the first quarter of this year saw 64 empty homes brought back into use as a result of local authority intervention at the year end, exceeding the profiled target of 50;
- As well as being better than target the 12 months rate of resolved flytipping incidents has seen improvement on both the last reporting period, the previous 12 months and is better than national, regional and our statistical neighbour averages;
- Third party expenditure reached £701 million during 2022/23, £57 million more than the previous year. In line with our commitments to grow local job and support the local economy, a significant proportion of that spend was put into local businesses - 46% was spent across the county and a further 24% across the wider North East region. Importantly, £551 million was private sector spend relating to our major capital programmes which are delivering economic growth and better services for local people, including The Story at Mount Oswald, and internally delivered projects that require significant private sector spend, such as Durham Bus Station, Plot C at Aykley Heads, the Leisure Transformation Programme;
- Quarter one collection rates for business rates and council tax were consistent with previous years, with almost £1 million of additional business rate payments, compared to last year. However, there were indications that more residents and businesses are struggling due to the cost-of-living crisis: business rates summonses are 12% higher and 10,640 council tax accounts are now subject to recovery action (2,896 more than last year).

Councillor Hopgood explained that the report also highlighted a number of areas requiring attention, where for a range of issues, performance had not been what Cabinet would have liked it to be. In terms of those areas requiring attention, where action was and would continue to be taken, included:

- the number of children in care;
- continued increase for requests for Education, Health and Care Plans (EHCPs) alongside the shortage of educational psychologists was a national problem; and
- the timeliness of the completion of Care Act assessments for adult social care service users continues to be low in comparison to levels seen prior to the pandemic.

Councillor M Wilkes, Cabinet Portfolio Holder for Neighbourhoods and Climate Change highlighted that the fly tipping rate was the lowest in the region, compared to it being 40% higher under the previous Labour administration. Reforming Council policies to the Neighbourhood Warden

service and getting tougher on criminals was having a positive impact. The Council were scrapping 50% discount on fines and would monitor this impact together with a change in policy by the Government which would allow for the council to increase its fines further. This was proof that the Joint Administration was making a huge difference.

Resolved:

That the report be noted.

5 Forecast of Revenue and Capital Outturn 2023/24 - Period to 30 June 2023 and Update on Progress towards achieving MTFP (13) savings

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

- a) the forecast revenue and capital outturn for 2023/24, based on the position to 30 June 2023;
- b) an update on the dedicated schools grant and forecast schools' outturn as at 31 March 2024, based upon the position to 30 June 2023;
- c) the forecast for the council tax and business rates collection fund outturn at 31 March 2024, based on the position to 30 June 2023; and
- d) details of the updated forecast use of and contributions to earmarked, cash limit and general reserves in 2023/24 and the estimated balances that will be held at 31 March 2024.

The report sought approval of the revised 2023/24 capital programme, other budget adjustments and proposed sums treated as outside of the cash limit in year and provided an update on progress towards achieving MTFP (13) savings in 2023/24 (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 very comprehensive and thorough report and budget managers right across the council for their continued focus on managing their areas.

The report acknowledged that the Council continued to operate in an environment of significant uncertainty and financial volatility, which highlighted why the Council must always maintain a strong grip on budgets.

Councillor R Bell highlighted that overspending in Children and Young People's services was primarily due to overspends in looked after children placement budgets and the overspending in Regeneration, Economy and Growth was primarily due to underachievement of planning fee income and overspends in the Transport and Contracted Services.

The cash limit overspend in Children and Young Peoples Services, plus a range of other covid and inflationary pressures had been flagged by the Corporate Director total circa £15 million had been met corporately, funded from a combination of corporate contingencies and corporate underspends in capital financing budgets, and underspends against the energy budgets in year. Thankfully, the corporate underspends had largely offset the position.

It was pleasing to note that the MTFP forecasts considered in July had factored in the budget pressures exemplified in this report, though there were a number of areas which would require careful oversight in preparation for next year's budget.

Councillor Bell informed Cabinet that many people commented on the size of reserves held by the Council. In highlighting this Councillor Bell commented that the Council were a huge organisation – the seventh biggest unitary council in the country, with an annual gross expenditure of £1.7 billion. Reserves were proportionate to our size and represented less than 10% of annual expenditure. Nearly £25 million (15%) of the £162.4 million of earmarked reserves the Council held were sums held on behalf of others.

Councillor Bell also provided updates in terms of the Collection fund forecasts and the amended Capital Programme, which following account re-profiling from last year, new grants and contributions secured since the budget was set and reprofiling into future years, resulted in a 2023/24 capital programme of circa £321.4 million this year.

In terms of delivery of MTFP savings this year at 30 June – a quarter of the way through the year – the Council had delivered around 44% of the £12.4 million of savings requirements for the year.

Councillor Bell concluded the report in explaining that the forecasts included the impact of a range of demographic and inflationary driven budget pressures, outside of the control of the Council which had placed pressures on the Council budgets. Where these pressures would have a continuing impact into next financial year Councillor Bell was satisfied that provision had been made for these in the MTFP14 forecasts considered in July.

Councillor A Hopgood, Leader of the Council also added her thanks to those of Councillor Bell and the Corporate Director of Resources and his team for this detailed report, and to all the budget managers across the Council for their continued effective management of their budgets in what were difficult circumstances.

Councillor Hopgood explained that managing budgets was difficult at the best of times due to the scale and complexity of the Council, however, it was particularly challenging against a backdrop of significant demand and volatility in our cost base.

Pay and price inflation, particularly the national pay awards, energy, waste and transport related costs had placed unprecedented pressure on budgets over the last 18 months. Once again, the Pay Offer made by the Local Government Employers had significantly outstripped our budget provision in year, with a £3.7 million overspend expected this year.

Councillor Hopgood seconded the recommendations set out in the report at paragraph 25 including the amendments to the Capital Programme which would deliver an unprecedented £321.4 million of capital expenditure this year.

Resolved:

That the recommendations in the report be approved.

6 County Durham Partnership Update

The Cabinet considered a report of the Corporate Director of Neighbourhoods and Climate Change which provided an update on issues being addressed by the County Durham Partnership. 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 expressed her delight in delivering a comprehensive and inspiring report on partnership work, which showed how agencies and communities working together can deliver fabulous outcomes for people across the county across all Council priorities, be that relating to health, economy, environment or community safety.

The May partnership meeting received an update on the important work of the County Durham Together partnership which brought together service providers and communities to ensure the skills, experience and resources available in the county to support everyone in living healthy and fulfilling lives were being maximised.

The Forum celebrated the 10th anniversary of the Advice in County Durham Partnership, which now has over 80 ten partners organisations as members. The 'no wrong door' ethos of the partnership continues to help simplify the sometimes complex world of support networks, particularly in areas such as

the cost of living crisis and universal credit migration, the latter having started roll out across county Durham in July 2023.

In other areas:

- Humanitarian support partnerships continued to support refugee families across the county;
- the fun with food programme continued to develop across school holidays providing activities and healthy food for children across the county. The funding provided by the department for education had been supplemented and enhanced by numerous individual partnership projects across the county from AAPs and the voluntary sector;
- the County Durham Partnership event coming up in November was to celebrate the 10 year anniversary of Health and Wellbeing Boards and also 10 years since public health functions moved to Local Authorities from the NHS; and
- there were a number of highlights from the work of AAPs across the county, funding and delivering valuable initiatives at a local level, adding value to communities, and delivering positive outcomes. Highlights in this report ranged from helping to provide low carbon solar panels at a football facility in Ferryhill, a Market activity week in Chester-le-Street, and a Job Shop offering personal mentoring and specialised training for those with additional needs, mental health issues or suffering from long term unemployment. These highlights sat alongside many others supporting employment, education, environmental and community support.

Councillor E Scott, Cabinet Portfolio Holder for Economy and Partnerships welcomed the partnership update and referred to the positive and ambitious way forward for AAP's in 2025 would see a firm and revitalised focus on community engagement, with a strategic mandate and resources to match. There was still much to do as the Council continued to work towards the new arrangements and good progress continued to be made.

Councillor Scott also highlighted the ongoing work in the development of the delivery plan associated with the Inclusive Economic Strategy and the work of the Safe Durham Partnership in two important areas. The first is the vital work of the partnership in delivering the Government's Anti-Social Behaviour Action Plan and the equally vital work being carried out alongside the Home Office and Counter Terrorism police on the Publicly Accessible Location Trails, which will lay important foundations for counter terror work across the coming years.

Resolved:

That the report be noted.

7 Health and Wellbeing Board Annual Report 2022/23

The Cabinet considered a joint report of the Corporate Director of Adult and Health Services, the Corporate Director of Neighbourhoods and Climate Change and the Director of Public Health which presented the Health and Wellbeing Board (HWB) Annual Report 2022/23 (for endorsement (for copy of report see file of minutes)).

Councillor C Hood, Cabinet Portfolio Holder for Adult and Health Services outlined some of the achievements made during the last year, in particular the work carried out in restoring screen and immunisation programmes since the pandemic. Councillor Hood also highlighted some key pieces of work undertaken over the year to address the inequalities that the pandemic had widened, including the promotion of healthy and independent lives for those aged 50 plus and highlighting and raising awareness of how economic factors can have effects on people's health. Councillor Hood placed on record his thanks to the Corporate Directors of Adults and Health Services, the Director of Public Health and the Corporate Director for Neighbourhoods and Climate Change for their hard work.

Councillor E Scott, supported the Annual Report of Health and Wellbeing Board which was now in its tenth year. Councillor Scott commented that it was particularly pleasing to see the role the board has taken in championing its role for health and wellbeing.

Resolved:

That the recommendations in the report be approved.

8 Durham Innovation District Aykley Heads Strategic Employment Site - Outline Business Case and Procurement of a Joint Venture Partner

The Cabinet considered a joint report of the Corporate Director of Regeneration, Economy and Growth and the Corporate Director of Resources which sought approval of the Outline Business Case for the development of the Aykley Heads site and to proceed with the procurement of a Joint Venture partner to develop the site. The Corporate Director placed on record, her thanks to Susan Robinson for leading on the project along with Tony Foster and Bev Bantham, Partners Addison Young and Durham University for their support in developing this exciting proposition for County Durham (for copy of report see file of minutes).

Councillor E Scott, informed Cabinet that the report set out the case for the development of the Aykley Heads site. The vision, skills and hard work of the team that brought the project forward should not be underestimated. The vision for Aykley Heads would provide a unique opportunity to deliver more and better jobs in a high quality location. The outline business case attached to the report set out the proposed approach and would build on the existing partnership with Durham University.

Councillor R Bell, informed Cabinet that the review of accommodation strategy in 2021 resulted in a revised alternative strategy. This resulted in the disposal of the building on The Sands which resulted in a £70m net capital receipt for the Council. The disposal of the Sands and the alternative strategy would make an overall saving of around £22m from the original strategy and still allowed for the Aykley Heads site to become a Strategic Employment site and for Aykley Heads to form part of the Durham Innovation District. The outline business case was transparent in articulating any risks to the Council and the full business case would set out any financial commitment required in the future.

Councillor M Wilkes, Cabinet Portfolio Holder for Neighbourhoods and Climate Change commented that the previous Labour administration talked about the regeneration of the Aykley Heads area but had no real strategy and built a HQ at the Sands which was a waste of taxpayers money. Councillor Wilkes, referring to the sale of the HQ had saved tens of millions compared to Labour's HQ policy as a result. In doing so the Council were ensuring that the University Business School could stay and prosper in the City, and that one of our best businesses could continue to expand and stay in Durham.

The Council's plans for Aykley Heads to become a true innovation district would seamlessly connect Aykley Heads with the City. The Council's investment in the DLI, and ensuring that the council were at the heart of the district helped pump prime it too.

In considering the investment being made across the county, including at Netpark, our commitment to the Combined Authority and the investment that would bring, the Joint Administration demonstrated that they were 'getting on with the job' of lifting our economy up after decades of under performance, investing across the whole county.

Councillor Wilkes applauded and supported the plans to regenerate where Labour had failed, and thanked officers for yet more positive hard work and looked forward to seeing a sustainable internationally recognised innovation centre bringing high value jobs to our County.

Resolved:

That the recommendations in the report be approved.