

DURHAM COUNTY COUNCIL

At a Meeting of **Cabinet** held in the **Council Chamber, County Hall, Durham** on **Wednesday 11 October 2023** at **9.15 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

Also Present:

Councillor P Molloy

1 Public Questions

There were no public questions.

2 Minutes

The minutes of the meeting held on 13 September 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 Homelessness and Rough Sleeping Strategy 2024-2029

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth which sought approval of the draft Homelessness and Rough Sleeping Strategy for a seven week public consultation from 30 October 2023 to 18 December 2023 (for copy of report see file of minutes).

Councillor A Shield, Cabinet Portfolio Holder for Equality and Inclusion explained that the revised draft homelessness and rough sleeping strategy had been developed in line with government guidance for reviewing homelessness.

The draft strategy also met the requirements brought about under the Homelessness Act 2002 for the development and publication of a homeless strategy by every Housing Authority at least every five years.

The draft strategy was intended to be a working document, subject to improvements and had aligned its priority with the governments refreshed strategy, 'Ending Rough Sleeping for Good' which focussed on a "four-pronged approach" of prevention, intervention, and recovery, ensuring a joined-up transparent approach. The detailed review of the homelessness and rough sleeping strategy took place between 2019 and 2022 had been data led and evidence based. The review highlighted a number of issues. For example, the number of people able to remain in their existing home had reduced by 34% this was attributable to several reasons. For instance, the ending of private rented tenancies where landlords were selling properties, tenants being unable to afford the rent due to the cost of living crisis and falling into rent arrears and people, particularly women fleeing domestic abuse. The reduction in homelessness prevention was also partly due to internal reporting processes, for instance the incorrect apportionment criteria to the homelessness guidance which needed to be corrected and implemented before the strategy. There had also been an increase in the number of people with support needs, particularly those people with complex needs, those suffering with mental health, substance misuse, rough sleepers and ex-offenders.

A detailed delivery plan would be developed with key partners. It was a working document, and a light touch review would be carried out annually to consider any funding or policy changes. The plan would be updated accordingly after the annual review and reported back to Cabinet.

Councillor C Hood, Cabinet Portfolio Holder for Adult and Health Services explained that a social determinant of health was widely recognised a lack of adequate housing or substandard housing which could negatively impact the health and wellbeing people. Homelessness and rough sleeping across County Durham and those at risk of, or losing a home, could result in many different structural or personal factors. Not addressing those factors meant that the ability of an individual or family to become resilient or improving their chance of a positive future, was greatly reduced, placing them at risk of becoming trapped in a cycle of homelessness. The draft homelessness and rough sleeping provided a clear strategic direction and vision of how homelessness and rough sleeping across could be addressed across County Durham.

Resolved:

That the recommendations in the report be approved.

5 Medium Term Financial Plan (14) 2024/25 - 2027/28 (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, including updated financial planning assumptions which have affected a number of the figures previously reported.

The report also provided details of further savings proposals that could be implemented to help balance the budget, which would be subject to consultation over the coming two months, building on the consultation which was currently underway on the proposals contained in the report to Cabinet in July (for copy of report see file of minutes).

Councillor R Bell, Deputy Leader of the Council and Cabinet Portfolio Holder for Finance, thanked officers for the thorough report, which updated the financial forecasts considered earlier in July.

Councillor Bell explained that the significant financial challenges faced by the Council were now forecasted to be higher than considered previously. This was around £4 million higher next year and just under £12 million higher across the four year planning period. This was largely due to revised assumptions on the National Living Wage and on pay inflation.

Every 1% on council tax generated around £2.7 million of additional council tax revenues. If the Council did not maximise its council tax raising powers as expected by the Government, the financial challenge deficit faced increased by £2.7 million for every 1% council tax increase the Council did not apply.

A 1% increase in the councils pay bill was broadly the same as a 1% increase in the council tax. Pay awards were negotiated nationally and were outside the Council's control. An increase in the pay award assumptions added over £5 million to base budget pressures next year.

The Local Government Finance settlement last year provided some much needed additional investment and greater certainty in terms of government funding for the current and forthcoming year, however, there remained significant uncertainty beyond next year in terms of government funding.

Unavoidable cost pressures linked to adult social care contracts, driven largely by National Living Wage increases and specific Market Sustainability and Improvement Grant requirements totalled £17.8 million next year. The Council could only generate circa £5.2 million from an additional 2% adult social care precept – less than a third of the cost pressures faced.

The Council could not raise sufficient income locally to meet the unavoidable cost increases unless additional government funding met the shortfall. Difficult choices were always going to be required under the current system of funding.

Disappointingly, the draft Local Government Finance Settlement would not be published until just before Christmas. The lateness of the settlement was not conducive to effective financial planning and would once again fail to give any certainty that a multi-year settlement would deliver.

The Council had and would continue to call for the current system, including the Council tax to be reformed. Councillor Bell had written to the leaders of all the main political parties seeking a commitment to this issue in their manifestos in the run up to the next General Election.

The report identified that the Council was now facing a forecast deficit of £16.3 million next year and a funding deficit of around £67 million over the next four year MTFP period, this being the position after an assumption that Council Tax be increased by the maximum permissible and after factoring in the savings plans that were agreed as part of MTFP(13).

Those on low incomes were currently afforded significant protection through the Council Tax Reduction Scheme. The Council would be considering a report proposing that this protection continue for all claimants in 2024/25 with no cap on the level of support. This came to a cost of £60m in terms of lost council tax revenues, compared to virtually every other council, however, on balance, particularly in relation to the cost of living issues everyone faced, this was simply the right decision for the next year. No long term commitments on this matter could be made on this issue, unless finances improved. Balancing the budget next year and across the next four years would be more challenging than previously based on the current forecasts. It was vital however, that the Council planned for the medium term.

The consultation on the previously published savings proposals would be due to end on 20 October and new savings set out at Appendix 4 in the report would be consulted on from 21 October. In January 2024, Cabinet would need to reflect carefully on the consultation feedback received before making final decisions on what proposals would be put to County Council for consideration in February. Forecasts would be updated to reflect the outcome Local Government Finance Settlement and any necessary amendments to the forecasts detailed in the current report.

The Leader of the Council supported the comments made by Councillor Bell and explained that unavoidable cost pressures from higher levels of inflation, the impact of national living wage increases, demographic pressures in children and young peoples services and the employers pay offer had once again outstripped budget estimates and placed a huge strain on budgets next year. Funding levels beyond 2024/25 remained uncertain and cuts would inevitably need to be made going forward without further investment to help the sector.

It was more important than ever to have a well managed budget and medium term financial planning process to help address the challenges, both now and in the future. There would be a continual need to review all areas, driving out efficiencies wherever possible, to limit impact on frontline services. The scale of the challenge could mean inevitable impacts on frontline services in the future unless the underlying funding position of the council changed.

The Council would continue to lobby government directly for 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 system, which in its current guise, disadvantaged Durham and was unfair.

The Council would be recommended to retain the local council tax support scheme, without a cap on support, which was the right thing to do given the hardship faced by so many residents.

Resolved:

That the recommendations in the report be approved.

6 Director of Public Health Annual Report 2023

The Cabinet considered a joint report of the Corporate Director of Adult and Health Services and the Director of Public Health which presented the 2023 Annual Report of the Director of Public Health for County Durham (for copy of report see file of minutes).

In moving the report, Councillor C Hood, Cabinet Portfolio Holder for Adult and Health Services Service welcomed the independent annual report from the Director of Public Health.

The annual report provided an update on the current health and well-being of residents and some of the in depth work carried out to understand the needs of veterans across County Durham.

It also recognised some of the challenges faced over the last ten years such as the response and recovery from the COVID-19 pandemic, the cost of living crisis and the impact these significant issues placed on health and well-being. The report also provided an update on the work of the Health and Wellbeing board undertaken against the four current key health priorities for County Durham, which were

- making smoking history
- enabling healthy weight for all
- improving mental health resilience and well-being; and
- and reducing alcohol harms

The report highlighted that smoking prevalence had decreased by 6.7%, a reduction of 26,700 smokers since 2013. However at 14.5% levels in County Durham remained above the national average and it was important to concentrate efforts in County Durham in having a smoke-free future for families. The report highlighted the strong links with the social determinants of health, with joint work between health and the economy.

Councillor T Henderson, Cabinet Portfolio Holder for Children and Young People's Services was pleased to second the annual report for 2023, and the particular focus on family hubs and the start to life programme to improve the lives of babies, children, young people and their parents.

Resolved:

That the recommendations in the report be approved.

7 County Durham Design Code, Trees, Woodlands and Hedges, Shop Fronts and Energy Efficiency, Renewables and the Historic Environment Supplementary Planning Documents

The Cabinet considered the report of the Corporate Director of Regeneration, Economy and Growth which sought approval to commence consultation on the second draft of the County Durham Design Code and Trees, Woodlands and Hedges Supplementary Planning Documents and the first draft of the Shop Fronts and Energy Efficiency, Renewables and the Historic Environment Supplementary Planning Documents. All four documents supported the County Durham Plan, adopted in October 2020 (for copy of report, see file of minutes).

Councillor E Scott, Cabinet Portfolio Holder for Economy and Partnerships moved the recommendations detailed in the report and explained that the County Durham Design Code was one of the first of its type in the country. The trees, woodland and hedges SPD would help protect important trees, woodlands and hedges and support contribution to the County's biodiversity.

The shopfront design guide SPD would promote good shopfront design, restoration and refurbishment improving the attractiveness of town and local centres. The energy efficiency, renewables and historic environment SPD would help to improve the energy efficiency of historic buildings and reduce energy costs, improving the appeal of living in historic buildings and in doing so, avoid them from becoming vacant and stop them from falling into disrepair. Views on the documents would be consulted upon for six weeks up until 3rd December 2023 to inform their final content.

In seconding the recommendation, Councillor J Rowlandson, Cabinet Portfolio Holder for Resources, Investment and Assets explained that the documents gave additional detail and clarity on what was required for new development to be acceptable, expanding on the County Durham Plan and provided certainty for developers and reassurance for residents.

Resolved:

That the recommendations in the report be approved.

8 Climate Emergency Response Plan 2 - 2022/23 Update

The Cabinet considered the report of the Corporate Director of Neighbourhoods and Climate Change that provided an update on progress of the Climate Emergency Response Plan (CERP2) and to consider opportunities for future iterations of this plan, including an extension of span to three years taking the Council and countywide carbon reduction actions to 2027 (for copy of report see file of minutes).

Councillor M Wilkes, Cabinet Portfolio Holder for Neighbourhoods and Climate Change explained that the impacts of climate change were being experienced across the world and by local communities in County Durham. There was a short time to make the changes necessary to mitigate against these impacts and avoidance was no longer an option given the pace of change.

It had been four years since the Council declared its climate emergency. The increase in extreme weather events had been obvious with floods, wildfires, storms and droughts becoming commonplace, creating devastation and destruction for many at home and abroad and record statistics were being broken with alarming regularity.

The report provided an update on the extensive activity of the Council to fulfil the promise of the climate emergency declaration and to deliver the climate emergency response plan.

One of the priorities of the Joint Administration was to tackle climate change, having secured more grant funding in two years than at any time prior to taking over the running of the Council. The work of the low carbon team had been astounding and Councillor Wilkes placed on record his thanks to all the team and senior management for their commitment to the cause.

The Council's carbon emissions continued to reduce - 5% down over the previous year, 59% down on the base year of 2009. The investment in low carbon technologies for Council buildings and fleet was delivering results. The focus on nature-based solutions and the natural environment had brought multiple benefits to the climate and communities. Leisure centres and offices had been decarbonised and work had completed on the Morrison Busty depot. This was a unique, ground breaking project with operational offices and workshops, together with a horticultural nursery and vehicle charging facilities all powered by its own solar farm. Zero carbon could be done and the Council were leading the way in showing how, whilst also saving money. The focus was quite rightly on making good financial decisions and continuing work in this area was vital.

Energy efficiency, low carbon technology and renewable power saved the Council money in the long term and reduced energy bills whilst protecting the Council from inflationary pressures in the energy market. The conversion of streetlights to low energy LED's already saved the Council over £7 million per year in energy costs.

The report also highlighted the work of the council across the county to encourage and gather support from communities and businesses in their own efforts to lower emissions. The government had set targets for the country to be net zero by 2050 and the Council's target was for County Durham to be net zero by 2045. The updated report demonstrated that the Council were delivering on the priorities and making good progress. It was vital that the government provided more financial support to the Council and in doing would support the leadership of the Council, highlighting that the Council could deliver if funding was made available.

Councillor S McDonnell, Cabinet Portfolio Holder for Digital, Customer Services and Procurement explained that the report demonstrated significant progress. Not only were the Council reducing its own carbon emissions as an organisation, it was working with businesses and communities across the County in providing help, support and advice. It was encouraging to see that there was demand for our business from the business community and partners to work towards a low carbon economy. The business energy efficiency project for instance had supported over 500 SMEs with targeted advice and grants. The demand had been incredibly high, such was the value of the service provided.

The Council's own engagement and advocacy work around climate change within the business community had brought together entrepreneurs and problem solvers, sharing their experience, knowledge and best practice. In communities, the Council were leading the way on the installation of community electric vehicle charging, with 150 charge points installed across the County. A recent £3m had been secured from the government to install a further 250 fast and rapid chargers which would make vehicle charging more accessible to everyone. Nature based solutions were also prominent and it was important to highlight partnership projects at the Heritage Coast and Seascapes who were working in partnership with universities on research to restore marine habitats off the Durham Coast and the huge potential for this to help absorb and store carbon. These initiatives were new and exciting and once again the Council were at the forefront. In summary, the report demonstrated progress across a wide range of projects outlined in the emergency response plan.

Councillor R Bell, Deputy Leader of the Council and Cabinet Portfolio Holder for Finance noted the continued success of the team in securing funding from central government for climate change initiatives. He added that it was often very competitive to obtain such funding from central government, highlighting the importance of having a strong climate change team with projects that were ready to go and this was something that need to be acknowledged.

Resolved:

That the recommendations in the report be approved.

9 Culture Reserve

The Cabinet considered the report of the Corporate Director of Regeneration, Economy and Growth that highlighted the activity following County Durham's bid for UK City of Culture 2025 and to outline a 2024-2026 high level cultural development programme and associated funding sources (for copy of report, see file of minutes).

Councillor E Scott, Cabinet Portfolio Holder for Economy and Partnerships moved the report and explained that Durham County Council were proud being a finalist in the UK City of Culture competition. Being shortlisted for the accolade was testament to the energy, creativity and collective action of a range of partners across the County. The process involved hundreds of local people and those people had continued on the journey, refining the key elements of the bid to develop longer term propositions that would have a deep and long term impact on our places, communities and economy. The report identified that key economic, social and place based elements of the City of Culture bid had been updated and embedded into the inclusive economic strategy.

This approach ensured that programmes and policies relating to culture, heritage and well-being, balanced growth, inclusion and opportunity. It also ensured that interventions would benefit all communities in the county, while contributing to economic success, profile and sector development.

Use of the cultural reserve would support long term cultural development of our places and people and there was a genuine excitement that the Council would be able to support creative education and creative careers and skills development. The rollout of PlaceLabs meant that community led activity would be supported across a countywide range of locations connecting wider places, shaping investments and partnerships. Large scale events such as 'finding the light' would further contribute to the growing visitor economy which hit the £1 billion mark in 2023. Importantly this use of the Culture reserve shows partners and potential cofounders that County Durham is seriously committed to culture and the role it plays in the economy and communities.

In seconding the report, Councillor J Rowlandson, Cabinet Portfolio Holder for Resources, Investments and Assets highlighted that Durham County Council was leading on the development of the culture, tourism and sport portfolio towards the establishment of the North East Mayoral Combined Authority if made in 2024. As a result of the devolution deal the strategic intent of this report aligned closely to the NE devolution deal with a dedicated reference to an ambitious cultural framework for the region. The Council's approach would place County Durham firmly at the heart of the wider North East ambitions for culture, creative tourism and sports sectors over the next 30 years and beyond. This provides further confidence that the leverage the reserve could achieve would be long term, inclusive and deeply impactful for local people and the economy.

The Leader of the Council highlighted that the bid for the City of Culture 2025 crown showed the Council's ambition for County Durham and demonstrated how the area could not only improve the quality of life for residents but also how it would have a significant positive impact on the economy. The culture reserve would act as an enabler to attract matched funding to the County and would build on the amazing work already taken place by teams and partners. The reality was that if the Council didn't promote and spread the message of the fantastic offer of County Durham, then no one else would. That message also applied to the wider North East. Councillor Hopgood felt that culture lead regeneration had taken a back seat for far too long. It was an honour for Durham to be the lead authority in the LA7, through the devolution deal, on arts, culture, tourism and sport and what better way to lead by example.

Resolved:

That the recommendations in the report be agreed.