



Electoral division(s) affected:

All

Purpose of the Report

To provide information to the Council on issues considered by the Cabinet at its meetings held on 17 January and 14 February 2024 to enable Members to ask related questions by no later than midday 3 working days before the day of the meeting

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17 January 2024

Item 1 — Medium Term Financial Plan 2024/25 to 2027/28 and Revenue Budget 2024/25 [Key Decision: CORP/R/2024/001] - Councillor R Bell, Deputy Leader and Cabinet Portfolio Holder for Finance and Councillor A Hopgood, Leader of the Council.

We considered a report of the Corporate Director of Resources which provided an update on the development of MTFP(14), covering the period 2024/25 to 2027/28 and on the development of the 2024/25 revenue budget in the light of the Chancellor of the Exchequer's Autumn Statement in November and the provisional local government finance settlement published on 18 December 2023, which had made balancing the council's budget more challenging.

The report included updated financial forecasts, building on the figures previously considered by Cabinet on 11 October 2023, together with the outcome of the MTFP(14) budget consultation process. The report also detailed some amendments to savings plans after consideration of consultation feedback as well as some additional savings options that had been developed post the previous Cabinet report.

The report also outlined recommended changes to the Council Tax Empty Property Premium Charge Section 13A(1)(c) Reduction Policy, in line with proposals to apply additional Council Tax premiums for those properties classed as long term empty from 1 April 2024.

Decision:

We:

- (a) noted the content of the report detailing the content of the Autumn Statement and the provisional local government finance settlement, which was a disappointing outcome and one which placed the council in a difficult position in terms of balancing its budgets next year and beyond;
- (b) noted that the draft settlement was broadly in line with previous forecasts, contained no new additional funding and significant unexpected cuts in the Services Grant, which has left the council in a worse position than what it was previously forecasting;
- (c) noted that the government have announced that funding settlements for the public sector, but especially for unprotected government departments, will be challenging for the period 2025/26 to 2027/28;

- (d) noted the changes to the MTFP(14) planning assumptions set out in the report, including the proposed council tax increases in line with the government's expectations;
- (e) noted the proposed revisions to savings plans for MTFP(14) detailed at Appendix 3;
- (f) noted the budget shortfall for 2024/25 of £6.447 million with a £42.183 million savings shortfall over the four year MTFP(14) period;
- (g) noted the consultation responses on MTFP(14) detailed in Appendix 4 and considered these when finalising the 2024/25 budget;
- (h) approved the updated Council Tax Empty Property Premium Charge Section 13A(1)(c) Reduction Policy attached at Appendix 5, effective from 1 April 2024;
- (i) noted that a further review of the Council Tax Empty Property Premium Charge Section 13A(1)(c) Reduction Policy would take place ahead of the introduction of the Second Homes Council Tax premium on 1 April 2025; and
- (j) noted that the 2024/25 revenue and capital budget and MTFP(14) 2024/25 to 2027/28 budget report would be presented to Cabinet on 14 February 2024 and to Council on 28 February 2024.

Item 2 - Concessionary Fares Budget [Key Decision No. REG/2024/001] – Councillor Elizabeth Scott, Cabinet Portfolio Holder for Economy and Partnerships [Key Decision No. REG/2024/001]

We considered a joint report of the Corporate Director of Regeneration, Economy and Growth which provided a financial update on spending under the English National Concessionary Travel Scheme (ENCTS) in 2022/23 and 2023/24 and how that underspend had been deployed to support bus service provision in line with the decision taken by Cabinet in October 2022.

The report proposed that the underspend forecast in the ENCTS budget should continue to be redirected to support for bus services in 2024/25 and beyond, given that bus patronage continued to remain subdued.

Decision:

We:

- (a) agreed that the forecast underspend in the ENCTS budget during 2024/25 be redirected to the local bus service support budget; and
- (b) agreed to maintain the same practice in connection with underspends that are expected to continue to occur in the medium term.

Item 3 - Creation of a County Durham Culture Trust – Councillor Elizabeth Scott, Cabinet Portfolio Holder for Economy and Partnerships

and Councillor James Rowlandson, Cabinet Portfolio Holder for Resources, Investment and Assets

We considered a report of the Corporate Director of Regeneration, Economy and Growth which provided an assessment of the benefits of establishing a charitable trust to support the council's culture service and set out recommendations and key next steps for the creation of a County Durham Culture Trust (CDCT).

The report also provided an update on the development of a fundraising strategy for the Durham Light Infantry (DLI) Museum and Art Gallery in line with recommendations agreed by Cabinet in March 2022.

Decision:

We:

- (a) agreed to instruct officers to progress an application to the Charity Commission to establish a CIO to be known as The CDCT with charitable objects as set out in paragraph 47 (or materially similar objects as recommended by the Charity Commission);
- (b) noted the utilisation of culture reserves to cover costs associated with the establishment of CDCT; and
- (c) delegated the appointment of an appropriate senior officer as Durham County Council's first nominated charity trustee in respect of and oversight of the development of a transparent and open recruitment process for the two independent trustees to the Corporate Director for Regeneration, Economy and Growth, in consultation with the Portfolio Holder for Economy and Partnerships.

Item 4 - Horden Regeneration – Masterplan Delivery - Councillor James Rowlandson, Cabinet Portfolio Holder for Resources, Investment and Assets

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth which sought approval of the Horden Preferred Masterplan Option.

Decision:

We approved the recommendations in the report.

14 February 2024

Item 1 - Medium Term Financial Plan 2024/25 to 2027/28 and Revenue and Capital Budget 2024/25 [Key Decision: CORP/R/2024/001] – Councillor R

Bell, Deputy Leader and Cabinet Portfolio Holder for Finance and Councillor A Hopgood, Leader of the Council

We considered a report of the Corporate Director of Resources which provided comprehensive financial information to enable us to agree the 2024/25 balanced revenue budget, an outline Medium Term Financial Plan MTFP(14) 2024/25 to 2027/28 and a fully funded capital programme to be recommended to Council on 28 February 2024.

Decision:

We:

2024/25 Revenue Budget

- (i) noted the fiduciary and legal responsibilities on all members to set a balanced budget by 11 March (as set out at Appendix 7);
- (ii) approved the identified base budget pressures included in Table 11;
- (iii) approved recommending the savings plans detailed in Appendix 4, which total £8.083 million in 2024/25, £3.429 million in 2025/26, £3.694 million in 2026/27 and £1.154 million in 2027/28 to Council on 28 February 2024;
- (iv) noted that a report will be presented to Cabinet later in the year on the impact of the removal of the council owned car park free after two policy (which will generate £350,000 of additional income) and to consider options in this regard;
- (v) approved recommending a 2.99% 2024/25 Council Tax increase and a 2% increase which relates to the Adult Social Care precept, totalling a combined 4.99% overall increase in council tax to Council on 28 February 2024;
- (vi) approved the 2024/25 Net Budget Requirement of £564.871 million for consideration by Council on 28 February 2024.

MTFP(14)

- (i) agreed the forecast MTFP(14) financial position, as set out at Appendix 3;
- (ii) set aside sufficient sums in Earmarked Reserves as are considered prudent. The Corporate Director of Resources should continue to be authorised to establish such reserves as required to review them for both adequacy and purpose on a regular basis reporting appropriately to the Cabinet Portfolio Member for Finance and to Cabinet;
- (iii) aim to maintain the General Reserve in the medium term between 5% and 7.5% of the Net Budget Requirement which in cash terms is between £28.2 million and £42.4 million.

Capital Budget

- (i) approved the amendments to the 2023/24 Capital Budget and agree the revised Capital Budget of £259.187 million;
- (ii) approved the Capital Strategy at Appendix 9;

- (iii) approved the additional capital schemes detailed at Appendix 10, totalling £92.883 million (including a £2.880 million commitment into MTFP(15)). These schemes will be financed from additional capital grants, capital receipts and from prudential borrowing;
- (iv) noted the option for the council to utilise capital receipts to finance severance costs utilising available flexibilities in this regard. The utilisation of such flexibility would require the approval of Cabinet;
- (v) approved the MTFP(14) Capital Budget of £513.656 million for 2024/25 to 2027/28 as detailed in Table 20.

Savings Proposals

- (i) noted the approach taken by service groupings to achieve the required savings.

Equality Impact Assessment

- (i) considered the identified equality impacts and mitigations;
- (ii) noted the programme of future work to ensure full impact assessments are included where appropriate at the point of decision once all necessary consultations have been complete.

Pay Policy

- (i) approved the Pay Policy Statement at Appendix 13;
- (ii) Delegated authority to the Corporate Director Resources to approve the new scale of fees for individual byelections, in consultation with the Deputy Leader, when they have been confirmed.

Risk Assessment

- (i) noted the risks to be managed over the MTFP(14) period.

Dedicated Schools Grant

- (i) noted the position on the Dedicated Schools Grant;
- (ii) approved the local formula for schools set out in Table 22 and authorise the Corporate Director of Resources to approve any amendments required following review by the DfE.

Prudential Code, Treasury Management and Property Investment

- (i) agreed the Prudential Indicators and Limits for 2024/25 – 2027/28 contained within Appendix 14 of the report, including the Authorised Limit Prudential Indicator;
- (ii) agreed the Minimum Revenue Provision (MRP) Statement contained within Appendix 14 which sets out the council's policy on MRP;
- (iii) agree the Treasury Management Strategy and the Treasury Prudential Indicators contained within Appendix 14;
- (iv) agreed the Cash Investment Strategy 2024/25 contained in the Treasury Management Strategy (Appendix 14 including the detailed criteria);
- (v) approved the Property Investment Strategy at Appendix 15

Item 2 - School Admission Arrangements Academic Year 2025/26 [Key Decision: CYPS/2024/001] – Councillor T Henderson, Cabinet Portfolio Holder for Children and Young People’s Services

We considered a report of the Corporate Director of Children and Young People’s Services which sought approval of the proposed admission arrangements and oversubscription criteria for Community and Voluntary Controlled Schools for the 2025/26 academic year.

Decision:

We:

- (a) agreed that the proposed admission numbers as recommended in Appendix 2 for Community and Voluntary Controlled schools be approved;
- (b) agreed that the admission numbers advised by Governing Bodies of Voluntary Aided Schools and Academies be noted;
- (c) agreed that the admission arrangements in Appendix 3 be approved.

Item 3 - Proposal to close Rookhope Primary School on 31 August 2024 [Key Decision: CYPS/2024/002] – Councillor T Henderson, Cabinet Portfolio Holder for Children and Young People’s Services

We considered a report of the Corporate Director of Children and Young People’s Services which sought approval to close Rookhope Primary School on 31 August 2024, taking account of the Local Authority’s duties as prescribed in the Education and Inspections Act 2006 to secure sufficient places and to ensure good outcomes for all children and young people in the local area.

Decision:

We agreed to close Rookhope School on 31 August 2024.

Item 4 - Council Plan 2024-2028 [Key Decision CORP/R/2024/003] – Councillor A Hopgood, Leader of the Council

We considered a report of the Chief Executive to consider the draft refresh of the Council Plan covering the four-year period 2024-2028 before it is submitted to Council for approval.

Decision:

We:

- (a) Noted the responses to the consultation and Council responses summarised in the report and in Appendix 2.
- (b) Considered the content of the draft Council Plan 2024-2028

- attached at Appendix 3.
- (c) Agreed that the refreshed Council Plan be considered for approval by Council on 28 February.
 - (d) Delegated authority to the Chief Executive in consultation with the Leader to make any further minor amends and updates to the document as necessary before it is taken to Council for approval

Item 5 - Solar Energy and Housing Needs Supplementary Planning Documents – Councillor E Scott, Cabinet Portfolio Holder for Economy and Partnerships

We considered a report of the Corporate Director of Regeneration, Economy and Growth which sought approval to commence consultation on the second drafts of the Solar Energy and Housing Needs Supplementary Planning Documents (SPDs). Both documents support the County Durham Plan (CDP) that was adopted in October 2020.

Decision:

We:

- (a) approved the second drafts of the Solar Energy SPD as detailed in Appendix 2 and the Housing Needs SPD as detailed in Appendix 3 for public consultation from 26 February 2024 to 7 April 2024; and
- (b) delegated authority to the Corporate Director of Regeneration, Economy, and Growth, in consultation with the Cabinet Portfolio Holder for Economy and Partnerships, to make minor modifications and adopt the documents following consultation (if significant changes were required then the SPD would need to return to Cabinet for adoption).

Item 6 - Adoption of Rights of Way Improvement Plan and Delivery Plan - Councillor John Shuttleworth, Cabinet Portfolio Holder for Rural Communities and Highways and Councillor Elizabeth Scott, Cabinet Portfolio Holder for Economy and Partnerships

We considered a joint report of the Corporate Director of Neighbourhoods and Climate Change and Corporate Director of Regeneration, Economy and Growth which sought approval for the adoption of the Public Rights of Way Improvement Plan 4 (ROWIP4). The report also explained the co-production and public consultation of ROWIP4 and the intention of the policies and the first three-year delivery plan.

Decision:

We:

- (a) Noted the content of this report and agree to adopt the ROWIP4 (2024-2034) as set out in Appendix 2;
- (b) Agreed the content of the three-year ROWIP4 delivery plan (2024-2027) as set out in Appendix 3; and
- (c) Noted the ROWIP4 statement of consultation as detailed at Appendix 4 of the report.

Item 7 - Levelling Up Fund Bids – Consideration of a potential claim for Judicial Review Summary

We considered the joint report of the Corporate Director of Resources and Corporate Director of Regeneration, Economy and Growth to consider whether to pursue judicial review proceedings in relation to the Council's unsuccessful bids to The Levelling Up Fund.

Decision:

We approved the recommendations in the report.

Background Papers

Cabinet Agenda and Reports

[Cabinet - Wednesday 17 January 2024](#)

[Cabinet - Wednesday 14 February 2024](#)

Councillor A Hopgood,
Leader of the Council
20 February 2024