

DURHAM COUNTY COUNCIL

At a Meeting of **Cabinet** held in the Council Chamber, County Hall, Durham on **Wednesday 10 July 2024 at 9.30 am**

Present:

Councillor A Hopgood in the Chair (Leader of the Council)

Cabinet Members:

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

Apologies:

Apologies for absence were received from Councillors C Hood, J Rowlandson and J Shuttleworth

Also Present:

Councillor Eddy Adam

1 Public Questions

There were no public questions.

2 Minutes

The minutes of the meeting held on 4 June 2024 were confirmed as a correct record and signed by the Chair.

3 Declarations of Interest

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

4 Climate Emergency Response Plan 3

The Cabinet considered a report the Corporate Director of Neighbourhoods and Climate Change which provided a final update on progress of the Council's Climate Emergency Response Plan (CERP2). The report also presented the third Climate Emergency Response Plan for the period 2024-

27 (CERP3) and sought agreement to its adoption (for copy of report, see file of minutes).

In moving the report Councillor M Wilkes, Cabinet Portfolio Holder for Neighbourhoods and Climate Change advised that substantial progress had been made in since the Councils emergency declaration in 2019, to create a cleaner, greener future in County Durham. The Council would continue to seek nature-based solutions and those that benefitted both carbon reduction and ecological recovery efforts. CERP2 focused on key themes and individual areas to address, each one with a costed action plan. Each section also included an ask of Government; to make net zero a priority and follow it up with funding and legislative backing in order to enable the Council to deliver global ambitions.

Councillor T Henderson, Portfolio Holder for Children and Young People's Services, seconded the recommendation. He confirmed that funding was critical to success, however available national funding was short term and longer term strategic funding was required, to move to a low carbon economy and deliver significant and long lasting change.

Resolved:

That the recommendations in the report be approved.

5 Adoption of Homelessness and Rough Sleeping Strategy 2024-2029 and Delivery Plan

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth which sought approval to recommend that County Council agree the adoption of the Homelessness and Rough Sleeping Strategy (HRSS) and the accompanying 12-Month Delivery Plan (for copy of report, see file of minutes).

In moving the report, Councillor A Shield, Portfolio Holder for Equality and Inclusion, acknowledged the work of Officers in developing the HRSS which aligned priorities with the Government's plan to end rough sleeping. The focus was on prevention and early intervention, and the need to supply Council owned properties. The Council had significantly increased the number of properties that were owned, reducing the need to rely on the rental market and associated costs.

Councillor S McDonnell, Portfolio Holder for Digital, Customer Services and Procurement seconded the recommendation.

Resolved:

That the recommendations in the report be approved.

6 Quarter Four, 2023/24 Performance Management Report

The Cabinet considered a report of the Chief Executive which provided information on progress towards achieving the strategic ambitions and objectives set out in the 2023-2027 Council Plan, relating to activity and events taking place in the fourth quarter of the 2023/2024 financial year (January to March) (for copy of report, see file of minutes).

The Leader of the Council highlighted some of the key performance achievements within priority areas. Employment had increased to the highest levels in twenty years, more people were achieving higher levels of education, and training and average wages had increased. The number of inward investments in County Durham was significantly higher than the annual target and there had been increased attendance to cultural events. Less household waste was being diverted to landfill and targeted education and enforcement had assisted in reducing levels of contaminated recycling. Park and Ride use had increased, due to the cessation of free after 2pm off-street parking.

With regards to children's social care, the demand for early help remained consistent, however improved practice had led to a consistently low re-referral rate. School attendance had improved despite regional and national increases during the pandemic and the Council were working with partners to develop a Protocol to support school attendance.

In adult social care, 69.5% of services users had received an annual review, the highest recorded performance in two years.

The net delivery of homes had exceeded target and 210 empty properties had been brought back into use. There continued to be low levels of fly-tipping and as a result of the ground maintenance services, there was a high level of cleanliness across the county.

The Council were performing well against other north east Councils with highest collection rate for Council Tax and third highest collection rate for business rates. The Council also had a higher than average spend on financial support schemes for vulnerable residents. Durham was one of few local authorities to offer vulnerable residents financial support with the Council Tax Reduction Scheme, Discretionary Housing, Daily Living Expenses and settlement grants and the Household Support Fund which had also assisted with providing vouchers during school holidays, to families in receipt of free school meals. The final cost of living payment had been received by the Government and the scheme had only been extended until September 2024, greater demand was expected for financial support schemes. The Council had secured £1m from the UPSPF to reduce food poverty, provide advice and guidance and deliver activities with food.

The Leader referred to a number of areas which required attention. With consistent statutory demand for children's social care, there was a high number of children who received intensive support. The service were reviewing trends to prepare for the national Care Review proposals. Requests for EHCP increased between 2019 and 2022 and had been continuing at a high level in 2023, which was impacting on capacity and the service to achieve timely assessments. A comprehensive Action Plan was in place to improve the EHCP assessment process and educational psychologist capacity which had begun to have an impact on the system. The waiting times and waiting list for advice was expected to steadily reduce throughout 2024-25.

Councillor E Scott, Portfolio Holder for Economy and Partnerships referred to economic performance as evidence that the joint administration's approach to economic growth was working and she thanked all teams across the Council who had been involved in the work. The development and implementation of an Economic Strategy had been beneficial, as was the strong engagement with partners in education, the private sector and third sector. The positive and forward-looking approach to the key sectors in the County had been present in the statistics.

Councillor S McDonnell, Portfolio Holder for Digital, Customer Services and Procurement confirmed that the Council Procurement Team and partner organisations had been recognised nationally and the County Durham Pound shortlisted in two categories at the National Procurement Go Awards. They had received highly recommended recognition for social value award and winners of Best Collaborative Procurement Award.

Councillor McDonnell also referred to the improvements in superfast broadband coverage, ultrafast, full fibre and gigabit technology, and a reduction in households with poorer broadband speeds. Broadband for the Rural North (B4RN) had launched a voucher scheme that would provide 1470 properties with access to a full fibre broadband service.

Customer service had remained a key priority for the Council with one million contacts received from residents. Half of these had been by telephone, which was the most used form of contact. Almost 40% of contacts were digital demonstrating that more residents had chosen to access services online. There had been ongoing digital service improvements including the introduction of webchat and chatbot.

Customer satisfaction had remained high, corporate complaints reduced and feedback had been gathered from almost 33500 customers via a mobile phone survey. Following a successful pilot to provide support for Members, 3950 requests had logged and monitored through the Members Portal and she thanked all teams involved in providing support to Members.

Councillor Shield, Portfolio Holder for Equality and Inclusion, confirmed that all targets for the Council Tax Reduction Scheme and Housing benefit had been met and significant improvements made compared to the same period during the previous year. He appreciated residents were struggling, particularly with the cost of living Crisis and there was a revised target for recovering Council Tax and a high level of support continued to be offered through various financial support schemes for vulnerable residents experiencing difficulty paying. The Council were awaiting the new Government to advise on proposed mechanisms following the end of the Household Support Fund in September.

Councillor M Wilkes, Portfolio Holder for Neighbourhoods and Climate Change referred to the Councils continued record low fly tipping figures, in comparison to regional and national figures, which illustrated their proactive approach. The previously offered discount for paying fines early had been scrapped and fines had been increased from £180 to potentially £1000. Neighbourhood Wardens were ensuring a zero-tolerance approach and fines had been increased for repeat offenders. The Council were continuing to clean up the county with the Yard Clearance Team having cleaned up thousands of yards and gardens within days of reporting. He was delighted at the work being done and the Council would continue to find new ways to make improvements to benefit residents across the county. He encouraged residents to report incidents so that County Durham could become the cleanest county in the country.

Councillor T Henderson, Portfolio Holder for Children and Young People's Services confirmed that although there was a backlog of EHCP's this was due to a national backlog of Educational Psychologists.

Resolved:

That the report be noted.

7 2023/24 Final Outturn for the General Fund and Collection Fund

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

- a) the final revenue and capital outturn for the General Fund for 2023/24;
- b) the final outturn for the dedicated schools grants and schools for 2023/24;
- c) the final outturn for the Council Tax and Business Rates collection fund for 2023/24;

- d) the use of and contributions to earmarked, cash limit and general reserves in 2023/24 together with the closing position regarding balances held at 31 March 2024;
- e) the achievement of Medium Term Financial Plan (MTFP) (13) savings targets in 2023/24; and
- f) the outcome of a review of all earmarked reserves, which has resulted in set of proposals to repurpose a range of these reserves.

(for copy of report, see file of minutes).

In moving the report, Councillor R Bell, Deputy Leader and Cabinet Portfolio Holder for Finance, thanked the Corporate Director and his Team for the comprehensive and thorough report.

Over the last few years financial performance had been impacted by inflation, interest rates and legacy issues caused by the pandemic and compounded by the local government pay award. Whilst inflation was back to normal levels, residents and businesses had been impacted by the issues, which had driven additional demand and costs. The council had sought to help vulnerable families and businesses during these difficult times. Many of the reported issues would affect the 2024-25 budget setting.

With the exception of Children and Young People's Services all other services had an in-year cash limit underspend. The overspend of £8.4m had required a transfer from Corporate Reserves.

In the absence of the school reserves which had increased, the overall level of reserves held by the Council had reduced by just over £14m compared to 31 March 2023. The Council's general reserve was in line with policy and appropriate for an organisation of its size and complexity, with the risks managed. The report set out details of the review of reserves undertaken in quarter four and actioned at year end, to realign and strengthen corporate capacity in preparation for MTFP15 and beyond.

The reserves held were inflated by grant funding which had been carried over from quarter four to meet commitments in 2024-25. The net outturn position across Council Tax and Business Rates collection fund showed an improvement. A record amount had been delivered by the Capital Programme and whilst less than budgeted for, the funding would be carried over and reprogrammed. The report demonstrated that the Council had strong financial resilience and exercised prudent financial management.

The Leader of the Council seconded the recommendations, thanking Councillor Bell and the Corporate Director and his team, for the detailed report. She also acknowledged all budget managers for their continued effective budget management, despite difficulties faced due to the scale and

complexity of the organisation, combined with inflationary and demand pressures. It was positive to note that the Council was generally under budget and overspending had been offset by corporate underspends and effective treasury management. Referring to the improvements to address the forecasted overspend on the high needs Dedicated Schools Grant, she confirmed that the Government should address cumulative deficits in high needs over the coming years.

The Joint Administration had focused on delivery and it was particularly pleasing to report the final capital outturn position with capital expenditure totalling £233.010 million which exceeded previous levels delivered in any one year. This had included £23.9m invested in highways, £18.3m towards a £60m scheme at NetPark Phase 3 and an initial £16.2 million towards a £38 million investment in a new primary and secondary school at Belmont. There had also been investment of £13 million as part of the Leisure Transformation Programme and £9.4 million invested from the disabled facilities programme to ensure vulnerable people were able to stay in their own homes. This was not an example of an administration who did not want to improve the economy or invest in County Durham. In addition to these investments and major schemes at the bus station, The Story and Spennymoor Primary School had concluded and work had commenced on bringing the DLI building back into use.

The Capital Programme was significantly improving infrastructure and the Leader noted that £361m had been budgeted for 2024/25 and £232.5 for 2025/26. To conclude, she thanked everyone concerned in the delivery of the Capital Programme, confirming that County Durham was open for business and the Council would continue to deliver, as they had for the previous three years.

Resolved:

That the recommendations in the report be approved.

8 Adoption of the County Durham Housing Strategy and Delivery Plan

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth which sought approval to recommend that County Council agree the adoption of the County Durham Housing Strategy (CDHS) and the accompanying 12-Month Delivery Plan (for copy of report, see file of minutes).

In moving the report, Councillor Scott recognised the work attributed to the County Durham Housing Strategy by Officers and partners and the residents and other stakeholders for their contribution to the process. The new strategy would build on the success of the 2019 strategy to bring 955

properties back into use, provide energy efficiency improvements to 7500 properties, issue 13000 licences in selective licensing areas, install adaptations in 4000 properties, and secure a partner for the Councils house building programme.

The strategy provided framework and set out the strategic direction to enable the Council to provide good quality affordable housing that met everyone's needs. The 12-month delivery plan would ensure there was no delay in delivering the strategy as the Council developed a longer term delivery plan.

In seconding the report, Councillor Shield confirmed that the strategy aimed to make County Durham a place with good quality homes that met the needs of existing and future residents, support economic growth, contribute to improved health and create maintained, sustainable and mixed balance communities. This had been acknowledged by the overwhelming support provided during the consultation process.

Councillor Wilkes confirmed that the Council were fixing housing issues and ensuring the provision of temporary accommodation which saved money. They were also ensuring homes for larger families and building or buying new Council homes, something he suggested, was not done by the previous administration.

Resolved:

That the recommendations in the report be approved.

9 Home to School Transport Services - Proposals and Policy Update

The Cabinet considered a joint report of the Corporate Director of Children and Young People's Services, the Corporate Director of Regeneration, Economy and Growth and the Corporate Director of Resources which presented proposals in relation to the Maintained Concessionary scheme, a revised Personal Travel Budget offer and an update Home to School Transport policy (for copy of report, see file of minutes).

Councillor T Henderson, Portfolio Holder for Children and Young People's Services, confirmed that following a recent review of the Home to School Transport service, Cabinet had agreed to a number of recommendations in June 2023. Whilst the Council had to meet its statutory duty to provide free transport to children who met specified criteria, consideration had to be given to the sustainability and fairness of the service.

The report identified that some transport services provided by the Council went beyond statutory duty and were not provided by most other councils. They were also not provided consistently across the county. The proposals ensured that the Council would continue to provide a statutory service but

with more equity and transparency and a balanced set of changes, which provided greater clarity on the Policy.

Councillor Henderson confirmed that Cabinet would be giving further consideration to the maintained concessionary scheme and therefore he did not seek to move recommendation 9(a). He therefore, proposed recommendations 9 b) and 9 c) as outlined in the report.

Councillor Scott advised that Home to School Transport was a complex daily operation that involved delivering over 1,200 transport routes with over 300 contracted suppliers. It was necessary for the Council to address the budgetary pressures as expenditure had risen to £28.65m in 2023/24.

The report highlighted the research done on best practice in other Councils, which had been reflected within Policy, transport arrangements, and some of the feedback received from parents and carers during the 2023 public consultation. It was pleasing to continue offering parents an enhanced opportunity to transport their children to school through the use of a Personal Travel Budget.

Noting Councillor Henderson's comments in relation to recommendation 9a) and that proposals in respect of the maintained concessionary scheme would be the subject of further consideration by Cabinet, Councillor Scott seconded recommendations 9b) and 9c).

Resolved:

That recommendations b) and c) be approved as outlined in the report.

10 Productivity Plan

The Cabinet considered a report of the Chief Executive which sought approval of the Council's productivity plan which demonstrates how the Council plans to improve the service performance and reduce waste (for copy of report, see file of minutes).

In moving the report, the Leader of the Council referred to the difficult challenges in local government over the previous 14 year period and a range of issues which had impacted the sector, including a rise in demand for statutory services, the cost of living crisis, the pandemic and ongoing impacts of climate change. These were in addition to the continued reductions to public spending which had seen this Councils core spending reduced by £260m since 2010.

The Productivity Plan set out the Councils obligations to maintain efficient service delivery and also what national government could do for the sector to make it more sustainable. The new Government had the opportunity to set

out policy agenda and the Cabinet called upon them to make changes to some of the deep-seated structural drivers of demand that impacted on the sector and associated funding reform.

The Leader confirmed that since 2010, children in care had increased by 147% and many had complex needs which placed huge pressures on council budgets. Children with a Statement of Special Educational Needs (SEN) had also increased and these growing demands were national trends that the sector was struggling to meet. Collectively, councils were carrying accumulated deficits in their accounts equating to billions of pounds. Increased numbers of children identified with SEND had impacted on the cost of Home to School Transport, with the budget increasing by 194% in the previous five years.

The issues had been compounded by the reliance on short term funding settlements from the Government. This had impacted on the ability to make long term strategic choices and it undermined the ability to plan and optimise strategic decisions for service users. This was another national trend that the new Government had the power to address through funding reform and multiyear funding settlements.

The Leader confirmed that the plan included many other examples of the pressures faced by councils, how they had been addressed, and suggestions of how the Government could assist going forward. Despite these challenges, the Joint Administration had continued to support residents and communities, making some bold decisions in relation to capital spending. They had also recognised that residents faced similar issues with their own household budgets and developed a comprehensive action plan to support people hardest hit by the cost of living crisis. This included a Council Tax Reduction Scheme, which was the only scheme in the north east which provided 100% discount to financially vulnerable households. This Council delivered, and the Leader of the Council urged the Government to do the same.

Councillor R Bell confirmed that the Council had a reputation for being well run, with good governance arrangements and strong finances, as evidenced in the Productivity Plan. There were processes in place to demonstrate good value for money and regular budget and performance monitoring, supported by a range of qualitative assessments from external auditors. In addition routine benchmarking was carried out against other councils.

The Council would continue working to continuously improve in alignment with the plan. It provided a useful summary of information in relation to plans, strategies and data monitoring to in response to the enquiries of the former Minister for Local Government at Appendix 2. In relation to barriers,

the Council had set out a range of suggestions from their own experience and from peers across the sector. Examples included:-

- fairer distribution of funding based on needs and demands;
- return to multiyear funding settlements;
- reform of the Adult Social Care Precept and Home to School Transport
- regulation of the Children's Social Care market;
- reset of Business rates and local taxation reformed so areas such as Durham were not adversely affected due to the low tax base and high student population; and
- reform of Council Tax

It was hoped that the new Government would seek to address these types of funding flaws, otherwise there was a risk that the sector would become unsustainable and be left providing little more than statutory services.

He seconded the recommendation in the report.

Councillor M Wilkes was in full support of the recommendation and was critical of what he believed to be wasteful spending by the previous administration. The Council had since made improvements but there were always opportunities to make improvements and find savings. The shortfall in local government equated to billions and the new Government needed to reform and provide funding for the provision of quality services.

Resolved:

That the recommendation in the report be approved.

11 Maintained Schools Budget Plans 2024/25

The Cabinet considered a joint report of the Corporate Director of Children and Young People's Services and the Corporate Director of Resources which provided an overview of maintained schools' budget plans for 2024/25 (for copy of report, see file of minutes).

In moving the report, Councillor Henderson thanked both Corporate Directors and their teams for their continued support to 145 maintained schools. This was the first year in many years that the Chief Finance Officer had not exercised delegated powers to agree a deficit budget. This was partially due to additional funding provided by the previous Government and allocated to 23 of the Councils most financially challenged schools.

Maintained schools were budgeting to utilise £4.5m of their retained balances in 2024/25, which if required would see maintained balances reduce to £22.1m at the end of the financial year. It was important to support and challenge schools to properly manage budgets and ensure that leadership

teams and governing bodies were living within their means.

Resolved:

That the report be noted.

12 County Durham Minerals and Waste Policies and Allocations Document Adoption

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth which sought approval to recommend that County Council agree the adoption of the County Durham Minerals and Waste Policies and Allocations Document (MWPAD) following its independent examination by planning inspectors appointed by the Secretary of State (for copy of report, see file of minutes).

In moving the report, Councillor Wilkes confirmed that the document would assist in protecting residents from inappropriate development and provide additional clarity following adoption of the County Durham Plan. It would create certainty for developers and reassurance for residents. Following engagement with the public and developers an independent examination found that the policy provided sound basis and protected the environment.

Councillor Scott seconded the recommendation.

Resolved:

That the recommendations in the report be approved.