

# Durham County Council

## Cabinet

At a meeting of **Cabinet** held in the **Council Chamber, County Hall, Durham** on **Wednesday 18 September 2024** 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, J Rowlandson, E Scott, A Shield, J Shuttleworth and M Wilkes

### Also Present:

Councillors P Heaviside and G Hutchinson

## 1 Public Questions

In response to a question from Mr Trevor Regan, Councillor J Shuttleworth, Cabinet Portfolio Holder for Rural Communities and Highways explained that licences and authorisations for the sale of alcohol and provision of regulated activities, such as live music, are issued in accordance with the requirements of the Licensing Act 2003.

A licence for Lambton Estates to carry out one licensable event per year was granted in May 2024 following the statutory consultation process.

The Licensing Act allows for licences to be 'reviewed' by a licensing authority if a complainant applies to the council for this to happen. Reviews are designed to consider whether the following 'licensing objectives' are being promoted: -

- The prevention of crime and disorder
- The prevention of public nuisance
- Public safety
- The protection of children from harm

Officers will forward advice to Mr. Regan on how to make an application for a review of a licence. This information can also be found on the Council's website.

## **2 Minutes**

The minutes of the meeting held on 10 July 2024 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 item of business on the agenda.

## **4 Medium Term Financial Plan (15), 2025/26 - 2028/29 and Review of the Local Council Tax Reduction Scheme and Council Tax Discretionary Discounts and Premiums Policy (Key Decision: CORP/R/2024/001)**

The Cabinet considered a report of the Corporate Director of Resources which provided an update on the development of the 2025/26 budget and the Medium Term Financial Plan (MTFP(15)) covering the period 2025/26 to 2028/29, plus the initial consultation to be undertaken across the next few months.

The report also considered a review of the Local Council Tax Reduction Scheme for 2025/26 and made recommendations to be presented to Council in September 2024 in this regard (for copy of report, see file of minutes).

Councillor R Bell, Deputy Leader of the Council and Cabinet Portfolio Holder for Finance highlighted that every 1% percent on council tax generated around £2.8 million of additional council tax revenue. Every 1% of pay award agreed by the national local government employers, of which the Council had no control over, increased costs by around £2.9 million. Therefore two thirds of the income raised from a 2.99% council tax increase next year would be swallowed up by the forecasted 2% pay award, if indeed the pay award could be contained at that level.

The forecasts in the report were based on a range of prudent and realistic financial planning assumptions. The council could not raise sufficient income locally to meet the unavoidable cost pressures faced each year, unless additional government funding was received. Councillor R Bell had written to the Secretary of State on the matter and the new MP's for County Durham had been fully briefed. The Council and the wider sector clearly required more funding and more certainty which could only come from the receipt of a multi-year settlement and a truly fair funding settlement. As suspected, the Council would be faced with a one year settlement next year and would not be in a position to get a multi-year settlement until after the comprehensive spending review due in 2025. The impact of the choices made would be presented by the Chancellor to Parliament on the 30 October.

Despite the financial challenges, the report set out details of the local council tax reduction scheme and proposes that Cabinet recommends to Council that the protection be continued. The decision would come at a cost, £42 million in terms of last council tax revenues compared with virtually every other council, but on balance it was simply the right decision, for at least for next year. The position would need to be reviewed in a years' time in terms of the Council's ability to sustain this position in the face of the financial challenges faced.

The Leader of the Council echoed the points made by Councillor R Bell and said the budget next year would once again be extremely difficult to manage given the continued, significant, and unavoidable cost pressures being experienced. Looking ahead to 2026/27, the Council were faced with £1.6 million of additional cost pressures linked to the statutory requirement to introduce a weekly food waste collection service, but had no confidence that the new burden would be fully funded. There was little cause for optimism at this stage, that the Council would see any increases to funding so desperately needed based on current announcements from the new government. The Council had and would continue to lobby for more funding and for a fair share of the funding, along with other councils from across the region. Without further investment the council would only be able to afford to deliver statutory minimum levels of service. The Council faced a £21.7 million challenge to balance the budget next year and a further £23.7 million challenge the year after that, with a £64.1 million challenge in total forecasted across the next four years. That was despite an MTFP planning assumption that Council Tax be increased by 2.99% each year. Given the scale of those challenges, it was more important than ever before to have a well managed medium term financial planning process to help us address the challenges. The Council could not succumb to the temptation of using reserves to push away the problem and avoid difficult decisions. This was not a sustainable budget strategy to adopt and not something the Joint Administration would entertain. Reserves could only be used where it was prudent to do so. The recommendation to retain the local council tax reduction scheme without a cap on support was the right thing to do given the hardship faced by so many residents.

Councillor A Shield, Cabinet Portfolio Holder for Equality and Inclusion speaking specifically about the local council tax reduction scheme highlighted that there were currently just over 53,800 local council tax reduction claimants in County Durham. Some 20,000 (38%) were of the state pension age and 33,000 (62%) were of working age. Almost 83% of the working age claimants received the maximum local council tax reduction scheme support.

The scheme was forecasted to be circa £67 million in the 24/25. £25m of this related to claimants of pensionable age and £42m related to claimants of working age. Whilst the Council could be extremely proud to be one of the few local authorities in the UK to offer full local council tax reduction, there needed to be an acknowledgement that the ongoing severe financial issues affecting the County Council. Post the May 2025 elections, the incumbent administration would need to carefully consider the financial capability of maintaining this essential benefit support to all sectors of our society.

Councillor M Wilkes, Cabinet Portfolio Holder for Neighbourhoods and Climate Change said that the Council needed the government to recognise that the work carried out by local authorities was critical to people's lives but there was a need to provide the funding, otherwise the Council would simply be providing the statutory minimum service, adding that without a minimum investment, of about £2 billion into local government next year, more councils will be issuing Section 114 bankruptcy notices.

The Council were well run, financially stable thanks to the difficult decisions being made. However, the additional cost pressures that all Councils faced were not sustainable. As well as running services, the Council were spending enormous amounts of time working on plans to save money, many of which were no longer about efficiencies. This took resource away from getting on with the day-to-day running of services. It was pleasing to note that the Council were continuing to lobby the government for funding. Whether this was successful remained to be seen, particularly after the unacceptable vote to scrap the winter fuel allowance, which would add further pressure onto the Council and struggling residents.

**Resolved:**

That the recommendations in the report be approved.

**5 Simpler Recycling: Introduction of Food Waste Collections and other waste collection changes across County Durham (Key Decision: NCC/2024/003)**

The Cabinet considered a report of the Corporate Director of Neighbourhoods and Climate Change which outlined the new statutory requirements for local authority waste management functions arising from the Environment Act 2021 and associated regulations, collectively termed Simpler Recycling reforms.

The report also sought Cabinet to consider and select from options, a favoured method for weekly separate collection of household food waste which was required to be in place by 31 March 2026 and for some larger trade waste businesses by 31 March 2025, with separate collections for smaller businesses being in line with the household weekly collection changes.

The report set out plans to make changes to the current recycling service, with the proposal to introduce co-mingling of glass into the main (blue lidded) recycling bin, which would help limit the number of receptacles for residents, improve operational efficiency and improve health and safety for Refuse and Recycling collection workforce. The proposals also allowed for the separate collection of batteries, currently a fire hazard when transported as part of residual waste loads.

The report sought approval for the commencement of the procurement processes necessary for delivery of the new food waste services, including the ordering of vehicles and caddies, procuring services for the treatment of the food waste and developing any bulk haulage arrangements that may be required, noting that the capital allocated by Government may not on its own be sufficient to deliver the scheme's capital needs, and that the revenue support for these New Burdens was unknown at this time (for copy of report, see file of minutes).

In moving the recommendations, Councillor M Wilkes, Cabinet Portfolio Holder for Neighbourhoods and Climate Change commented that the proposals would be the biggest change to the service since the introduction of alternative weekly collections made over a decade ago. Operating a service that was delivered reliably and consistently to every house in the County was a significant undertaking. Collection teams already emptied more than a million bins a month through refuse, recycling and garden waste services. Bins were rarely missed, staff rarely took days off and worked in all weathers, all year round. The Council would be procuring and delivering two new containers for every household, a new fleet of collection vehicles, new treatment and disposal contracts. The introduction of food waste collections would have major environmental benefits including the reduction of net carbon emissions and the movement towards a circular economy through treatment and recycling of organic waste matter. It would provide for a significant boost to recycling performance, which was already the highest in the region. There was however a cost and there remained some uncertainty of how much of the additional costs would be covered by central government support. The capital allowance the Council were to receive was £1.2 million short of the actual cost of the new fleet and containers required for roll out. Additional revenue costs must be considered through the new burdens approach and the Council were yet to hear how this would be accommodated and, more importantly, the financial value of the support to be given.

Councillor Wilkes informed the Cabinet that he had written to DEFRA highlighting the significant challenges of delivering additional waste services, especially in financially difficult times and requested that adequate support be forthcoming. The Council would be looking to innovate wherever possible, making the most of the opportunity for change, for example the introduction of recycling opportunities for batteries and vapes. Overtime it was hoped to introduce recycling for plastic film. The Council would also be taking the significant step of removing separate boxes for the collection of glass. This would make it simpler for households to recycle, but also safer for the workforce to collect, given the manual handling challenges of lifting heavy boxes full of glass.

Councillor S McDonnell, Cabinet Portfolio Holder for Digital Customer Services and Procurement commented that the report marked a significant milestone for refuse and recycling services. Separate collection of food waste made strong environmental sense and should be welcomed. Councillor S McDonnell spoke positively about the opportunities being taken to introduce a kerbside collection for batteries and vapes, both of which were an environmental hazard, but also a safety hazard, having caused a number of vehicle fires.

Councillor McDonnell supported the lobbying to DEFRA to emphasise the financial burdens that the new service placed on the council. It was essential that these issues were addressed nationally with fair and appropriate funding for every council. The communication and education plans and campaign would be vital in terms of bringing people along with us for such a large scale change. Councillor McDonnell seconded the recommendations set out in the report.

**Resolved:**

That the recommendations in the report be approved.

**6 Leisure Transformation Programme (Key Decision: REG/2024/003)**

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth which provided a summary of the leisure transformation programme, and an update on current and planned works and completed project delivery to date.

The report noted the due diligence work undertaken on site options for Seaham and development and cost appraisals work across all sites, following the report to Cabinet in September 2021.

The report also outlined the challenging financial environment facing the council in its overall operation and regarding the delivery and operation of leisure facilities and also highlighted the overall costs of the programme. Within that context it outlined the proposed approach to the facilities that have not yet commenced in the programme.

The report then outlined an update relating to the £10 million Medium Term Financial Plan (MTFP) commitment for Seaham and Chester-Le-Street Leisure Centres (for copy of report, see file of minutes).

Councillor J Rowlandson, Cabinet Portfolio Holder for Resources, Investments and Assets said that global and local challenges had impacted on the programme since the original leisure transformation aspirations were developed. The aspiration to bring forward and deliver on the full programme in due course would remain. However, the cost of delivering the programme as set out in January 2020 would be in excess of £109m. This was the result of extraordinary inflationary pressures. Like all local authorities, the Council was in a far worse financial position than it was in 2020 and in this context the commitment of an additional £46m to bring the total investment of over £109 million on what was an important but ultimately, a discretionary service was too high a financial risk for the Council to take. The Leisure Transformation Programme maximised the available budget and included an investment of £2m from Sport England who recognised that the plans contributed to national priorities. The Council had been supported through the government's public sector decarbonization scheme, which had brought innovative green solutions to the leisure estate and contributed to carbon reduction commitments. In February 2024, the council committed a sum of £10 million to support customer focused improvements at leisure centres in Chester-le-Street and Seaham. When officers undertook the initial development work to establish a suitable programme, it became clear that the work carried out to improve the experience of the facilities could be abortive in terms of future new build developments and would not offer the best value for the Council or for the users. The £10 million would be ringfenced for the work that safeguards the operational capability at this time. A £62.2 million investment in the health and well-being agenda through commitments to the current leisure centres in the capital programme remained exceptional in the current climate. Along with the work of the Children's and Young People and Adult and Health Services. The Sports and Leisure transformation contribution was immeasurable to the continued health and wellbeing of the residents of County Durham. Councillor Rowlandson hoped that the financial position would improve to the extent that the opportunity to see through the original aspirations.

Councillor E Scott, Cabinet Portfolio Holder for Economy and Partnerships explained the importance of recognising the importance of the investment for the health and wellbeing of our communities.

The provision of affordable facilities for residents resulting in health, well-being, economic and social benefits they created for communities were substantial. Councillor Scott placed on record her thanks to the staff team for everything they had done in this regard. Customer feedback from the transform sites had been extremely positive, with increased use by families and young people in soft play and tag active zones and by older people and those needing more introductory level, or rehabilitation gym offer in the move hub. These two user groups were particularly key in terms of increasing activity levels across the county and addressing health inequalities. The report outlined that the income generated hadn't yet met the targets envisaged, however, work was underway to drive usage further.

**Resolved:**

That the recommendations in the report be approved.

## **7 Quarter One, 2024/25 Performance Management Report**

The Cabinet considered a report of the Chief Executive which outlined progress towards achieving the strategic ambitions and objectives set out in the 2024-28 council plan to members, senior managers, employees and the public (for copy of report, see file of minutes).

The Leader of the Council explained that the report provided insights into how the Council were dealing with the many challenges faced along with other local authorities up and down the country. The transparency of strategic planning and performance management arrangements were welcomed and something that the Joint Administration continued to champion. Councillor Hopgood was pleased that feedback from residents and customers had been expanded into this report. Notably, the Council continued to deliver strong performance, despite the challenges created by the impact of growing demands and inflation driven headwinds.

Overall, economic performance remained strong across a range of performance measures and the longer term perspective on key measures was good. The employment rate was better than the rate 20 years ago and the unemployment rate was low. There had been a 10% increase in available jobs across the county since 2010 and demand for development land and industrial and office premises of all sizes was high. It was expected to exceed targets in securing more investment for companies and over the last two years had exceeded the annual target for inward investments. The new employability programme, growing visitor economy, 'The Story', the expanded Park and Ride operation, family hubs, and targets in relation to the Environment were all highlighted as areas of good performance.



Each Cabinet Portfolio Holder then provided an update on performance in relation to their specific portfolios. Highlights included the shortlisting of the Council for the National Recycling Awards, Digital Durham Programme, robust and resilient cybersecurity, the inclusive economic strategy, £1.23 billion into the visitor economy in 2023 which had exceeded anything ever before, increased gym memberships, and a 'good' rated Care Quality Commission review of Adult Services.

**Resolved:**

That the recommendations in the report be approved.

**8 Forecast of Revenue and Capital Outturn 2024/25 - Period to 30 June 2024 and Update on Progress towards achieving MTFP (14) 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 2024/25, based on the position to 30 June 2024;
- b) an update on the dedicated schools grants and forecast schools' outturn as at 31 March 2025, based upon the position to 30 June 2024;
- c) the forecast for the council tax and business rates collection fund outturn at 31 March 2025, based on the position to 30 June 2024;
- d) details of the updated forecast use of and contributions to earmarked, cash limit and general reserves in 2024/25 and the estimated balances that will be held at 31 March 2025. 2 To provide Cabinet with an update on progress towards achieving MTFP (14) savings in 2024/25;

The report also provided Cabinet with an update on progress towards achieving MTFP (14) savings in 2024/25 (for copy of report, see file of minutes).

**Resolved:**

That the recommendations in the report be approved.

## **9 Health and Wellbeing Board Annual Report 2023/24**

The Cabinet considered a joint report of the Interim Corporate Director of Adult and Health Services and Director of Public Health which presented the Health and Wellbeing Board (HWB) Annual Report 2023/24 for endorsement (for copy of report, see file of minutes).

Councillor C Hood, Cabinet Portfolio Holder for Adult and Health Services explained that the report provided an opportunity to review progress, the challenges and next steps in four priority areas. It was important to regularly check to ensure that the approach taken was having the intended impact on health outcomes. Councillor Hood referred to the work taking place in helping residents make healthy lifestyle choices, ensuring that people in more deprived areas of the County could access stop smoking services, a successful pilot to increase the availability of healthy food options in hot food takeaways and the promotion of healthy food offers in a range of settings across the county. Links across the wider County Durham partnership were continuing to strengthen and increase the awareness of health impacts across housing, poverty, education, economy and the environment.

Councillor Ted Henderson, Cabinet Portfolio Holder for Children and Young People was pleased to see examples of work in schools with children and young people, equipping them with the tools to maintain and improve their own physical and mental health for the future.

Councillor R Bell commented that the report was straightforward and easy to digest, illustrated by a range of real life case studies. Councillor Bell also took the opportunity to thank the outgoing Director of Adult and Health Services, Jane Robinson, for her good work on the board over many years and for the Council.

### **Resolved:**

That the recommendations in the report be agreed.

## **10 Adult Social Care Update**

The Cabinet considered a report of the Interim Corporate Director of Adult and Health Services which provided an update on developments in Adult Social Care; including the Care Quality Commission (CQC) assessment of Adult Social Care in County Durham, a new service delivery model for Adult Mental Health Services, Unpaid Carers Service in relation to hospital discharge, and the Breakthrough Service.

The report also provided an update on developments in relation to health and social care integration, particularly the advances made through the County Durham Care Partnership (CDCP) on the Transfer of Care Hub (ToCH), the Therapies Project and extended work on the Children and Young People's Integrated Services.

On 14 September 2022 Cabinet noted the potential changes to health and care integration set out in the Health and Care act 2022 and the Integration White Paper (February 2022). Cabinet agreed that the preferred option for future health and social care integration would be a Joint Committee co-produced with the North East and North Cumbria Integrated Care Board (ICB). Cabinet also noted that detailed discussions were needed with partners and Government guidance may be published which would have an impact on the preferred option. The report provided an update on the discussions with partners, the impact of Government guidance and the likelihood of the preferred option to deliver significantly better outcomes (for copy of report, see file of minutes).

**Resolved:**

That the recommendations in the report be approved.

**11 Corporate Procurement End of Year Performance and Social Value Report**

The Cabinet considered a report of the Corporate Director of Resources which provided an update on the performance of the Procurement function and wider council spend profile including the Social Value outturn position. The report also identified the targeted performance results, impacts and challenges through the council's procurement activity for the financial period 2023-2024 (for copy of report, see file of minutes).

Councillor S McDonnell, placed on record her thanks to all of the officers involved in the Council's procurement activity, but particularly Sarah Armstrong and Richard Carroll for their leadership and support that resulted in Durham County Council being sector leaders, and recently retired Darren Knowd. It was pleasing to note a high proportion of spending was with County Durham based SMEs, businesses and showing that the County Durham Pound was reinvested into local businesses and local employment for the benefit of residents and the local economy adding that the County Durham Pound was an initiative and an area of business that Durham should be proud of.

**Resolved:**

That the recommendations in the report be approved.

## **12 Review of Removal of Temporary Free After 2pm Parking concession**

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth to review the removal of Free After 2pm in council owned car parks as agreed by County Council on 24 January 2024 and the impact in regard of the removal of Free After 2pm (for copy of report, see file of minutes).

Councillor E Scott, highlighted that there was no tangible evidence available and no such thing as free parking. It was accepted that some motorists would prefer not to pay a charge (or a reduced charge), however, paying for parking ensures that it is the user who contributes to the operational costs of the facility rather than the community at large. Free or cheap parking makes car travel a more attractive option, however, that leads to increased congestion and transport emissions and conflicts with the Councils declared climate agenda.

Councillor A Shield explained that the evidence presented by way of the report contradicted the belief that free parking generates benefits to the economy, adding that people with lower incomes don't own cars, yet are expected to contribute towards the cost.

### **Resolved:**

That the recommendations in the report be approved.

## **13 County Durham Partnership Update**

The Cabinet considered a report of the Chief Executive which provided an update on issues being addressed by the County Durham Partnership (CDP), which includes the CDP Board, Forum, Thematic Partnerships and Area Action Partnerships (AAPs) across the county (for copy of report, see file of minutes).

The Leader of the Council commented that the Partnership update always provided a welcome reminder of what could be done working together, both strategically and in individual local communities.

In May, the County Durham Partnership Board reaffirmed its active support for the Vision of the County Durham Together Partnership; working with those communities most in need, to empower, build resilience and utilise local community assets.

In February, the County Durham Partnership Forum sought to understand what more could be done to help new arrivals settling in the County through humanitarian support schemes, and how to support communities to deal with associated changes. County Durham Partnership Board members and Area Action Partnership Chairs were full of admiration for the bravery and commitment shown by two volunteers, who shared their first-hand experience of the schemes and how they were helping others arriving in County Durham.

The cost of living crisis continued to put immense strain on individuals and families across the county. Funding had been secured through the UK Shared Prosperity Fund to expand 'The Bread-and-Butter Thing' network from 15 to 20 hubs across the County so more families could benefit from access to affordable food in our communities.

Data poverty was also being tackled through the creation of 26 Digital Hubs to support neighbourhoods with the provision of connectivity through devices and skills programmes, and through the launch of a National Databank providing free mobile data, texts and calls to people in need.

The Safe Durham Partnership had built upon the Partnerships' move towards simpler easy-to-digest strategies, focused on areas where the Partnership can have most impact in the areas that matter to our residents. The best way to mitigate the impact of national challenges at a local level, was to listen to feedback of resident's experiences, work with residents to deliver solutions, and with partners, reduce duplication and make a difference for people in their communities.

The County Durham Partnership was key to this approach, and the Leader of the Council celebrated the level of commitment from across the county.

**Resolved:**

That the recommendations in the report be approved.

**14 Public Space Protection Order (PSPO) to control Instances of Anti-Social Behaviour in Durham City**

The Cabinet considered a report of the Corporate Director of Neighbourhoods and Climate Change which provided the outcome of the consultation exercise which was carried out in relation to a potentially new Public Space Protection Order (PSPO) for begging, urinating, and defecating in public and the use of psychoactive substances in Durham City. The report also made recommendations in respect of the introduction of a PSPO in Durham City (for copy of report, see file of minutes).

Councillor J Shuttleworth, Cabinet Member for Rural Communities and Highways moved the recommendations in the report and commented that the consultation had provided overwhelmingly strong evidence for the introduction of a PSPO. The PSPO was supported by residents, the police, the parish council and city stakeholders. A PSPO would not be solution to all issues in the city but would be an additional “tool in the box” to control behaviours and improve the lives of residents and visitors to the city.

Councillor M Wilkes, Cabinet Portfolio Holder for Neighbourhoods and Climate Change seconded the recommendations in the report and spoke of the importance of doing everything within the powers at the Council’s disposal. Having heard directly from residents there was no doubt the actions outlined in the report were appropriate.

Councillor Wilkes also referenced that the ongoing work for those genuinely in need would continue by the excellent homelessness support the Council offered.

**Resolved:**

That the recommendations in the report be approved.