

DURHAM COUNTY COUNCIL

At a Meeting of **Cabinet** held in Council Chamber, County Hall, Durham on **Wednesday 15 January 2025 at 9.30 am**

Present:

Councillor A Hoggood 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:

Councillors E Adam and J Atkinson.

1 Public Questions

There were no public questions.

2 Minutes

The minutes of the meetings held on 4 December 2024 were agreed as a correct record and signed by the Chair.

3 Declarations of interest, if any

Councillor A Shield declared a disclosable pecuniary interest in relation to Council Funded Advice and Guidance Review: Options Appraisal.

4 Medium Term Financial Plan(15) 2025/26 - 2028/29 - (Key Decision: CORP/R/2025/001)

The Cabinet considered a report of the Corporate Director of Resources which provided an update on the development of the Council's Medium Term Financial Plan (MTFP (15)), which covered the four-year period from 2025/26 to 2028/29, and the development of the underpinning revenue budget assumptions (for copy of report, see file on minutes).

Councillor R Bell, Deputy Leader of the Council and Cabinet Portfolio Holder for Finance summarised the high level detail in the report which superseded the report considered by Cabinet in December. It updated estimates that would need to be accommodated in the budget and these were higher than previously forecast. The

updated assumptions were set out in detail in the report and the bottom line was that the Council would still have a funding gap of £21.2m.

The Leader placed of record her thanks to the Deputy Leader and Cabinet Portfolio Holder for Finance and the Corporate Director and his team for the report, particularly as much of the information required to update financial forecasts was only published on 18 December 2024.

Much had changed since the previous report to Cabinet in December and whilst the overall position had improved, this was largely down to the burden of balancing the budget being placed onto local tax payers by the Government.

The Government had hard wired the assumption on councils maximising their council tax raising powers into the Core Spending Power calculations and there was an expectation that Councils applied these increases to help balance their budgets. Government and indeed the External Auditors would raise questions if a council was not applying an increase in council tax, when there was a clear need to do so.

The updated forecasts identified that there was a clear rationale for applying increases in order to help balance the budget and protect vital local services.

Cost pressures faced next year, particularly in Adult and Childrens Social Care were eye watering. These costs were linked to meeting statutory service provision to vulnerable people and there was nothing the Council could do other than to accommodate the increased costs in the budget. The growth required for these two areas alone totalled £34.5 million which placed a massive squeeze on the budgets available for other services.

To help meet these rising costs the Government was providing the Council with an increase in Social Care Grant of £11.98 million and had provided the ability (with the clear expectation) to apply a 2% Adult Social Care Precept next year, which would generate an additional £5.8 million of council tax revenues.

Factoring in the additional council tax from the Adult Social Care Precept and the additional Recovery Grant would improve the underlying condition, however, the Council could not balance the budget next year and would need to utilise £3.184 million of reserves. In doing so assumes that all the £18 million of savings proposals currently being consulted on were agreed and taken. The consultation would close on Friday 17 January and careful consideration on that feedback would need to be considered.

Without these savings plans the Council would be £21.2 million short of balancing the budget next year – which lays bare the challenges faced as a low tax base authority. The Council could not generate sufficient revenue from council tax and were reliant on Government providing additional funding to meet the shortfall, something which successive governments had failed to do.

The underlying position would have been better had the Government kept the promises made in the Autumn Budget Statement to fully reimburse Councils for the changes to Employers National Insurance Contributions from next year.

The updated forecasts in the report clearly demonstrated that the cost of Employers National Insurance Contributions for directly employed staff were expected to rise by £8.24 million next year with the Council only expected to receive circa £4.74 million of additional funding – leaving the local tax payer in County Durham with a £3.5 million net additional cost. If the Government had honoured the commitments made in the Autumn Statement, the Council would have effectively had a balanced budget next year – albeit with the delivery of £18 million of additional savings.

Funding levels beyond 2025/26 remained uncertain and were still to be confirmed. These would be set out in the upcoming Comprehensive Spending Review and Fair Funding Review, therefore the position beyond the coming financial would not be clear until around October / November 2025.

It was encouraging to hear that funding formula arrangements were being looked at with a view to redistributing funding to authorities like Durham who faced lower tax raising capacity and higher levels of demand because of higher levels of deprivation. Indeed, the Council had benefitted from the start of this process, with the additional Recovery Grant of £13.9 million being welcomed.

This had been dwarfed by the increased costs faced from the National Living Wage increase, pay awards, demographic and inflationary pressures in social care budgets in particular and the impact of the Employers National Insurance cost increases on both internal staffing costs but also in the supply chain, where providers would seek to pass on that burden.

The forecasts in the report showed that the Council would have a funding gap of around £3.2 million next year and around £45.8 million over the next four years assuming the Council Tax is increased in line with planning assumptions and that all the savings proposals being consulted on were taken.

All members had a legal and fiduciary duty to facilitate the setting of a balanced budget. Making difficult decisions to balance the budget could not be avoided and the Council could not succumb to the temptation of using reserves to push away the problem and avoid the difficult decisions that were needed.

The media coverage of the escalating Government Debt and the precarious state of the national finances had made for interesting viewing. Government Departments had been tasked with making cuts as part of the upcoming Comprehensive Spending Review, which provided very little optimism in terms of the prospects for significant increases in Government funding in 2026/27 and beyond, indeed it seemed to indicate a return to austerity, if anything.

The Council would continue to lobby government directly for additional financial support and hold them to their commitments to implement a fundamental review of the local government finance system – including how authorities are compensated

for low council tax raising capacity – as the current system significantly disadvantaged places like Durham and was unfair and needed addressing.

The Leader of the Council invited other Cabinet colleagues for comment.

Councillor J Shuttleworth said that the decisions by the Government in relation to National Insurance Contributions would undoubtedly affect every working person in the country and the county.

Councillor M Wilkes said that the Labour Government Budget didn't just increase costs, but also forced Councils to increase council tax.

He felt that incompetence was pushing up costs across the board. Prior to the General Election everyone was expecting to see borrowing costs coming down. As a result, all projects had become riskier or more expensive. The Council had managed to deliver the biggest capital programme ever seen, despite cuts in funding. Councillor Wilkes felt that the Government simply did not recognise the impact its policies were having and implored them to fund local authorities appropriately as a matter of urgency.

Resolved:

That the recommendations in the report be approved.

5 Proposal to Amalgamate Horndale County Infant and Nursery School with St Francis C of E (Aided) Junior School on 1 September 2025 to become a newly named all through C of E (Aided) Primary School - (Key Decision: CYPS/2025/001)

The Cabinet considered a report of the Corporate Director of Children and Young People's Services which sought approval to amalgamate Horndale County Infant and Nursery School and St. Francis C of E (Aided) Junior on 1 September 2025 to create a newly named all through C of E (Aided) Primary School 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 (for copy of report, see file of minutes).

Councillor E Adam asked a question on behalf of himself and Councillor J Atkinson who welcomed the amalgamation. Referring to Appendix 1 Accommodation on page 74, Councillor Adam highlighted that 'should Horndale County Infant School close, the building would be considered for alternative education opportunities in line with the needs of CYPS.'

He asked if the Portfolio Holder could provide further details on this 'alternative' educational opportunity and the likely timescale of implementation to provide confidence to local residents that the empty building would not be left to depreciate and be open for vandalism.

Responding to the question, Councillor T Henderson, Cabinet Portfolio Holder for Children and Young People's Services said that it was anticipated that St Francis

would continue to use both school buildings from September 2025 until August 2026 to support the transition of pupils into the new school and any adaptations that may be needed to the St Francis building to accommodate an all through Primary School. This would allow for additional time to plan for use of the building. The most likely future use would be to support children with additional educational needs within the locality which would benefit all schools and the wider community in the Aycliffe area. The buildings were in good condition and there was significant demand for additional specialist education provision. On that basis constant use was envisaged.

In Moving the report, Councillor Ted Henderson, Cabinet Portfolio Holder for Children and Young People's Services explained that the report confirmed the amalgamation proposals. These would result in a positive impact for pupils, families and the community.

Councillor S McDonnell, Cabinet Portfolio Holder for Digital, Customer Services and Procurement seconded the report and highlighted the key objectives of the amalgamation. The proposal would ensure curriculum breadth was enhanced to meet the needs of all learners. The new school would have a long and successful future for its children and thanked all those who had supported the long-term vision for the community.

Resolved:

That the recommendations in the report be approved.

6 Draft Council Plan 2025 - 2029 - (Key Decision: CORP/R/2025/003)

The Cabinet considered a report of the Chief Executive which presented the draft refresh of the Council Plan for the four-year period 2025-2029 before it was submitted to Council for approval (for copy of report, see file of minutes).

The Leader of the Council informed Cabinet that the refreshed Council Plan was now the fourth of its type since a review was undertaken in June 2022. Many of the issues faced by Council could not be solved by the Council alone. The Joint Administration of the Council had recognised the critical importance of working in partnership with others across the public, private, voluntary and community sectors. The updated Council Plan covered the period 2025 to 2029 and did not, and could not, include a list of everything the Council carried out. It was underpinned by a wide range of specific strategies and service specific action plans.

As a direct result of this years' consultation, the plan provided more detail on how the Council would achieve its ambitions. The focus of the Council remained steady and like last year, the plan set out ambitions to support our economy, our people, our environment and our communities. It was important to ensure that resources continued to be used in a transparent and effective way and in line with the Medium Term Financial Plan.

The Leader of the Council referred to the peer review challenge which would take place later in the year. This would inevitably put more of a focus on the quality of

strategic planning. This process would be informed by the government's best value standards which stated that well-functioning councils provided quality leadership by setting a clearly articulated, achievable and prioritised vision for officers to follow up. The vision must also put place, and local people, at its heart and the Council Plan did just that.

Over the last year, the Joint Administration had delivered on things that mattered to local people and local communities. The Council faced ongoing challenges in 2025, driven by increasing demand for council services whilst resources remained scarce. As such, prioritisation was key and it was important to allocate resources carefully and ensure delivery. The plan provided the common denominator for those functions.

Councillor R Bell, Deputy Leader of the Council commented that there had been a focus on using plain English and a much improved presentational style. He felt that the Council had clearly listened to business and local communities who had responded.

Councillor A Shield, Cabinet Portfolio Holder for Equality and Inclusion spoke of the characteristics of a well-run Authority. The Council Plan was intelligence lead, evidence based and ensured that performance is monitored, measured and held to account, with clear and effective mechanisms to scrutinise across all areas. The evidence clarified that the Joint Administration were by no means 'a coalition of chaos' a termed by the opposition members and were, in fact a well-functioning authority.

Councillor E Scott, Cabinet Portfolio Holder for Economy and Partnerships said that the progress made under the Joint Administration was cause for celebration.

Councillor J Shuttleworth, Cabinet Portfolio Holder for Rural Communities and Highways highlighted that hard work had continued across County Durham and spoke of the improvement in the condition of classified roads, the restoration of historical Baileys in the City of Durham and Whorlton Bridge, the additional investment in the Public Rights of Way network and the award winning cleansing of streets and pavements as well as being trailblazers for carbon zero work. Councillor Shuttleworth added that the rural nature of County needed to be built into all plans.

Councillor Wilkes, Cabinet Portfolio for Neighbourhoods and Climate Change said that the real impacts of climate change were now being seen across the world with accelerated extreme weather events all being linked to Climate Change. It was therefore encouraging to see the prominence of environmental issues being brought to the forefront of Council decision making, demonstrating a forward thinking authority.

Councillor C Hood, Cabinet Portfolio Holder for Adult and Health Services highlighted that health and wellbeing were very much at the forefront of the Joint Administration and would continue to be.

Resolved:

That the recommendations contained in the report be approved.

7 Strategic Place Plans: A Vision for Durham City and Wider Programme Roll Out - (Key Decision: REG/2025/004)

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and growth which provided an update on the Durham City Strategic Place Plan and to agree the vision.

The report also provided an update on the development of the Strategic Place Plan pilots in Spennymoor, Shildon and Newton Aycliffe and outlined the future programme of Strategic Place plan development. (for copy of report, see file of minutes).

Councillor Scott, Cabinet Portfolio Holder for Economy and Partnerships explained that the plans marked a significant departure from traditional master plans, prioritised community involvement and a holistic 'whole town' approach to current and emerging regeneration priorities.

Highlighting the Durham City project, Councillor Scott said that this exemplified the co-design approach, with extensive and diverse community input shaping the future vision and key priorities of the City.

This vision underlined the vital role of the City in County Durham's broader regeneration, offering a new, unique blend of heritage, culture and progress that benefits both residents and visitors. The codesign approach was also evident in the Spennymoor, Shildon and Newton Aycliffe pilot programmes, demonstrated the power of community led initiatives to drive local regeneration, which would help secure significant external funding to help deliver local priorities.

The report also outlined a timetable for developing individual town visions and priorities across the County. The plans would serve as a crucial guide for future funding opportunities and would align with the transition of Area Action Partnerships into Local Networks, which emphasised the importance of identifying and delivering on local priorities. Councillor Scott thanked staff across Regeneration who had embraced the new way of working.

Resolved:

That the recommendations in the report be approved.

8 Quarter Two, 2024/25 Performance Management Report

The Cabinet considered a report of the Chief Executive which informed members, senior managers, employees and the public of progress towards achieving the

strategic ambitions and objectives set out in the Council Plan 2024-28 (for copy of report, see file of minutes).

The Leader of the Council thanked the Head of Corporate Affairs and his team for the detailed and comprehensive update on performance against the priorities of the Council. The transparency of strategic planning and the Performance Management arrangements were welcome and something that the Joint Administration continued to champion. It was also pleasing to note the feedback from residents and customers in the report that the Council continued to deliver strong performance.

The Leader highlighted the strong economic performance across the county in key areas such as jobs, investment, demand for employment land and industrial premises and the employment rate, all of which were favourable compared to previous years.

The Council had continued to exceed targets for securing investment for companies and supporting businesses and increased attendances had been recorded at all cultural event venues.

In respect of the environment the Council were diverting a smaller proportion of waste to landfill and contamination of household recycling continued to come down. The Council were building, with regional partners a new energy recovery waste facility which would meet the future needs of the county. Although there had been improvement in the levels of carbon emissions generated from within the county, through Council activity there was awareness that more progress would be required to meet Net Zero targets.

For our people, statutory demand for children's social care was higher than last year but remained relatively low compared to regional comparators. The Council continued to deliver good outcomes across statutory children's social care in achieving a consistently low re-referral rate. The rate of increase of children in care had slowed down in the most recent quarter and the Council were aware that more need to be done. The sufficiency and commissioning strategy continued to deliver against its objectives opening more of our own homes to help mitigate against ongoing challenges in the sector experienced locally and nationally. Improvement in processes and an increased capacity in the SEND service had improved timelines and it was expected that performance improvement would continue throughout the remainder of the financial year.

Similar to many other areas, demand for Educational Health and Care plans continued to be very challenging and work continued with schools and families to provide support within the system. The Leader was pleased to note that the independently assessed quality of social care in County Durham was very good and a high proportion of Care Homes and community based providers were rated either good or outstanding.

In terms of communities, reports of fly tipping remained low, environmental cleanliness was high and more long-term properties were being brought back into use. The overall crime rate in County Durham had fallen and compared favourably with many Council areas in the region. Bus patronage and punctuality continues to

improve and work continued with other councils across the region to implement the North East bus service improvement plan. Progress continued in the selective licensing scheme with 58% of properties being fully licensed. Legal proceedings were instigated against those that avoid taking part.

For our Council, the scheme to identify children eligible for free School meals through auto enrolment directly with their school had been highly successful and was highlighted as an exemplar of good practice which had been implemented in lots of other areas across the region and the country. As a result, in County Durham over 2,000 eligible children had been identified potentially saving parents around £450 a year. This increase in eligibility had a positive impact on school budgets with a direct increase in pupil premium funding of around £3 million plus further additional income from mainstream funding. The Council were continuing to provide much needed support to its most vulnerable residents through financial support schemes and were one of only a few authorities which offered support of this type. Satisfaction with overall Service delivery remained high with most service requests met or indeed exceeding their performance standard.

There were a range of other areas to note. These were summarised in the executive summary of the main performance report.

The Leader of the Council then invited each Cabinet Portfolio Holder to summarise their respective areas.

Resolved:

That the report be noted.

9 County Durham Housing Strategy and Delivery Plan Adoption

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth which sought approval to recommend that County Council agree to 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 J Rowlandson, Cabinet Portfolio Holder for Resources, Investments and Assets recognised the hard work put into the development of the housing strategy by Council Officers and partners. He thanked residents and other stakeholders who had engaged in the process which provided for a clear and focused document. The County Durham Housing Strategy provided a framework to inform the actions and investment of the Council and its partners and would ensure the Council was well positioned to maximise future opportunities for funding support. It was important to have an up-to-date strategy that could influence, as well as respond, to regional and national agendas. It also set out the strategic direction for housing activity in County Durham and sought to achieve a vision to provide good quality housing to meet everyone's needs, including older people.

Councillor E Scott, Cabinet Portfolio Holder for Economy and Partnerships said that the housing strategy aimed to make County Durham a place that had good quality

homes to meet the needs of existing and future residents and that housing was affordable. It would also support economic growth, contribute to improved health and create and maintain sustainable mixed and balanced communities.

Resolved:

That the recommendations in the report be approved.

10 Inclusive Economic Strategy, Annual Review 2024

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth which provided an update on the County Durham Inclusive Economic Strategy (IES) adopted by the council in late 2022 and the associated Delivery Plan adopted in late 2023. The report also provided an update on the implementation of the IES and progress towards its targets (for copy of report, see file of minutes).

Councillor E Scott, Cabinet Portfolio Holder for Economy and Partnerships thanked the Corporate Director and her staff for embracing the ambitions of the Joint Administration and to those who had worked tirelessly with partners to make great things happen in the County.

The development of the Inclusive Economic Strategy had been a major priority and commitment for the Joint Administration and there was now a coherent focus and ambitious long-term vision for County Durham, developed with, and endorsed by all partners and stakeholders, and driving real change. The future vision was allied to the County Durham Plan.

Alongside the ambition for growth, the Council had allocated land needed to support growth. Through the development of an investment framework, the Council had focused on maximising public and private sector funding into the County. The delivery plan model was driving, tangible change. In short, the foundations had been laid for a better economic future for all communities in County Durham.

The report highlighted the impact of the inclusive economic strategy to date and the driving of transformative inclusive growth against virtually all indicators. County Durham was in a much better place economically and more residents were in work. The gap was being bridged with the national average. The report also showed the benefits being reaped following brave decisions made on devolution, with new investment underpinning many of the activities in the delivery plan. County Durham was turning a corner from an era of long-term disadvantage to a place with a range of long term opportunities and huge potential.

Great strides had been made in recent years to show what the County offered and the Council were finally being recognised by investors and visitors. There was a need to work in partnership to continue and build momentum, with everyone pulling together in the same direction.

Councillor Scott, fully endorsed the update and supported the recommendation to review and update the Inclusive Economic Strategy Delivery Plan in the coming

months and would look forward to working with colleagues and partners to develop clear plans for the next few years.

Councillor J Rowlandson, Cabinet Portfolio Holder for Resources, Investments and Assets seconded the report. Councillor Rowlandson said that the progress was testament to the inclusive economic strategy and how important it was for County Durham. The strategy had the power to unite all stakeholders, partners, businesses and communities around a shared future. There had been a laser focus on delivery with clearly defined actions targeted at achieving real outcomes. Significant progress made in one year alone was a clear indication of this approach. Given the significant changes that had taken place since the delivery plan was adopted, with a new government and even more of a focus on devolution of power and funding to the region, it was an opportune time later in the year to review the delivery plans. This would allow the establishment of a new series of activities which would ensure that the Council continued to drive the economic growth.

Councillor M Wilkes, Cabinet Portfolio Holder for Neighbourhoods and Climate Change wished to place on record his thanks to Councillor Scott and Rowlandson for the way they had implemented the art of possible, for demonstrating enthusiasm and promoting positivity.

The Leader of the Council placed on record, her thanks to the outgoing Corporate Director of Regeneration, Economy and Growth, Amy Harhoff and the Head of Economic Development, Andy Kerr in delivering the Inclusive Economic Strategy and wished them both well in their future careers to those organisations who have employed them in more Senior posts.

Resolved:

That the recommendations in the report be agreed.

11 Continuous Improvement - Best Value and Corporate Peer Challenge Self Evaluation & Action Plan

The Cabinet considered a report of the Chief Executive which provided a summary of the council's approach to continual improvement, including in relation to Best Value (BV) standards.

The report also informed Cabinet of the Council's participation in the Local Government's Association's (LGA) Corporate Peer Challenge (CPC) which was scheduled for week commencing 6th October 2025.

The report then provided an update on preparations for the Corporate Peer Challenge and self-assessing the Councils performance against Best Value standards (for copy of report, see file of minutes).

The Leader of the Council was particularly pleased to highlight the up and coming participation in the local government association's corporate peer challenge, having recently been involved as a peer on an LGA corporate peer challenge. Councillor Hopgood personally endorsed the immense value of such an approach and there

was no doubt in her mind that it provided a robust framework for self-assessment and external evaluation would offer invaluable insights and constructive feedback from peers. The process would be instrumental in helping celebrate successes and address any areas where improvement might be made.

Durham County Council had always prided itself in being a high performing organisation and the dedication to evolve and enhance services was testament to this. Maintaining high standards required constant vigilance and a proactive approach to identifying areas for improvement. Rigorous testing against Best Value standards would ensure that operations remain efficient, effective and economically sound. The commitment would not only help to deliver the best possible services to the communities of County Durham but would also reinforce accountability and transparency.

Councillor R Bell, Deputy Leader of the Council said that it was a very timely report off the back of comments he made earlier in relation to budgetary provision and transformation going forward. This was an opportunity for continuous improvement and obtain best value out of the transformation program.

Resolved:

That the report be noted.

12 Mainstream Primary and Secondary Formula Funding 2025-26

The Cabinet considered a joint report of the Corporate Director of Children and Young People's Services and Corporate Director of Resources which provided an overview of the forecast Dedicated Schools Grant School Block and proposed local formula for allocating funding to individual schools in 2025/26, where the proposal was that the council continues to align the local mainstream primary and secondary formula funding in 2025/26 with the National Funding Formula (for copy of report, see file of minutes).

It was Moved by Councillor T Henderson, Cabinet Portfolio Holder for Children and Young People's Services, and Seconded by Councillor R Bell, Cabinet Portfolio for Finance.

Resolved:

That the recommendations in the report be approved.

13 Exclusion of the public

That under section 100(A)4 of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Schedule 12A to the said Act.

14 Council Funded Advice and Guidance Review: Options Appraisal

The Cabinet considered a report of the Corporate Director of Resources which shared the findings of a review of council funded Welfare Information, Advice and Guidance Services in County Durham and to propose recommendations for future service delivery, which provided opportunities for efficiencies (reduced duplication of provision / better signposting) and MTFP savings (for copy of report, see file of minutes).

In moving the recommendation, Cllr R Bell, Deputy Leader of the Council and Cabinet Portfolio Holder for Finance thanked the Council's Transactional Team and Overview and Scrutiny for their input into the report. The review showed that people wanted local delivery, and the agreement would protect the current offer and enhance provision.

Cllr S McDonnell, Cabinet Portfolio Holder for Digital, Customer Services and Procurement seconded the recommendation in the report.

Resolved:

That the recommendations in the report be agreed.