

## **DURHAM COUNTY COUNCIL**

At a Special Joint Meeting of **Corporate Issues Overview and Scrutiny Committee and Overview and Scrutiny Management Board** held in Committee Room 2, County Hall, Durham on **Monday 27 January 2014 at 11.30 am**

### **Present:**

**Councillor J Lethbridge (Chairman)**

### **Members of the Committee:**

Councillors J Alvey, J Armstrong, R Bell, J Blakey, G Bleasdale, J Chaplow, P Crathorne, D Hall, K Henig (Vice-Chairman), J Hillary, A Hopgood, E Huntington, T Nearney, C Potts, M Simmons, T Smith, P Stradling, L Taylor, R Todd, J Turnbull, M Wilkes, S Wilson and R Young

### **Also Present:**

Councillors J Shuttleworth and M Williams

### **1 Apologies.**

Apologies for absence were received from Councillors J Buckham, P Lawton, P McCourt, A Shield and Revd. K Phipps.

### **2 Substitute Members.**

There were no substitute members.

### **3 Declarations of Interest, if any.**

There were no declarations of interest submitted.

### **4 Medium Term Financial Plan 2014/15 to 2016/17 (MTFP (4)) and 2014/15 Budget**

The Committee received a joint report of the Corporate Director Resources and Assistant Chief Executive which provided an update on the Medium Term Financial Plan MTFP (4) 2014/15 to 2016/17 and 2014/15 Budget following the Government's Local Government Finance Settlement announcement on 18 December and feedback from the budget consultation process that ended on 7 December 2013 (for copy see file of minutes).

The Head of Finance (Corporate Finance) provided a brief summary on the report which had been presented to Cabinet in December 2013. Copies of which had been circulated to Members in advance of the meeting.

Since that report the provisional Local Government Settlement had been received with final figures expected in February 2014. Following consultation the Government had made some concessions in 2014/15 in relation to the New Homes Bonus, however the Government were still pressing ahead with their funding system which it was felt, unfairly

distributed grant approved by parliament to meet the cost pressures of providing statutory services and significantly disadvantaged the most deprived areas of the country.

Clarity was still required in relation to Council Tax Referendum limits for 2014/15 and the way in which council tax freeze grants were built into base budgets.

With regard to the 2014/15 settlement the Head of Finance (Corporate Finance) advised that the council would be expecting to see around an 8% reduction to core funding and this was broadly in line with what had been forecast, however there were several more specific grants which had not yet been confirmed, namely DfE grants.

Details were also provided in regard of the 2015/16 provisional settlement figures and the impact upon the council's spending power. In addition the report detailed the revenue support grant reduction and spending power reduction variations across the Country.

It was reported that in overall terms the council would suffer a 22.7% reduction in core funding between 2013/14 and 2015/16.

Moving on the Head of Finance provided detail in respect of the 2014/15 Budget and the adjustments which had been made in order to meet the savings of £23.025m. With regard to the MTFP(4) 2014/15 to 2016/17 it was reported that there was a savings shortfall of £64.108m over the period, therefore the total forecasted savings target for the period 2011 to 2017 was now £224m.

The report further provided detail in respect of the consultation exercise which had been undertaken along with the key messages and feedback which had been received. It was also noted that from the consultation findings it was known that there was little support for a council tax increase of more than 2%, however, around two thirds of the group exercise felt that an increase of up to 2% would be acceptable.

Moving on the report detailed the MTFP Strategy which had been deployed across the council to seek savings from management, support services and efficiencies. It was noted in particular that 1,520 posts had been removed from the establishment to date which was in line with original projections of 1,950 posts by the end of 2014/15.

The Head of Finance then referred to paragraph 85 of the report which provided in depth detail as to the savings proposals for 2014/15.

The Head of Planning and Performance then proceeded to provide a summary of initial equality impacts and the work which had been done to ensure that the public consultation was representative of the whole county. She further advised that full details of those equality impact assessments would be available in the Members Resource Centre shortly.

Councillor Bell raised a query with regard to the council tax freeze and how this was consolidated into the base budget. In response the Head of Finance (Corporate Finance) provided clarification over how the revised calculation would apply and it was suggested that detail on this be provided within the next Cabinet report.

Mr D Kinch with reference to page 39 queried whether the reference to charges for garden waste was incorrect. It was noted that this was an error and would be amended.

Further discussion took place regarding public health funding, following a point which was raised by Councillor Todd regarding targeted education. It was noted that it was important to ensure that the council did not lose sight of these aims, whilst dealing with significant cuts to the service.

Councillor Stradling added that he welcomed the report and commented that unfortunately the council were not faced with any alternative option in these circumstances. Councillor Armstrong further reiterated those comments and added that he wished to thank the team for all their hard work.

Councillor Hopgood commented that in future consultation it may be beneficial to include information relating to what services / functions had already been cut and by how much, as she felt that the same services were regularly impaired and the public could be better informed.

Further discussion took place regarding the transfer of housing stock following a question from Councillor Bell. The Head of Finance advised that the cost of stock transfer to the General Fund had been detailed in previous reports to Cabinet and that this issue should be seen as an investment by the council in housing.

Councillor Wilkes commented that the council should be applauded for the savings that had already been achieved without affecting front line services, however queried what percentage of front line services would have to be cut in the future. In response the Head of Finance (Corporate Finance) advised that the council would become smaller in future years and therefore it was noted that at some point the cuts would impact upon front line services as a result, however the council would continue to do everything possible to protect those front line services as a priority.

Councillor Wilkes further suggested that recommendations should be made to merge services as had been seen within the Adults and Children and Young People's service. Councillor Armstrong commented that the council had made a commitment to achieve 30% of savings from high level staff and management and Directorates / service groupings would be looked at as part of that evaluation.

Councillor Smith commented whether the £9.5m worth of reserves which would be utilised to support the MTFP, would be clawed back. The Head of Finance (Corporate Finance) advised that the reserves would be utilised on a short term basis to delay the implementation of various savings and to ease budget pressures.

**Resolved:**

That the content of the report be noted

## **5 Customer First Strategy Refresh 2014-2017**

The Committee considered a report of the Corporate Director Neighbourhood Services which provided information on the public consultation on the new Customer First Strategy for the Council for 2014-2017, which was considered by Cabinet on 15 January 2014 (for copy see file of minutes).

The Customer Relations, Policy and Performance Manager advised that a Member Task and Finish group had been established and the first meeting would take place on 6 February 2014.

She went on to advise that the revised strategy set out the draft commitments for the council, in the context of the reviewed budget and was appended to the report at appendix 2. Further detail was reported in respect of the consultation process which would take place over a 12 week period and commenced on 20 January 2014. Various methods of consultation would be undertaken to ensure that it reached a wide range of the council's customers and would include online surveys and focus groups. The council would also aim to seek the views of wider partners during the consultation exercise.

Councillor Hopgood in referring to page 63 of the report suggested that the statistic surrounding council complaints would read more positively if amended to say that *'98% of the complaints received into the Council in 2012/13 were not resolved locally*. It was agreed by all that this was a far more positive message.

In addition Councillor Wilkes referred to the Foreword and suggested that more emphasis should be placed upon how well the council had done in achieving significant savings, without affecting front line services. In addition he queried the point on page 61 relating to making it easier for customers to telephone the council and asked that this was clarified.

In response the Customer Services Policy and Performance Manager advised that the council still maintained hundreds of published numbers and a selection of key numbers would be preferable.

The Head of Planning and Performance advised that any further comments that Members had, could be fed in to the meeting on the 6<sup>th</sup>. In addition, any other Members who wished to sit on the group should notify the Chairman of the Corporate Issues Overview and Scrutiny Committee.

Councillor Hopgood commented that in her area there was a particular problem with very slow broadband, and issues with costs associated with BT Infinity. Therefore she added that there were potentially 11,500 residents who may be unable to access council services online due to this problem. It was noted that this should be raised with the Head of ICT.

Councillor Hopgood further indicated that she would be interested in taking part in the review.

**Resolved:**

That the content of the report be noted.