

## **DURHAM COUNTY COUNCIL**

At a Ordinary Meeting of the County Council held in the Council Chamber, County Hall, Durham on **Wednesday 28 October 2015 at 10.00 a.m.**

### **Present:**

#### **Councillor J Blakey in the Chair**

Councillors E Adam, J Allen, B Armstrong, J Armstrong, L Armstrong, B Avery, A Batey, A Bell, E Bell, R Bell, H Bennett, G Bleasdale, D Boyes, P Brookes, J Brown, J Carr, J Chaplow, J Charlton, J Clare, J Cordon, K Corrigan, K Davidson, M Davinson, K Dearden, M Dixon, S Forster, N Foster, D Freeman, I Geldard, B Glass, B Graham, J Gray, C Hampson, J Hart, T Henderson, S Henig, D Hicks, J Hillary, M Hodgson, G Holland, K Hopper, L Hovvels, E Huntington, I Jewell, O Johnson, B Kellett, A Laing, P Lawton, J Lethbridge, J Lindsay, R Lumsdon, C Marshall, L Marshall, N Martin, O Milburn, B Moir, S Morrison, A Napier, T Nearney, H Nicholson, A Patterson, M Plews, C Potts, G Richardson, J Rowlandson, K Shaw, J Shuttleworth, M Simmons, H Smith, T Smith, M Stanton, W Stelling, B Stephens, D Stoker, P Stradling, A Surtees, L Taylor, P Taylor, O Temple, E Tomlinson, J Turnbull, A Turner, A Watson, M Wilkes, M Williams, A Willis, C Wilson, S Wilson, R Yorke and R Young

Apologies for absence were received from Councillors J Alvey, D Bell, J Bell, A Bonner, C Carr, J Clark, P Conway, P Crathorne, R Crute, O Gunn, D Hall, K Henig, A Hopgood, S Iveson, C Kay, J Lee, H Liddle, J Maitland, J Maslin, P May, J Measor, M Nicholls, P Oliver, R Ormerod, T Pemberton, L Pounder, J Robinson, S Robinson, A Savory, A Shield, M Simpson, K Thompson, F Tinsley and S Zair

### **1 Minutes**

The minutes of the meeting held on 23 September were confirmed by the Council as a correct record and signed by the Chairman.

### **2 Declarations of Interest**

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

### **3 Chairman's Announcements**

The Chairman informed Council that a recent concert held at Auckland Castle in aid of the Chairman's charity had raised over £450.

The Chairman referred to Christmas Events which were being organised and informed Council that all Members would soon be provided with full details of these by email.

## 4 Leader's Report

The Leader of the Council provided an update to the Council as follows:

- September had seen the opening of the Hitachi Rail plant at Newton Aycliffe, which would see a significant return of train building to the County. The opening ceremony was undertaken by the Prime Minister and Chancellor of the Exchequer and Councillor Henig extended his thanks to those at Business Durham, within the County Council and to Geoff Hinton of Merchant Developments for their work in securing this project for County Durham.
- Work had commenced on the site of the County's first University Technology College which was to be based at Newton Aycliffe.
- Durham Book Festival had been a great success, the Yves St Laurent Exhibition was still showing at the Bowes Museum and the Lumiere Festival, which was the UK's largest light festival, would start on 12 November.

Councillor Henig then provided the Council with an update on the devolution of funding, powers and responsibilities to the North East. Over the summer the Government had promoted more devolution deals, inviting expressions of interest by the start of September. It was clear that a pre-requisite to any devolution agreement would be the creation of an elected mayor.

The North East Combined Authority (NECA) had progressed a Devolution Agreement, a copy of which had been provided to Members prior to the commencement of the meeting. It was considered that the Agreement was the best deal possible from the Government for the region and would be subject to a period of substantial public consultation. The views of the public on devolution mattered, and as a Unitary Authority, Durham County Council had an unmatched record around public consultation, for example budget events and AAP's. Councillor Henig informed Council that a poll of all electors within the County on the devolution agreement would take place in the new year and details of this would be brought to December's Council meeting. It was important that all stakeholders had their say on the devolution agreement and the poll would ensure that 1½m residents within the County would be involved in the decision.

Councillor R Bell referred to the recent opening of the Hitachi facility at Newton Aycliffe and reported that the managing director of Merchant Place Development had been very complimentary of the role of Councillors Henig and Foster and officers of the County Council in supporting the development. The Hitachi site was on the periphery of the area of the Combined Authority and Councillor Bell asked whether under proposed arrangements for devolution the County could again attract such a development or whether it would locate to another area, for example Tyneside.

Councillor Temple informed the Council that he had submitted three emergency questions for today's meeting but in light of Councillor Henig's announcement regarding a poll of County Durham residents, he would withdraw his third question. Councillor Temple asked the following questions:

The agreement included the ability of any five of the local authority leaders to enforce budgetary amendments on the mayor. What guarantees were there that the two largest, most populous and most rural counties, Durham and Northumberland, would not find themselves losing resource to the five smaller authorities in the Tyne and Wear conurbation?

Durham was the only local council in the North East Combined Authority whose Police force and Fire and Rescue Service straddled two Combined Authorities. What was the risk that the requirement for the Combined Authority to explore the relationship between the mayor, the Police and Crime Commissioner and the fire services would undermine the existing excellent services?

Councillor Henig, in reply to Councillor Bell's question, informed the Council that the Council was continuing to plan further expansion of the Newton Aycliffe Business Park and was optimistic of a further development. The site had a prime location for the A1 and for the rail network and the Business Park was key to the economic future of the County, not on the periphery. There were many locations within the County which were in a position for further expansion and many developments were taking place throughout the County.

Councillor Henig informed Council that he believed there should be a referendum on the proposed devolution agreement, but this was not favoured by Central Government, and therefore the Council could only have a poll of its own residents. The new regional structure would place decision making in the hands of one person rather than a regional assembly.

Referring to the geographical location of the County, Councillor Henig informed Council that it would be for the residents of County Durham to have their say on whether County Durham should be part of the wider north east region or should stand outside of this. While there were arguments which could be put forward either way, Councillor Henig informed Council he believed County Durham should be part of the wider north east area.

Councillor Henig informed Council that representation had been made regarding the uniqueness of police and fire and rescue arrangements in County Durham and there was no mention in the devolution agreement about taking on these arrangements. The devolution agreement focussed on the areas of transport, the economy and skills, not blue light services, and the current arrangements for the provision of these services in Darlington would preclude powers for these being placed in the hands of the mayor of the Combined Authority. The Chair of the Fire Authority and the Police and Crime Commissioner had been kept fully informed of the details of the devolution agreement.

The devolution agreement phrasing was right for County Durham and the Combined Authority could not be responsible for the police or fire services. The County Council was 100% committed to its police service, which was the best performing force in the United Kingdom, and to its fire and rescue service, both of which were doing an excellent job. The County Council's views on this were and are very clear and would continue to be the views of the Council.

## **5 Questions from Area Action Partnerships**

Questions had been received from the Stanley Area Action Partnership and the Durham Area Action Partnership relating to the following:

- The likely implications of the proposed changes to business rates, and their retention by local councils.
- How the Council envisaged the private rented sector would respond if the approved applications for Purpose Built Student Accommodation in Durham City proceeded.

Geoff Graham, Vice-Chair of the Stanley AAP was in attendance to ask their question and John Murphy, Durham AAP Co-ordinator was in attendance to ask their question.

Councillor Alan Napier, Portfolio Holder for Finance thanked the Stanley AAP for their question and provided a response. Councillor Foster, Portfolio Holder for Economic Regeneration thanked the Durham AAP for their question and provided a response.

The Head of Legal and Democratic Services informed the Council that the questions, together with the responses, would be placed on the Council's website and a copy of the responses would also be sent direct to the Area Action Partnerships.

## **6 Questions from the Public**

There were no questions from the public.

## **7 Petitions**

There were no petitions for consideration.

## **8 Report from the Cabinet**

The Leader of the Council provided the Council with an update of business discussed by the Cabinet at its meeting held on 16 September 2015 (for copy see file of Minutes).

## **9 Appointment of Chief Executive**

The Council considered a report from the Chief Officer Appointments Committee which outlined the recruitment arrangements made for the purpose of recruiting a new Chief Executive Officer and made a recommendation in relation to the appointment following the completion of the recruitment process (for copy see file of Minutes).

Councillor Wilkes asked whether, in light of the proposed appointment, the Council would consider reducing the number of Corporate Directors. The Leader of the Council replied that this was not part of the report and it was important that any new

appointment to the Chief Executive role should be given the opportunity to consider the Council structure.

**Moved** by Councillor Henig, **Seconded** by Councillor R Bell and

**Resolved:**

That Terry Collins be appointed to the post of Chief Executive Officer with a start date to be confirmed.

## **10 Local Council Tax Reduction Scheme 2016/17**

The Council considered a report of the Corporate Director, Resources which sought approval for the continuation of the Local Council Tax Reduction Scheme for a further year into 2016/17 (for copy see file of Minutes).

In **Moving** the report, Councillor Napier, Deputy Leader and Cabinet Portfolio Holder for Finance, informed the Council that he hoped it would receive unanimous support of Members. Despite funding year on year cuts the Council had continued to protect 34,000 low income families within the County, and this would be the fourth year of doing so.

Councillor Napier provided Council with the following examples of how the Scheme would benefit low income families:

- A couple with no children, in receipt of no more than £115 a week would qualify for 100% Council Tax Reduction; once this income reached the level of £226 a week, there would be no Council Tax Reduction;
- A couple with two children, in receipt of no more than £275 a week would qualify for 100% Council tax Reduction; once this income had reached the level of £377 a week, there would be no Council Tax Reduction.

28,500 households within County Durham were in receipt of 100% Council Tax Reduction.

Councillor Napier informed the Council there was increasing evidence of Council Tax arrears in those areas of the country which did not offer a Council Tax Reduction Scheme. In these areas the use of bailiffs to enforce the debt could lead to the debt increasing by £400 and this could lead to spiralling debt problems. Councillor Napier was pleased that County Durham was not in this position and reminded the Council that the Scheme had previously received unprecedented unanimity of support from Members.

In **Seconding** approval of the report, Councillor Henig, Leader of the Council, informed the Council he was pleased the Council was able to continue to give this support to residents.

Councillor R Bell informed the Council that he agreed with the Scheme subject to its continuing affordability and continuous review. He referred to the financial risks associated with the Scheme, including increased take up, and asked whether this could be impacted by the proposed changes to Working Tax Credits.

The Corporate Director, Resources replied that the risks were around increased take up of the Scheme during the financial year, for example large job losses could lead to more people applying to the Scheme. However, although there was some headroom in the Scheme to allow for increased take up, the caseload has remained static over the years.

Councillor Martin informed Council that Cabinet had considered the Local Council Tax Reduction Scheme before the recent vote on Tax Credits in the House of Lords. Given when the report was written, Councillor Martin asked whether the impact on the residents of County Durham of Working Tax credits reduction was included in the estimates for the report. Although this policy had been deferred by the House of Lords, it was almost certain that some other form of reduction would be proposed.

Councillor Napier replied that the Council could not pre-empt what the Chancellor might propose, given that two weeks prior to the General Election the Government had said there would be no reduction to Tax Credits. There was headroom within the scheme to allow for increased take up. As long as the Scheme was affordable, Councillor Napier would seek support for it, and when it was considered to be no longer affordable, a report would be brought to Council.

**Resolved:**

That the County Council:

- (i) Continue the current Local Council Tax Reduction Scheme into 2016/17 which would retain the same level of support to all working age council tax payers on low incomes;
- (ii) Agree that the extension to the Scheme be initially for one year only and be kept under continuous review with a further decision to be considered by Cabinet in July/September 2016 and full Council by January 2017.

## **11 Members Allowances Scheme 2016/17**

The Council considered a report of the Head of Legal and Democratic Services which sought agreement to a Members Allowances Scheme for 2016/17 having due regard to the recommendation of the Independent Remuneration Panel (for copy see file of Minutes).

**Moved** by Councillor Napier, **Seconded** by Councillor Henig and

**Resolved:**

That the Members Allowances Scheme for 2016/17 be approved.

## **12 Motions on Notice**

In accordance with a Notice of Motion it was **Moved** by Councillor A Watson, **Seconded** by Councillor O Temple:

*That this Council requests that the respective Cabinet Portfolio Holder instigate an inquiry with a report to Full Council setting out answers to how the recent Employment Tribunal compensation award payable to a former teacher, which*

*escalated from originally £59,321 in 2008 to an estimated £1.5m, was allowed to happen, how this occurred and the lessons learnt from it.*

Councillor O Johnson, Portfolio Holder for Children and Young People's informed the Council that this related to a long-running Industrial Tribunal case, which was both complicated and protracted. The Council had sought expert employment law advice and had been represented by an experienced barrister. A senior council officer was arranging for an internal review of the case which would take place in November, however some key people involved in the case may have either retired or left the authority. Lessons needed to be learned from this case and Councillor Johnson informed Council that he supported the Motion.

Councillor Martin welcomed the statement of Councillor Johnson. The internal review should examine how the decision to go to appeal was reached, who took this decision, on whose advice and whether there was any Member involvement. Councillor Martin added that he would have preferred any review to have been undertaken by an independent person.

Councillor Wilkes asked that the review ensured that the role of the Leader of the Council and the Deputy Leader of the Council in the case was examined.

Councillor Stoker thanked Councillor Johnson for accepting the Motion. The Council had lost an Employment Tribunal and compensation of £59,000 had been awarded. This should have been the exit moment for the Council, and once the decision was appealed, the compensation ceiling was removed. Any review of the case should examine the length of timeline of the whole event.

Councillor Watson thanked Councillor Johnson for his response in supporting the Motion.

The Motion was **carried**.

### **13 Questions from Members**

There were no questions from Members.