

DURHAM COUNTY COUNCIL

At an Ordinary Meeting of the County Council held in the Council Chamber, County Hall, Durham on **Wednesday 26 October 2016 at 10.00 a.m.**

Present:

Councillor E Bell in the Chair

Councillors E Adam, J Allen, J Alvey, B Armstrong, J Armstrong, B Avery, A Batey, A Bell, D Bell, J Bell, R Bell, H Bennett, J Blakey, G Bleasdale, D Boyes, J Brown, C Carr, J Carr, J Chaplow, J Charlton, J Clare, P Conway, J Cordon, K Corrigan, P Crathorne, K Davidson, M Dixon (Vice-Chairman), S Forster, N Foster, D Freeman, I Geldard, B Glass, B Graham, J Gray, O Gunn, J Hart, T Henderson, K Henig, S Henig, J Hillary, M Hodgson, G Holland, A Hopgood, K Hopper, L Hovvels, E Huntington, S Iveson, I Jewell, B Kellett, A Laing, P Lawton, J Lee, J Lethbridge, J Lindsay, A Liversidge, R Lumsdon, J Maitland, C Marshall, N Martin, P May, B Moir, S Morrison, A Napier, T Nearney, H Nicholson, R Ormerod, A Patterson, M Plews, G Richardson, S Robinson, J Rowlandson, K Shaw, M Simmons, T Smith, B Stephens, P Stradling, A Surtees, L Taylor, P Taylor, O Temple, K Thompson, F Tinsley, E Tomlinson, J Turnbull, A Turner, A Watson, M Wilkes, M Williams, A Willis, S Wilson, R Young and S Zair

Apologies for absence were received from Councillors L Armstrong, P Brookes, M Davinson, C Hampson, D Hicks, C Kay, H Liddle, J Maslin, L Pounder, A Savory, J Shuttleworth, H Smith and M Stanton

Prior to the commencement of the meeting the Chairman of the Council with great sadness formally reported the following deaths:

- Alderman, former Derwentside District Councillor Bill Stockdale who was elected to the Leadgate Ward of Derwentside District Council in 1979 until he stood down in 2003.
- Alderman, former Durham City Councillor Michael (Micky) Howarth who represented the Bearpark and Witton Gilbert Ward on Durham City Council from May 1987 to May 2003.

The Chairman informed Council that 21 October marked the 50th anniversary of the Aberfan disaster when a small Welsh mining community was changed forever. Thousands of tons of waste from a coal tip poured down a hillside and engulfed a school and nearby homes killing 144 people, most of them children. Hundreds more had lived with the shock and grief of that day.

The Council stood for a moments silence to remember those lost in the Aberfan disaster and the courage and determination of those who survived and as a mark of respect to former Councillors Stockdale and Howarth.

The Chairman informed Council that the meeting was to be the last one attended by Councillor Mac Williams before he was to stand down as a Councillor at the end of November. The Council placed on record its appreciation of the service of Councillor Mac Williams.

1 Minutes

The minutes of the meetings held on 14 and 21 September were confirmed by the Council as a correct record and signed by the Chairman.

2 Declarations of Interest

Councillor B Glass declared an interest in Agenda Item No 10 because his wife was a Member of Parliament and he would not be commenting on this item.

3 Chairman's Announcements

The Chairman welcomed John Hewitt, Corporate Director, Resources who was attending his first Council meeting since taking up the role on 18 October 2016. The Chairman also congratulated and welcomed Jane Robinson on her appointment to the post of Corporate Director, Adults and Health Services.

It gave the Chairman great pleasure to announce that Durham City had won the 'Champion of Champions' category of the RHS Britain in Bloom competition. The Chairman thanked everyone who had given their time and effort in helping the county scoop these honours.

The Chairman informed Council that County Durham now had a world champion female kickboxer, seventeen year old Terri Stuart from Dipton. Terri became world champion when she defeated current gold medallist Georgia Capato, from Italy, in a competition held at Stanley Civic Hall. The Chairman invited the Council to join him in congratulating Terri on her fantastic achievement.

4 Leader's Report

The Leader of the Council informed the Council that he had no report for the meeting.

5 Questions from Area Action Partnerships

Questions had been received from Bishop Auckland and Shildon Area Action Partnership and Spennymoor Area Action Partnership relating to the following:

- What the County Council was doing to support young carers in County Durham and whether this could be affected by ongoing budgetary savings.
- How the AAP could complement the overall strategic vision of the County Council in battling mental health issues at a local level.

Andrew Walker, Bishop Auckland and Shildon AAP Co-ordinator and Michael Wilkes, Spennymoor AAP Co-ordinator were in attendance to ask their questions.

Councillor T Smith, Cabinet Support Member for Children and Young People's Services and Councillor L Hovvels, Portfolio Holder for Adult and Health Services thanked the AAPs for their questions and provided responses.

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 be sent to the Area Action Partnerships.

6 Questions from the Public

Two questions had been received from Members of the Public regarding the following:

- Whether the Council was instituting a review of the Department which concerned itself with 'due diligence' in County Council legal matters.
- What the County Council was doing to curb illegal encampments that were costing council tax payers money.

In the absence of the questioners, the Head of Legal and Democratic Services informed the Council that a copy of 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 questioners.

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 14 September 2016 (for copy see file of Minutes).

Councillor Wilkes referred to Item 3 in the report, the Review of Youth Support, and asked whether the Council would pull back from the reduction in funding and the removal of open access to the youth service to allow the voluntary sector and the County Council more time to identify funding sources.

Councillor Henig replied that all funding for and the provision of youth services was not being withdrawn. However, the service would be delivered in a different way with funding being provided to all of the AAPs to ensure the service was delivered across the whole County. All services were being examined in light of the Council already having to make £180m in savings with an estimated extra £60-£70m of future savings needed. The County Council continued to support youth services but in a different way to previous provision.

9 Local Council Tax Reduction Scheme 2017/18

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 2017/18 (for copy see file of Minutes).

In **Moving** the report, Councillor Napier, Deputy Leader and Cabinet Portfolio Holder for Finance, informed the Council that this was the fifth year of the Council supporting the Scheme and he hoped it would receive unanimous support of Members.

Continuation of the Scheme for a further year would continue to protect 34,000 low income families within the County, would award 100% Council Tax support where eligible, and would also protect 26,000 pensioners. Durham was only one of two Local Authorities in the region to continue to offer this level of support and only one of a dwindling number nationally.

Nearly 23,000 working age claimants were supported by the Scheme, 8,000 of whom did not qualify for benefits but qualified for the Scheme because they were on a low income. With inflation forecast to rise to between 2% and 3% it was essential that the County Council continued to support the Scheme for as long as it could afford to do so.

In **Seconding** approval of the Scheme Councillor J Brown, Portfolio Holder for Corporate Services informed the Council that it provided support to the most deprived communities which had suffered an onslaught of welfare changes. The County Council was one of a few Councils to continue to support such a Scheme and there was evidence that in areas which had drawn back from such level of support Council Tax arrears had increased and working age families had fallen in to the poverty trap.

In supporting continuation of the Scheme for 2017/18 Councillor R Bell sought clarification of the cost referred to in paragraph 14 of the report of £53.2m against the net cost of retaining the Scheme referred to in paragraph 15 of £5.064m. The Corporate Director, Resources informed Councillor Bell that he would provide him with further information after the meeting.

Councillor Hopgood supported continuation of the Scheme. Durham was one of few Councils to provide this level of support which was being provided over and above any statutory necessity to do so.

Upon a vote being taken it was

Resolved:

That:

- (i) the current Local Council Tax Reduction Scheme be continued into 2017/18 which will retain the same level of support to all working age council tax payers on low incomes.

- (ii) the extension to the Scheme be initially for a further year only and be kept under continuous review with a further decision on the scheme to apply in 2018/19 to be considered by Cabinet in July/September 2017 and Full Council by January 2018.

10 Electoral Boundary Review - Initial proposals for new Parliamentary Constituencies in Durham

The Council considered a report of the Head of Legal and Democratic Services which provided information on the initial proposals of the Boundary Commission for England for new Parliamentary constituency boundaries on England, and of the consultation procedure (for copy see file of Minutes).

In **Moving** the report, Councillor Henig informed the Council that the Boundary Review was as a result of the Government's desire to reduce the number of MPs to 600. There would be an increase in the number of electors per constituency to approximately 75,000 and the number of constituencies in County Durham would decrease from 6 to 5. As a result of this reduction, some of the proposed constituencies would include wards of neighbouring authorities, and would include cross-constituency seats.

The Constitution Working Group had deferred consideration of the proposals to a future meeting of the Group. Group Leaders were asked to consult the members of their groups, and feedback comments to Constitution Working Group on 9 November, 2016. Comments of the initial proposals needed to be submitted by 5 December, 2016 which was before the next Council meeting and the report sought delegated authority to the Head of Legal and Democratic Services to prepare and submit a response having taken into account comments from Constitution Working Group.

In **Seconding** the report, Councillor Hopgood encouraged all Members to participate with their Group Leaders to provide feedback to the Constitution Working Group.

Councillor R Bell added that Members needed to engage with community groups to ensure they also made representations.

Resolved:

That delegated authority be granted to the Head of Legal and Democratic Services to prepare and submit a response to the Boundary Commission for England in consultation with Constitution Working Group.

11 Motions on Notice

In accordance with a Notice of Motion it was **Moved** by Councillor Lumsdon, **Seconded** by Councillor Patterson

In County Durham a significant number of women born after the 1950's will ultimately be affected by the increase to the State Pension Age (SPA) with a lack of appropriate notification.

The new SPA will amount to the differing treatment of women affected by the change, for example a woman born 28/4/1953 (aged 63) received her state pension recently (July 2016) but a woman born 28/4/1954 (exactly one year later – now aged 62) has to wait until November 2019 – staggering 3 years and 4 months longer.

Female employment rates in the North East are among the lowest in the UK. In addition, over time legislative (and cultural) changes have led to a narrowing of employment rates and women are more likely to be in lower paid jobs.

Durham County Council calls upon the Government to make fair transitional state pension arrangements for all women born on or after 6th April 1951, who have unfairly borne the burden of the increase to the State Pension Age.

Upon a vote being taken it was **Resolved**:

That the motion be **carried**.

In accordance with a Notice of Motion it was **Moved** by Councillor Ormerod, **Seconded** by Councillor Martin

This council notes:

- 1. That the Bus Services Bill currently passing through Parliament includes Clause 21 that will effectively “prohibit a local authority from forming a company for the purposes of providing a local bus service”.*
- 2. That the Localism Act 2011 provides general powers of competence to local authorities.*
- 3. That municipal bus companies provide some of the best bus services in the country and have a successful track record of increasing bus passenger numbers and providing high quality bus services.*
- 4. That in County Durham we have shown that publicly operated services such as Link 2 can be invaluable for residents who are not served by private companies.*

This council believes:

- 1. Clause 21 contradicts the general powers of competence and the spirit of the Localism Act 2011.*
- 2. If there is a need and a demand from their public, then Councils should be able to provide their own bus services, including through the setting up of a company.*
- 3. Consequently Clause 21 should be omitted from the Bus Services Bill.*

This council resolves:

- 1. To write to Lord Ahmad and to call on the Department for Transport to omit Clause 21 from the final legislation.*
- 2. To write to County Durham’s MPs to ask them to oppose clause 21 when the Bus Services Bill reaches the House of Commons and ask them to write to*

Lord Ahmad and the Department of Transport to raise concerns about Clause 21.

3. *To work with any organisations to publicise our opposition to clause 21 in local media.*

Upon a vote being taken it was **Resolved:**

That the motion be **carried**.

12 Questions from Members

Councillor J Hart

I know all members will share my dismay and concern at plans announced by Bonds Foundry to cease production in Tow Law, ending more than 150 years of large scale metalwork in the town – something the company were very clear would be the likely outcome of a vote to leave the European Union in June's referendum.

Will the Cabinet Member for Economic Regeneration detail efforts being made by this authority to support staff affected by the announcement and to encourage business growth in our rural communities – and does he share my concern that this could be just the start of an uncertain economic period for Durham and the wider region and take the opportunity to outline this county's preparedness?

Councillor N Foster, Portfolio Holder for Economic Regeneration thanked Councillor Hart for his question and provided a response.

Through Business Durham, the Council was working closely with the management of Bonds Foundry and had offered the services of the Rapid Response Service including JobCentrePlus, National Careers Service and the Council to assist those at risk of redundancy with job search skills, c v writing, training towards updating qualifications, including self-employment as an option. The Council would be contacting employers to source vacancies for the employees at Bonds Foundry.

The restructure at Bonds Foundry was a result of the downturn in the oil and gas sector, and global downturn. The Council had supported other companies in the County similarly affected who had gone on to find new positions.

It was worth emphasising that there was positive news for the rural economy. Glaxo Smith Kline had announced a £92m investment for its site at Barnard Castle and other SMEs in their supply chain would benefit from this growth.

In addition through its outreach work Business Durham was supporting rural businesses to grow. In addition it had commissioned business workshops at the Durham Dales Centre, and was encouraging businesses to take part in rural economic development programmes such as the Rural Growth Network and Leader programmes.

Councillor O Temple

The loans which financed the building of Durham's Private Finance Initiative (PFI) Schools were written at very high interest rates, rates which are commonly renegotiated sometime after the completion of construction.

Since the renegotiation of these financial arrangements currently taking place was therefore predictable from the outset:

1. Does the Portfolio Holder for Resources accept responsibility for the original contract for PFI Schools which contained such swingeing penalties for early redemption of loans (currently around £12 million on borrowings of just £43 million: 28%) that any savings available from current low interest rates will be almost swallowed up by them?
2. Was the Portfolio Holder aware that, upon renegotiation, the original contract provided a pre-set percentage of any gain (as much as 50% in some scenarios) to the financiers who arranged the original loan?
3. Does the Portfolio Holder now regret the position the council finds itself in in relation to this refinancing package?

Councillor A Napier, Portfolio Holder for Finance thanked Councillor Temple for his questions and provided a response.

1. Although the funding of PFI deals were complex it was important to note that the framework for the deals was driven by Government via Partnership for Schools or PfS. Via PfS, the Government ensured that terms for PFI deals were broadly standard and this approach was taken in terms of the funding of PFI deals. The Council's PFI contract for its three schools in Sedgefield and Shotton were agreed in 2009 following a competitive procurement process, at the height of the financial crisis. Notwithstanding this the council worked with professional advisers and were successful in securing a fixed rate of interest across the 25-year deal. In terms of trying to secure a fixed interest rate for a mortgage, banks were reticent to agree any such arrangement beyond 3 to 5 years. If a bank was to agree to a fixed rate deal then the fee the bank would expect to be paid for breaking the deal would be excessive. Consider then the penalty the bank would expect you to pay if you were only 7 years into a 25 year fixed rate deal. On this basis I am satisfied that the redemption penalties represented the market position at the time the PFI contracts were agreed and reflected the Government standards that were in place. Other Council's were in a similar position and were reviewing their PFI contracts in exactly the same way as in Durham. I am even more satisfied that the council is taking appropriate steps to further reduce costs and will benefit from refinancing at a time of historically low interest rates.
2. Early PFI deals did not include any sharing of benefit from PFI deals. 100% of the benefit went to the private sector.

After complaints from local authorities, the terms of contracts were changed with the arrangement in the council's contract being standard. PFI was

introduced to share risk between the public and private sectors and it was only fair and in line with the contracts that any benefit was similarly shared.

3. The council was in a strong position in this regard. In terms of outcomes, the schools in question were performing well and the Council shouldn't lose sight that children's education was always at the forefront. With reference to the PFI, the Council had identified that the deal could be refinanced to the council's benefit. The original contract and funding were based upon a government driven standard approach and was little different to any PFI deal across the country. The council was again being pro-active and was now able to benefit and take advantage of historically low interest rates that were available.

Councillor A Hopgood

The current position this Council finds itself in with regards to our Teaching Assistants was said to be all about equality. Can the Portfolio Holder tell us how this can possibly continue to be justified when Teaching Assistants are now being offered different packages according to which union they belong to and even the option of exchanging unions in order to take up the alternative. Would the Portfolio Holder agree that this whole episode has left our children's education in disarray?

Councillor J Brown, Portfolio Holder for Corporate Services thanked Councillor Hopgood for her question and responded on behalf of Councillor O Johnson, Portfolio Holder for Children and Young People's Services.

Following the Council decision of 14 September GMB and UNISON conducted their respective consultative ballots on the revised offer that they had both agreed to at the ACAS meeting in July.

The majority of GMB members accepted the revised offer and therefore they would see their new contracts applied on 1 April 2017 and receive 2 years compensation.

The majority of UNISON members rejected the revised offer so therefore they would see their new contracts applied on 1 January 2017 and receive 1 year's compensation.

All new contracts, no matter when they would be implemented would be the same in that they would see Teaching Assistants just being paid for the hours they worked and on a term time only basis.

In relation to Teaching Assistants exchanging unions that was a matter for the Trade Unions and unless evidence could be provided to the contrary assurance could be given that Durham County Council was not attempting to undermine any Trade Union position.

Colleagues in Children's and Young Peoples Services had confirmed they were working closely with the Head Teachers to minimise the impact of any industrial action that may occur in schools. Therefore, given that the Council had not yet

even been given notice of any forthcoming industrial action, never mind seen it take place it would be impossible and inconceivable to agree with Councillor Hopgood that this episode had left children's education in disarray, which was a spurious and unfounded claim at this time.

Councillor Hopgood replied that there was evidence that members had left one Trade Union to join another and asked how the dispute could be said to be about equality when one set of workers was being set against another.

Councillor Brown replied that it was not for a politician to comment on which trade union anybody decided to choose and that all Teaching Assistants would be employed on the same contract.