

Economy and Resources Scrutiny Committee Agenda



9.30 am Thursday, 23
January 2020
Committee Room No. 2,
Town Hall, Darlington.
DL1 5QT

Members and Members of the Public are welcome to attend this Meeting.

1. Introductions/Attendance at Meeting
2. Declarations of Interest
3. Medium Term Financial Plan - To consider a response to Cabinet on the plan taking into account the views of all this Council's Scrutiny Committees –
 - (a) Economy and Resources Scrutiny Committee – Minutes of a meeting held on 9 January, 2020
 - (b) Communities and Local Services Scrutiny Committee – Minutes of a meeting held on 10 January, 2020
 - (c) Health and Housing Scrutiny Committee – Minutes of a meeting held on 10 January, 2020
 - (d) Children and Young People Scrutiny Committee – Minutes of a meeting held on 13 January, 2020
 - (e) Adults Scrutiny Committee - Minutes of a meeting held on 14 January, 2020

(Pages 1 - 16)



Luke Swinhoe
Assistant Director Law and Governance

Wednesday, 15 January 2020

Town Hall
Darlington.

Membership

Councillors Allen, Bartch, Durham, Harker, L Hughes, Mrs D Jones, Keir, McEwan, K Nicholson, Paley and Renton

If you need this information in a different language or format or you have any other queries on this agenda please contact Shirley Wright, Democratic Manager, Resources Group, during normal office hours 8.30 a.m. to 4.45 p.m. Mondays to Thursdays and 8.30 a.m. to 4.15 p.m. Fridays E-mail: shirley.wright@darlington.gov.uk or telephone 01325 405998

ECONOMY AND RESOURCES SCRUTINY COMMITTEE

Thursday, 9 January 2020

PRESENT – Councillors Durham (Chair), Allen, Bartch, Harker, L Hughes, Keir, McEwan, Paley and Renton

APOLOGIES – Councillors Mrs D Jones and K Nicholson

ABSENT –

ALSO IN ATTENDANCE –

OFFICERS IN ATTENDANCE – Paul Wildsmith (Managing Director), Elizabeth Davison (Assistant Director Resources) and Shirley Wright (Democratic Manager)

ER24 DECLARATIONS OF INTEREST

There were no declarations of interest reported at the meeting.

ER25 MEDIUM TERM FINANCIAL PLAN

The Chief Officers Executive submitted a report (previously circulated) which had been considered by Cabinet at its meeting held on 7 January, 2020, proposing a Medium-Term Financial Plan (MTFP) for 2020/21 to 2023/24 for consultation, including setting a budget and council tax increase for 2020/21.

The Assistant Director Resources outlined the background to the preparation of the MTFP and referred to the significant consultation exercise which had been undertaken in 2016 following an in-depth and detailed review of all of the Council's services and which had resulted in the agreement of a 'Core Offer' budget which reduced expenditure and services to a risk based minimal level with a small investment Futures Fund to be allocated to discretionary services. It was also reported that in subsequent MTFP's unallocated balances of £4.7 million had been used to invest in five priority areas of Community Safety, maintaining an attractive street environment, maintaining a vibrant Town centre, developing an attractive visitor economy and neighbourhood renewal.

Officers reported that the core offer budget remained challenging with some significant pressures which were highlighted within the submitted report, particularly in relation to Children's Social Care and particular reference was made to a grant of £1.2 million which had been awarded by the DfE to assist in transforming social care practice within Darlington. It was hoped that this work, which aimed to improve outcomes for children, focus on prevention and reduce the number of children in care, would ultimately reduce that budget pressure, however, following questions by Members, it was confirmed that, at this point, this was still an on-going budget pressure.

The submitted report also highlighted a number of savings within the Plan and it was reported that the largest saving was from a reduction in anticipated pension scheme

contributions. A triennial review of the pension fund had concluded that the Darlington scheme was 98.6 per cent funded, therefore less past service deficit contributions than anticipated were required in the next three years.

The Assistant Director reported that taking into account all of the pressures and savings highlighted within the report, the projected expenditure for 2020/21 was just under £90 million.

In relation to income, it was reported that the draft budget had been prepared on a number of assumptions, however following the receipt of the Local Government Finance Settlement, those assumptions had proved to be fairly accurate and, based on the income and expenditure analysis contained within the submitted report, along with the use of agreed balances, a balanced budget was presented. It was reported that the MTFP assumed a two per cent Council tax rise each year of the plan and a two per cent Adult Social Care precept in 2020/21.

The Assistant Director reported that by 2023/24 there would be a projected general fund balance of £6.075 million, however, those balances relied on building around 430 houses per year and no significant overspending. Balancing the MTFP required the use of reserves and it was suggested that any unallocated balances should be used to minimise on-going committed annual spending to assist and work towards eradicating future years' funding gaps and to further invest in the Futures Fund to stimulate growth and invest in communities over the duration of the MTFP. Members were advised that Cabinet had therefore agreed that £1.800 million of the unallocated balances should be utilised for the Futures Fund to replenish priority funding and support the Council's on-going priorities for a further two years to 2023/24.

Particular reference was made to an anticipated increase in expenditure in relation to Concessionary Fares, the assumption, within the estimates, that the Social Care Support Grant would be continued; the level of certainty around the financing costs; the assumption within the Plan of a two per cent increase in Council Tax for each year of the Plan; the ability to increase the adult social care precept in 2020/21 to fund social care and the level of risk around the National Non-Domestic Rates which was far more volatile than the Council Tax base.

Discussion also ensued on the fees and charges which the Council was able to vary for its services, however, it was reported that a cautious approach to this was required as the services were very much based on supply and demand and outpricing services could ultimately result in a reduction in income.

Members requested that they be provided with further information in relation to staffing, the impact of any pay awards, staff numbers and the number of employees on zero hours contracts.

RESOLVED – (a) That a further meeting of this Scrutiny Committee be held on 23 January, 2020 to consider all of the responses of this Council's Scrutiny Committee's in relation to the Medium-Term Financial Plan and to formulate a co-ordinated response to Cabinet.

(b) That any further questions Members of this Scrutiny Committee may have prior to the next meeting be forwarded to the Chair and the Assistant Director Resources for

consideration and response.

ER26 COUNCIL PLAN 2020/23

The Chief Officers Executive submitted a report (previously circulated) which had been considered by Cabinet at its meeting held on 7 January, 2020 proposing the Council Plan 2020-2023 for consultation.

It was reported that the Plan, which set out the vision and priorities of the Council, had been reviewed to reflect the vision and priorities of the new Council administration, however, it continued to support the key aims of the Community Strategy – One Darlington Perfectly Placed and continued to build on the work undertaken in previous years.

RESOLVED - That Cabinet be advised that this Scrutiny Committee has no comments on the draft Council Plan 2020-23.

This page is intentionally left blank

COMMUNITIES AND LOCAL SERVICES SCRUTINY COMMITTEE

Friday, 10 January 2020

PRESENT – Councillors B Jones (Chair), Mrs Culley, Cossins, Donoghue, Howarth, McCollom and Tait

APOLOGIES – Councillors Bartch, Boddy, Durham and Wallis

OFFICERS IN ATTENDANCE – Paul Wildsmith (Managing Director), Elizabeth Davison (Assistant Director Resources), Brian Graham (Head of Environmental Services) and Hannah Fay (Democratic Officer)

CLS27 DECLARATIONS OF INTEREST

There were no declarations of interest reported at the meeting.

CLS28 MEDIUM TERM FINANCIAL PLAN (MTFP)

Submitted – A report (previously circulated) of the Chief Officers Executive which had been considered by Cabinet at its meeting held on 7 January, 2020 in relation to the Medium Term Financial Plan (MTFP) 2020/21 to 2023/24, including setting a budget and council tax increase for 2020/21.

The submitted report outlined details of the core offer budget, which had been agreed following a significant consultation exercise in 2016 and allowed reduced expenditure and services to a risk based minimum level with a small investment fund (The Futures Fund) of £2.5 million per year. It was noted that in subsequent MTFP's unallocated balances of £4.7m were invested in five areas, namely Community Safety, maintaining an attractive street scene, maintaining a vibrant town centre, developing an attractive visitor economy and neighbourhood renewal.

The submitted report highlighted areas of saving within the plan and areas of pressure, in particular those associated with increased demand for additional refuse rounds and waste disposal, concessionary fares, library service shortfall and reduced income from parking fines; and Members noted the projected expenditure for 2020/21 of just under £90 million.

Reference was made to projected income, including core grant funding to Local Government, additional funding announced in the Spending Review and increase in the Council Tax and National Non-Domestic Rates (NDR), all of which would provide an increase in income over the period of the MTFP. Members noted the projected income of £90 million for 2020/21.

The Assistant Director Resources highlighted that by 2023/24 the projected general fund balance was £6.075 million however this relied on building 430 houses per year, no significant overspending, assumptions of additional income in the spending review materialising, a Council Tax increase of 2.00% and an adult social care precept of 2.00% giving an overall increased to Council tax of 4.00%.

Reference was made to the Future Funds allocation, with £4.7 million allocated in

2018/19; to date £2.081 million had been committed to the futures fund themes with a balance of £1.019 million remaining; and Members noted that in order to stimulate growth and invest in our communities over the period of the plan, Cabinet had agreed that the Futures Fund themes be bolstered by £1.8 million, in particular £0.600 million to Street Scene and £0.200 million to Community Safety for ongoing commitments and £0.350 million to the one-off Community Safety fund, £0.500 million to the Town Centre Fund and £0.150 million to the Neighbourhood Renewal Fund.

Following a question Members were advised that should the decision be made by Cabinet to continue with the current parking offer then funding would need to be identified.

Concern was raised in respect of the proposed Council Tax increase and the adult social care precept in light of the reliance on food banks by residents in the borough. The Managing Director advised Members that the Council had a Council Tax support scheme to support lower income residents; the proposed increase in Council tax was necessary to balance the MTFP and that without this, discretionary services would need to be cut. It was confirmed that the proposed increase was lower than the previous year and Darlington had the second lowest Council tax rates in the North East.

RESOLVED – That this Scrutiny Committee has no comment to make on the proposed schedule of fees and charges for those services within its remit and supports the Council Tax increase of 2.00 per cent plus the 2.00 per cent adult social care precept for the next financial year and Futures Fund investment of £1.8 million.

CLS29 COUNCIL PLAN 2020/23

Submitted – A report (previously circulated) of the Chief Officers Executive which had been considered by Cabinet at its meeting held on 7 January, 2020 in relation to the Council Plan 2020-2023.

It was reported that the Council Plan set out a proposed vision for the Council and key actions the Council would take to achieve that vision; supported the key aims of the Community Strategy – One Darlington Perfectly Placed, building on the work undertaken in previous years; and progress against the plan would be reported to Cabinet and Scrutiny Committees on a 6 monthly basis.

Discussion ensued on the refurbishment of the indoor market and Members were assured that the Council continued to work with Market Asset Management to deliver the redevelopment scheme.

RESOLVED - That this Scrutiny Committee has no comment to make on the Council Plan 2020-2023.

HEALTH AND HOUSING SCRUTINY COMMITTEE

Friday, 10 January 2020

PRESENT – Councillors Clarke, Donoghue, Heslop, McEwan, Newall and Wright

APOLOGIES – Councillors Bell, Layton and Lee

OFFICERS IN ATTENDANCE – Paul Wildsmith (Managing Director), Elizabeth Davison (Assistant Director Resources), Pauline Mitchell (Assistant Director Housing and Building Services) and Hannah Fay (Democratic Officer)

HH38 DECLARATIONS OF INTEREST

There were no declarations of interest reported at the meeting.

HH39 MEDIUM TERM FINANCIAL PLAN (MTFP)

Submitted – A report (previously circulated) of the Chief Officers Executive which had been considered by Cabinet at its meeting held on 7 January, 2020 in relation to the Medium Term Financial Plan (MTFP) 2020/21 to 2023/24, including setting a budget and council tax increase for 2020/21.

The submitted report outlined details of the core offer budget, which had been agreed following a significant consultation exercise in 2016 and allowed reduced expenditure and services to a risk based minimum level with a small investment fund (The Futures Fund) of £2.5 million per year. It was noted that in subsequent MTFP's unallocated balances of £4.7m was invested in five areas, namely Community Safety, maintaining an attractive street scene, maintaining a vibrant town centre, developing an attractive visitor economy and neighbourhood renewal.

The submitted report highlighted areas of saving within the plan and areas of pressure; and Members noted the projected expenditure for 2020/21 of just under £90 million.

Reference was made to projected income, including core grant funding to Local Government, additional funding announced in the Spending Review and increase in the Council Tax and National Non-Domestic Rates (NNDR), all of which would provide an increase in income over the period of the MTFP. Members noted the projected income of £90 million for 2020/21.

The Assistant Director Resources highlighted that by 2023/24 the projected general fund balance was £6.075 million however this relied on building 430 houses per year, no significant overspending, assumptions of additional income in the spending review materialising, a Council Tax increase of 2.00% and an adult social care precept of 2.00% giving an overall increased to Council tax of 4.00%.

Reference was made to the Future Funds allocation, with £4.7 million allocated in 2018/19; to date £2.081 million had been committed to the futures fund themes with a balance of £1.019 million remaining; and Members noted that in order to stimulate growth and invest in our communities over the period of the plan, Cabinet had agreed

that the Futures Fund themes be bolstered by £1.8 million.

Members raised concern in respect of the Public Health funding and proposals to realign Public Health budgets which could result in a loss of funding to the Tees Valley.

RESOLVED – That this Scrutiny Committee has no comment to make on the proposed schedule of fees and charges for those services within its remit and supports the Council Tax increase of 2.00 per cent plus the 2.00 per cent adult social care precept for the next financial year and Futures Fund investment of £1.8 million.

HH40 HOUSING REVENUE ACCOUNT

Submitted – A report (previously circulated) of the Director of Economic Growth and Neighbourhood Services which had been considered by Cabinet at its meeting on 7 January 2020, to propose the revenue budget, rent levels and service charges for the Council's Housing Revenue Account (HRA) for the financial year 2020/21 in the context of the HRA Medium Term Financial Plan to 2023/24 and the 30-year Business Plan.

It was reported that for the first time since 2016/17 the Council had been given the discretion to inflate rents by CPI plus one per cent which equated to an average weekly rent increase of 2.7% for 2020/21, with average social rent of £71.30 and affordable rent of £82.55. Members were advised that 68% of tenants would have their rent and most services charges covered by Housing Benefit or Universal Credit.

The Assistant Director Housing and Building Services reported that the Government had also lifted the borrowing cap on the HRA, enabling the Council to borrow an extra £9million to fund the housing capital programme; and that this could be supplemented with Homes England grant with the overall plan being to provide 100 affordable homes per annum for the next ten years. It was also reported that over 220 households had already benefitted from the Council's current new build programme which had taken place at various locations around town and demand for these houses continued to be exceptionally high.

Details were provided on the priorities identified within the Housing Business Plan and particular reference was made to the investment in housing stock, with Northgate ward identified as a key area for investment.

A discussion ensued in respect of the feasibility of purchasing properties which had been subjected to recent drug raids in the town. It was reported that the Council would work with landlords to raise the standards of properties in the borough; had considered work undertaken to improve housing standards in other areas in the North East; and Members noted that two properties on Skinnergate had been purchased to be developed into a mixture of houses and apartments, helping to improve the general amenity of the Skinnergate area whilst increasing residential occupation.

RESOLVED – That this Scrutiny Committee supports the average weekly rent increase of 2.7 per cent for 2020/21, increases to the garage rents and services charges, the budget and Housing Business Plan, as appended to the submitted report.

HH41 COUNCIL PLAN 2020/23

Submitted – A report (previously circulated) of the Chief Officers Executive which had been considered by Cabinet at its meeting held on 7 January, 2020 in relation to the Council Plan 2020-2023.

It was reported that the Council Plan set out a proposed vision for the Council and key actions the Council would take to achieve that vision; supported the key aims of the Community Strategy – One Darlington Perfectly Placed, building on the work undertaken in previous years; and progress against the plan would be reported to Cabinet and Scrutiny Committees on a 6 monthly basis.

Discussion ensued on the Darlington Oral Health Plan 2017-2022 and Members requested an update in respect of fluoridisation.

Following a question Members were advised that the Council commissioned a range of housing support services in order to prevent homelessness and a briefing session on homelessness had been arranged for Members.

RESOLVED – (a) That this Scrutiny Committee has no comment to make on the Council Plan 2020-2023.

(b) That Members receive an update on fluoridisation.

This page is intentionally left blank

CHILDREN AND YOUNG PEOPLE SCRUTINY COMMITTEE

Monday, 13 January 2020

PRESENT – Councillors Bartch (Chair), Mrs Culley, Ali, C L B Hughes, Lister, Renton and Snedker

STATUTORY CO-OPTees – None

NON-STATUTORY CO-OPTees – None

APOLOGIES – Councillors Bell, L Hughes, Lucas and Preston

ALSO IN ATTENDANCE – Councillor Crudass

OFFICERS IN ATTENDANCE – Paul Wildsmith (Managing Director), Elizabeth Davison (Assistant Director Resources), Jane Kochanowski (Assistant Director of Children's Services) and Allison Hill (Democratic Officer)

CYP67 DECLARATIONS OF INTEREST

Councillor C Hughes declared a non-pecuniary interest in Item 3 in relation to Home to School Transport.

CYP68 MEDIUM TERM FINANCIAL PLAN

Submitted – A report (previously circulated) of the Chief Officers Executive which had been considered by Cabinet at its meeting held on 7 January 2020, in relation to the Medium-Term Financial Plan (MTFP) 2020-21 to 2023-24 including setting a budget and council tax increase for 2020/21.

It was reported that the Council had faced significant challenges over the last decade following the economic downturn and reduction in private sector spending and to date, the Council had been successful in responding to these challenges.

The submitted report highlighted projected expenditure of £89.609m and projected income of £90.116m providing a balanced MTFP for 2020/21 and the Council's financial position is robust with a four-year balanced MTFP; outlined areas of efficiencies and saving within the plan; and highlighted areas of further financial pressures, in particular in respect of pressure on the children's social care sector and the increase in children coming into the local authorities care.

It was reported that the delivery of the core offer budget which was agreed following a consultation exercise in 2016 remained extremely challenging with some significant pressures arising in children's social care, however, through innovative financial investments and increased income from economic growth successes and a positive pension triennial review, the Council could still deliver the agreed balanced plan, finance the MTFP a further year to 2023/24 and allocate an additional £1.8 million from unallocated balances to bolster the Futures Fund five themes whilst retaining usable balances of £4.3 million.

The submitted report also highlighted core grant funding to Local Government and a number of additional funding streams following the 2019 spending review for social care and winter pressures funding; the ongoing increase to the Council Tax; and other grants which are specific areas of expenditure as dictated by the government and cannot be used for other areas.

It was also reported that significant work which had been undertaken to achieve economic growth within the Borough, particularly in relation to Symmetry Park, Feethams House and the Horizon Centre which had been all contributing to the growth in the projected National Non-Domestic Rates (NNDR) collected over the coming MTFP.

Following a question raised, Members discussed the potential impact of regulation (PSVAR) changes to home to school travel and transport on vulnerable families and the MTFP. The Managing Director advised the Scrutiny Members that he was confident the MTFP could accommodate any changes to the regulations and would present an update to Members at the next ordinary meeting of this Scrutiny Committee on 3 February 2020.

RESOLVED – (a) That this Scrutiny Committee has no comment to make on the proposed schedule of fees and charges for those services within its remit and supports Cabinet’s proposal in relation to those fees and charges and the proposed Council Tax increase of 2 per cent plus the 2 per cent adult social care precept for the next financial year and Futures Fund investment of £1.8 million.

(c) That Members concerns regarding the proposed changes to Home to School Transport and the impact on the MTFP be noted.

CYP69 COUNCIL PLAN 2020/23

Submitted – A report (previously circulated) of the Chief Officers Executive which had been considered by Cabinet at its meeting held on 7 January 2020, in relation to the Council Plan 2020-2023.

The Council Plan sets out a proposed vision for the Council and the key actions it will take to achieve that vision and was subject to consultation prior to its approval by Council in March 2020.

It was reported that all Scrutiny Committees are to consider the Council Plan and a public consultation exercise was being carried out between 8 January and 7 February 2020.

Scrutiny Members will also receive six monthly reporting on progress against the plan and wider performance indicators relating to priority outcomes and Council service delivery.

Members discussed the key actions that the Children and Young People Portfolio focuses on and in particular approved the action to review in-house residential care and consider the Council’s place in providing services; improving employment opportunities for looked after children and care leavers; and work with the schools and the Regional Schools Commissioner to increase educational achievement across

the borough and in particular for young people from deprived backgrounds.

RESOLVED-That this Scrutiny Committee has no comment to make on the Council Plan 2020-2023.

This page is intentionally left blank

ADULTS SCRUTINY COMMITTEE

Tuesday, 14 January 2020

PRESENT – Councillor Curry (in the chair); Councillors Mrs Culley, Curry, Holroyd, Layton and M Nicholson.

APOLOGIES – Councillors Bell, Clarke, Crumbie, Preston, Renton and A J Scott.

ALSO IN ATTENDANCE – Councillor Mills.

OFFICERS IN ATTENDANCE – Paul Wildsmith (Managing Director), Elizabeth Davison (Assistant Director – Resources), James Stroyan (Assistant Director - Adult Social Care) and Paul Dalton (Elections Officer).

AD27 DECLARATIONS OF INTEREST

There were no declarations of interest reported at the meeting.

AD28 MEDIUM TERM FINANCIAL PLAN

The Chief Officers Executive submitted a report (previously circulated) which proposed a Medium Term Financial Plan (MTFP) for 2020/21 to 2023/24, and which also included setting a budget and council tax increase for 2020/21, for consultation. It was reported that the submitted report had previously been considered by Cabinet at its meeting held on 7 January 2020.

The submitted report stated that the Council had faced significant challenges over the last decade following the economic downturn and reduction in public sector spending and noted that the Council had been successful in responding to these challenges to date, though cautioned that there were still financial pressures to be faced.

The submitted report referenced the Core Offer Budget, which had been agreed following an in-depth and detailed review of all services and a significant consultation exercise in 2016, and which had allowed for the creation of a small Futures Fund, allocated to discretionary services. It was also noted that in subsequent MTFPs, Members had agreed to use unallocated balances of £4.7m to invest in five areas identified as having great value to the community, and that the above considerations provided the basis for the proposed MTFP.

In introducing the submitted report, the Assistant Director - Resources highlighted a number of pressures (summarised at Paragraph 15, and within Appendix 2, of the submitted report), and noted a projected expenditure for 2020/21 of £89.609m.

The Assistant Director – Resources subsequently outlined projected income and savings, which included income from the Revenue Support Grant, the New Homes Bonus, additional Social Care funding, Council Tax income, and National Non-Domestic Rates (NNDR), and cited savings made as part of the Adults Services Transformation Programme and a reduction in pension scheme contributions, which in itself yielded a return circa £7m. It was stated that the projected income for 2020/21 was £90.116m, and therefore balanced for the next year, however it was noted that in Year 4 there would be a reliance on £6m of reserves.

Reference was made to the Futures Fund, with £2.081m of the original £4.7m allocation committed to Futures Fund themes to date, with a balance of £1.019m remaining, and Members were advised that Cabinet had agreed to bolster the Futures Fund by a further £1.8m from unallocated balances to replenish priority funding and support the Council's ongoing priorities for a further two years to 2023/24.

It was noted that particular pressures in the Adults remit were in terms of the costs of domiciliary packages, and the increase in the living wage, though it was stated that savings made would offset these costs, and that much work had already been undertaken.

Members entered into discussion on invest to save schemes, and the costs associated with extra homes.

RESOLVED - That this Scrutiny Committee has no comment to make on the proposed schedule of fees and charges for those services within its remit, supports the Council Tax increase of two per cent and the two per cent Adult Social Care precept for the next financial year, and endorses the Futures Fund investment of £1.8m.

AD29 THE COUNCIL PLAN 2020-2023

The Chief Officers Executive submitted a report (previously circulated) which outlined a proposed Council Plan, which in turn set out a vision for the Council and the key actions the Council would take to achieve that vision. It was reported that the submitted report had previously been considered by Cabinet, at its meeting held on 7 January 2020, and it had been agreed that the proposed Council Plan 2020-2023 be circulated for consultation.

In introducing the submitted report, the Managing Director stated that the Plan which set out the vision and priorities of the Council had been reviewed to reflect the vision and priorities of the new Council administration, however it continued to support the key aims of the Community Strategy – 'One Darlington: Perfectly Placed' - and continued to build on the work undertaken in previous years.

RESOLVED - That Cabinet be advised that this Scrutiny Committee has no comments on the draft Council Plan 2020-23.