

# Economy and Resources Scrutiny Committee Agenda



**9.30 am Tuesday, 19  
January 2021  
Via Microsoft Teams**

**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 of this Council's Scrutiny Committees - -
    - (a) Communities and Local Services Scrutiny Committee – Minutes of a meeting held on 10 December, 2020
    - (b) Health and Housing Scrutiny Committee – Minutes of a meeting held on 16 December, 2020
    - (c) Children and Young People Scrutiny Committee – Minutes of a meeting held on 4 January, 2021
    - (d) Adults Scrutiny Committee – Minutes of a meeting held on 5 January, 2021
    - (e) Economy and Resources Scrutiny Committee – Minutes of a meeting held on 6 January, 2021
- (Pages 1 - 12)



**Luke Swinhoe**  
**Assistant Director Law and Governance**

**Monday, 11 January 2021**

**Town Hall**  
**Darlington.**

**Membership**

Councillors Bartch, Boddy, Crudass, Durham, Harker, L Hughes, Mrs D Jones, McEwan, Paley, Renton and Tait

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](mailto:shirley.wright@darlington.gov.uk) or telephone 01325 405998

## COMMUNITIES AND LOCAL SERVICES SCRUTINY COMMITTEE

Thursday, 10 December 2020

**PRESENT** – Councillors Renton (Chair), Mrs Culley, Allen, Bartch, Cossins, Donoghue, Durham, McCollom, Tait and Wallis

**APOLOGIES** – Councillor Haszeldine

**ABSENT** –

**ALSO IN ATTENDANCE** – Councillors Dulston, Keir and Ali

**OFFICERS IN ATTENDANCE** – Ian Thompson (Assistant Director Community Services), Brian Graham (Head of Environmental Services), Seth Pearson (Partnership Director), Elizabeth Davison (Assistant Director Resources) and Hannah Fay (Democratic Officer)

### CLS25 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 8 December 2020, in relation to the Medium Term Financial Plan (MTFP) 2021/22 to 2024/25, including setting a budget and council tax increase for 2021/22.

It was reported that the Council had faced significant challenges over the last decade following the economic downturn and reduction in public sector spending; that to date, the Council had been successful in responding to these challenges but this was becoming increasingly difficult, particularly in respect of a growing elderly population, pressure in the children's social care sector and the major economic impact of Covid-19 which had a direct impact on the Council's finances this year.

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 of £2.5m per year. It was noted that in subsequent MTFP's unallocated balances of £6.5m 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 the significant effect of Coronavirus pandemic on the Council's expenditure and income budgets. It was reported that estimates had been made on the direct service impact of the pandemic in 2021/22 with the assumption services would return to normal in 2022/23; and Members noted the projected expenditure for 2021/22 of £95m.

Reference was made to projected income, including core grant funding to Local Government; in particular the continuation of the Sales, Fees and Charges recompense scheme from April to June 2021 which was estimated to be £0.616m; and the increase in Council Tax and National Non-Domestic Rates (NDR), which would provide an increase in income over the period of the MTFP. Members noted

the projected income of £94m for 2021/2022.

Reference was made to the Futures Fund allocation, with £3.401m committed to the futures fund themes to date with a balance of £0.699m remaining; and Members noted the recommendation to utilise £0.914m of the unallocated balances to continue the Futures Fund ongoing priorities and commitments into 2024/25.

It was reported that by 2024/2025 the projected general fund balance was £3.504m however this relied on building around 433 Band D equivalent houses per year, no significant overspending, assumptions of a cash equivalent position materialising in the settlement and a Council Tax increase of 1.99 per cent and a further 3 per cent Social care precept totalling 4.99 per cent.

Members entered into discussion on the pressures relating to street scene services, waste disposal and fly tipping.

Reference was made at the meeting to providing costings at the next meeting of this Scrutiny Committee for the potential provision of additional bins (Minute CLS27).

**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 1.99 per cent plus the 3.00 per cent adult social care precept for the next financial year; and supports the Futures Fund continuation into 2024/25.

## HEALTH AND HOUSING SCRUTINY COMMITTEE

Wednesday, 16 December 2020

**PRESENT** – Councillors Bell (Chair), Donoghue, Heslop, Layton, Lee, McEwan, Newall, Tostevin and Wright

**APOLOGIES** – Councillor Dr. Chou

**ABSENT** –

**ALSO IN ATTENDANCE** – Councillors Dulston (Stronger Communities Portfolio), Gillian Curry (County Durham and Darlington Foundation Trust), Jo Murray (Tees, Esk and Wear Valley NHS Foundation Trust), Mark Pickering (NHS Darlington Clinical Commissioning Group), Robert Goddard (South Tees NHS Foundation Trust), David Welch (NHS Tees Valley Clinical Commissioning Group) and Michelle Johnson (Healthwatch Darlington)

**OFFICERS IN ATTENDANCE** – Penny Spring (Director of Public Health), Pauline Mitchell (Assistant Director Housing and Building Services), Elizabeth Davison (Assistant Director Resources), Ken Ross (Public Health Principal) and Hannah Fay (Democratic Officer)

### HH38 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 8 December 2020, in relation to the Medium Term Financial Plan (MTFP) 2021/22 to 2024/25, including setting a budget and council tax increase for 2021/22.

It was reported that the Council had faced significant challenges over the last decade following the economic downturn and reduction in public sector spending; that to date, the Council had been successful in responding to these challenges but this was becoming increasingly difficult, particularly in respect of a growing elderly population, pressure in the children's social care sector and the major economic impact of Covid-19 which had a direct impact on the Council's finances this year.

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 of £2.5m per year. It was noted that in subsequent MTFP's unallocated balances of £6.5m 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 the significant effect of Coronavirus pandemic on the Council's expenditure and income budgets. Reference was made to the pressures felt across leisure and culture facilities and it reported that estimates had been made on the direct service impact of the pandemic in 2021/22 with the assumption services would return to normal in 2022/23; and Members noted the projected expenditure for 2021/22 of £95m.

Details were provided on the projected income, including core grant funding to Local Government; in particular the continuation of the Sales, Fees and Charges recompense scheme from April to June 2021 which was estimated to be £0.616m; and the increase in Council Tax and National Non-Domestic Rates (NNDR), which would provide an increase in income over the period of the MTFP. Members noted the projected income of £94m for 2021/2022.

The submitted report outlined details of the Futures Fund allocation, with £3.401m committed to the futures fund themes to date with a balance of £0.699m remaining; and Members noted the recommendation to utilise £0.914m of the unallocated balances to continue the Futures Fund ongoing priorities and commitments into 2024/25.

It was reported that by 2024/2025 the projected general fund balance was £3.504m however this relied on building around 433 Band D equivalent houses per year, no significant overspending, assumptions of a cash equivalent position materialising in the settlement and a Council Tax increase of 1.99 per cent and a further 3 per cent Social care precept totalling 4.99 per cent.

**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 1.99 per cent plus the 3.00 per cent adult social care precept for the next financial year; and supports the Futures Fund continuation into 2024/25.

## CHILDREN AND YOUNG PEOPLE SCRUTINY COMMITTEE

Monday, 4 January 2021

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

**STATUTORY CO-OPTees** – None

**NON-STATUTORY CO-OPTees** – None

**APOLOGIES** – Councillors Bell and Lucas; Carly Spence Tim Fisher, Nick Lindsay and John Armitage

**ABSENT** – Malcolm Frank, Maura Regan and Janet Woodcock

**ALSO IN ATTENDANCE** – Carla Scaith (Darlington Parent Carer Forum) and Marjory Knowles (Skerne Park Community Enterprise Association)

**OFFICERS IN ATTENDANCE** – Sharon Raine (Head of Performance and Transformation), Allison Hill (Democratic Officer), Tony Murphy (Head of Education and Inclusion), Nicola Davies (Early Years Project Officer), Helen Ellison (Head of Education Partnerships), Christine Shields (Assistant Director Commissioning, Performance and Transformation), Chris Bell (Head of Service) and Elizabeth Davison (Assistant Director Resources)

### CYP19 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 8 December 2020, in relation to the Medium Term Financial Plan (MTFP) 2021/22 to 2024/25, including setting a budget and council tax increase for 2021/22.

It was reported that the Council had faced significant challenges over the last decade following the economic downturn and reduction in public sector spending; that to date, the Council had been successful in responding to these challenges but this was becoming increasingly difficult, particularly in respect of a growing elderly population, pressure in the children's social care sector and the major economic impact of Covid-19 which had a direct impact on the Council's finances this year.

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 of £2.5m per year. It was noted that in subsequent MTFP's unallocated balances of £6.5m 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 the significant effect of Coronavirus pandemic on the Council's expenditure and income budgets. It was reported that estimates had been made on the direct service impact of the pandemic in 2021/22 with the assumption services

would return to normal in 2022/23; and Members noted the projected expenditure for 2021/22 of £95m.

Reference was made to projected income, including core grant funding to Local Government; in particular the continuation of the Sales, Fees and Charges recompense scheme from April to June 2021 which was estimated to be £0.616m; and the increase in Council Tax and National Non-Domestic Rates (NNDR), which would provide an increase in income over the period of the MTFP. Members noted the projected income of £94m for 2021/2022.

Reference was made to the Futures Fund allocation, with £3.401m committed to the futures fund themes to date with a balance of £0.699m remaining; and Members noted the recommendation to utilise £0.914m of the unallocated balances to continue the Futures Fund ongoing priorities and commitments into 2024/25.

It was reported that by 2024/2025 the projected general fund balance was £3.504m however this relied on building around 433 Band D equivalent houses per year, no significant overspending, assumptions of a cash equivalent position materialising in the settlement and a Council Tax increase of 1.99 per cent and a further 3 per cent Social care precept totalling 4.99 per cent.

Members discussed in particular the yearly increase in costs for children's services and children coming into care and questioned if this was the appropriate action to be taken and suggested that there was a lot of learning and best practice in other authorities and it was time to make some changes.

Chris Bell, Head of Service, Children's Services, advised Members of the ongoing partnership work with Leeds City Council, Stronger Families Programme, with funding from the Department for Education, which has a key focus on early intervention and supporting families working over the last 12 to 18 months; expansion of the Family Group Conference service; and it was noted that there was a decrease in the number of children coming into the looked after system.

Members questions related to the implications of no increase to spending for other services i.e. Voluntary Sector, Youth Offending and Anti-social behavior and the Assistant Director of Commissioning, Performance and Transformation advised Members of the work with the Commissioning Unit to examine ways to bring placement costs down; utilising models of practice from other authorities that could be implemented locally to bring costs down; and assured Members that plans were being looked at to address all these issues.

Members also referred to future investment in two schools with the units that had been commissioned at Red Hall Primary School and Rise Carr College to provide additional places for children with specialist needs and were advised that both projects were on track for admitting pupils in the next academic year.

The Chair agreed that investment needed to be made to ultimately save in the future and also acknowledged the economic down turn and the fight against Covid and that many families were struggling through these testing times.

The Assistant Director of Commissioning, Performance and Transformation advised



Members also of the work with Family Group Conferences, Early Help Teams, within the Community and working strongly with the voluntary sector including pilot projects around families with children who are vulnerable and experiencing real stress and challenge; and also regional and sub-regional work which is outlined in the Children and Young People Plan around the needs of the child once they have been placed.

**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; supports the Council Tax increase of 1.99 per cent plus the 3.00 per cent adult social care precept for the next financial year; and supports the Futures Fund continuation into 2024/25.

(b) That the comments made by Members of this Scrutiny regarding children's services be forwarded as part of the consultation process of the MTFP.

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## **ADULTS SCRUTINY COMMITTEE**

Tuesday, 5 January 2021

**PRESENT** – Councillors Curry (Chair), Crumbie, Mrs Culley, Holroyd, Laing, Layton, M Nicholson, Renton and A J Scott.

**APOLOGIES** – Councillors Bell and Preston.

**OFFICERS IN ATTENDANCE** – Elizabeth Davison (Assistant Director – Resources), Christine Shields (Assistant Director Commissioning, Performance and Transformation), Linda Thirkeld (Acting Assistant Director - Adults Services), Jeanette Crompton (Strategic Commissioning Manager), Ann Baxter (Independent Chair, Darlington Safeguarding Partnership) and Paul Dalton (Elections Officer).

### **AD22 MEDIUM TERM FINANCIAL PLAN**

The Chief Officers Executive submitted a report (previously circulated) which proposed a Medium Term Financial Plan (MTFP) for 2021/22 to 2024/25, and which also included setting a budget and council tax increase for 2021/22, for consultation.

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 highlighted that the Council had been successful in responding to these challenges to date, however noted that the challenges were becoming increasingly difficult, particularly in respect of a growing elderly population, the pressure in the children's social care sector, and the major economic impact of Covid-19, which had had a direct impact on the Council's finances.

It was reported that in his 2020 Spending Review, delivered on 25 November 2020, the Chancellor of the Exchequer had referenced a number of funding streams, which included Social Care Grant, Covid-19 support, the continuation of Revenue Support Grant and an Adult Social Care precept, and that, as the Local Government Finance Settlement had not been received at that point, a number of assumptions in relation to Government funding had been made in the preparation of the submitted report.

The submitted report outlined details of the Core Offer budget, which had been agreed following a significant consultation exercise in 2016, and which had reduced expenditure and services to a risk based minimum level, with a small investment fund of £2.5m per annum for services which the Council was not required to provide, but which it was felt added great value to Darlington, and its residents (Futures Fund).

It was also highlighted that subsequent good progress made on achieving savings, strong cost management, and innovative treasury initiatives had allowed the Council to add to the Futures Fund, and that unallocated balances of £6.5m were invested in key five areas which held great value to the community, namely Community Safety; Maintaining an attractive street scene environment; Maintaining a vibrant town centre; Developing an attractive visitor economy; and Neighbourhood renewal.

The submitted report further detailed some of the significant pressures on the Core

Offer budget, in particular the pressures arising in social care and the ongoing impact of Covid-19 pandemic on the Council's expenditure and income budgets, however it was determined that, should the expected funding streams identified above be received, and through tight financial management, innovative financial investments and increased income from economic growth successes, the Council could still deliver the agreed balanced plan, finance the MTFP a further year to 2024/25, whilst retaining usable balances of £3.504m.

Members entered into discussion on the sustainability of Adult Social Care funding, the budget reductions in reablement, and the increasing costs associated with inflation and the increased National Living Wage costs associated with service providers, both of which it was highlighted were outside of the Council's control. Members also heard about the budget pressures associated with service provision for those with learning disabilities, and the increased costs associated with an ageing population.

Discussion ensued on the potential of using the Futures Fund to contribute to the cost of Adult Social Care, the use of discretionary spending, and the likelihood of further Government funding to assist with the costs of the Covid-19 pandemic.

**RESOLVED** –That this Scrutiny Committee

- (a) Supports the Council Tax increase of 1.99 per cent plus the 3.00 per cent Adult Social Care Precept to help fund social care for 2021/22, totalling a 4.99 per cent increase;
- (b) Has no comment to make on the proposed Schedule of Fees and Charges for those services within its remit; and
- (c) Supports the continuation of the Futures Fund into 2024/25.

## **ECONOMY AND RESOURCES SCRUTINY COMMITTEE**

Wednesday, 6 January 2021

**PRESENT** – Councillors Durham (Chair), Boddy, Crudass, Harker, L Hughes, Mrs D Jones, McEwan, Renton and Tait

**APOLOGIES** – Councillor Paley

**ABSENT** – Councillor Bartch

**ALSO IN ATTENDANCE** – Councillor Marshall

**OFFICERS IN ATTENDANCE** – Elizabeth Davison (Assistant Director Resources), Mark Ladyman (Assistant Director Economic Growth), Christopher Mains (Towns Fund Programme Manager), Andrew Perkin (Business Growth and Investment Manager) and Shirley Wright (Democratic Manager)

### **ER15 MEDIUM TERM FINANCIAL PLAN**

Submitted – A report (previously circulated) of the Chief Officers Executive requesting this Scrutiny Committee's views on a report which had been considered by Cabinet at its meeting held on 8 December 2020, in relation to the Medium Term Financial Plan (MTFP) 2021/22 to 2024/25, including setting a budget and council tax increase for 2021/22.

The Assistant Director Resources had previously given a briefing to all Members on the background and proposals contained within the MTFP 2021/22 to 2024/25 and had highlighted a number of particular areas within the report and responded to Members' questions.

Members were reminded that the Council had faced significant challenges over the last decade following the economic downturn and reduction in public sector spending and that, although to date, it had been successful in responding to these challenges it was becoming increasingly difficult, particularly in respect of a growing elderly population, pressure in the children's social care sector and the major economic impact of Covid-19 which had a direct impact on the Council's finances this year and would in future years. To date £3.401 million had been committed to the themes with a balance of £0.699 million remaining.

Cabinet's report highlighted the main areas of pressure in relation to this Council's finances and particular reference was made to the significant effect of Covid-19 on those finances ie additional expenditure, loss of income, increase in applications for Council Tax Support and Council Tax and non-domestic rates income losses.

The Assistant Director Resources reported that it had been difficult to predict expenditure and income levels moving forward so best estimates had been used and assumptions made on the impact of Covid-19 on the 2021/22 budget, with an assumption that income and expenditure levels would return to normal from 2022/23 onwards and that no further Government Covid-19 funding would be received.

Reference was also made to the significant consultation exercise which had been undertaken in 2016 following an in-depth review of all services and which had

resulted in the agreement of a core offer budget which allowed for a small fund to be allocated to discretionary services and it was reported that this fund had continued in subsequent years with unallocated balances being used to invest in those five areas which held great value to the community and the encouragement of economic growth.

The Assistant Director of Resources reported that taking into account the projected revenue out turn for 2020/21, along with the assessment of required risk balances and the utilisation of balances to fund the projected budget deficit over the four-year period, it would leave a projected general fund balance of £3.504 million by 2024/25, however, this was based on a number of factors ie building around 433 Band D equivalent houses per annum, no significant overspend, assumptions of a cash equivalent position materialising in the settlement and a Council Tax increase, including a three per cent Social care precept of 4.99 per cent so caution was needed.

It was highlighted that the MTFP was only being balanced annually by the use of reserves which was not a sustainable position moving forward as those reserves would eventually be depleted, and Members questioned when the continued use of reserves would need to be addressed. The Assistant Director Resources reported that the outcome of the Fair Funding Review, which had been pushed back for two years now, had been promised for next year and the Council needed to see what the outcome of that was so it had a starting position to know what the future funding was going forward prior to making any big decisions on service provision. It was also highlighted to Members that if the Fair Funding Review didn't happen next year it would be likely that the Government would roll forward all of the grants with inflation which would enable the MTFP to be pushed back another year

In relation to the settlement, the Assistant Director of Resources reported that confirmation had been received that there would be a tranche five of one-off Covid-19 funding in 2021/22 which would help with the identified pressures, however, as the authority was likely to face more expenditure pressures due to the most recent lock down, again, caution was needed, however, the one off funding should cover those pressures identified for next year.

Discussion ensued on the increase in financing costs in 2023/24 and onwards and it was reported that this was due to a previous Council decision to take a Minimum Revenue Provision holiday which was due to end in the 2023/24 financial year; the impact of next year's pay award on the MTFP which had been based on an assumption of 1 per cent and the revenue impact of the proposed increase in the junior swim charges.

**RESOLVED** – That a further meeting of this Scrutiny Committee be held on 19 January 2021, to formulate a response on behalf of all of this Council's Scrutiny Committees on the MTFP 2021/22 to 2024/25.