

COUNCIL

Thursday, 16 February 2023

PRESENT – The Mayor, Councillors Ali, Bartch, Boddy, Dr. Chou, Clarke, Crudass, Crumbie, Mrs Culley, Donoghue, Dulston, Durham, Harker, Holroyd, C L B Hughes, L Hughes, Johnson, B Jones, Mrs D Jones, Keir, Laing, Layton, Lee, Marshall, McCollom, McEwan, Mills, Newall, K Nicholson, M Nicholson, Renton, Mrs H Scott, Snedker, Sowerby, Tait, Tostevin, Wallis and Willis.

APOLOGIES – Councillors Allen, Baldwin, Cossins, Haszeldine, Heslop, Lister, Lucas, Paley, A J Scott and Wright.

ABSENT – Councillors Bell and Preston.

59 DECLARATIONS OF INTEREST.

There were no declarations of interest reported at the meeting.

60 ANNOUNCEMENTS

Deaths in Service – The Mayor advised Members of the Deaths in Service of Chris Brown and Andrew Hedley. The Mayor stated that Chris Brown had worked at the Council as part of the Trading Standards team for around sixteen years providing animal health and welfare services and supporting the rest of the team with their duties.

The Mayor informed Members that Andrew Hedley worked as a Print Production Operator in Xentrall Design and Print, stating that Andrew had joined Xentrall from Darlington Borough Council when it formed in 2008, and that his overall service extended back to 1980.

As a mark of respect, Members stood and observed a short silence in memory of Chris Brown and Andrew Hedley.

61 QUESTIONS - TO ANSWER QUESTIONS (WHERE APPROPRIATE NOTICE HAS BEEN GIVEN FROM):-

(1) THE PUBLIC;

There were two questions, with notice, from Members of the Public, who each received an answer thereon.

(2) MEMBERS TO CABINET/CHAIRS;

There were no questions from Members, where notice had been given, for the Mayor, Members of the Cabinet, or the Chairs of the Scrutiny Committees.

62 MEDIUM TERM FINANCIAL PLAN INVESTING IN AND DELIVERING SUCCESS FOR DARLINGTON

The Chief Officers Executive submitted a report (previously circulated) to seek approval for a

Medium Term Financial Plan (MTFP) for 2023/24 to 2026/27, including setting a budget and Council Tax increase for 2022/23, and also the approval of a 2023/24 to 2026/27 Capital Programme.

The submitted report stated the financial pressures on the Public Sector as a whole, and on the Council, had been significant over the previous couple of years in the aftermath of Covid, which was on the back of a decade of significant financial challenge following the economic downturn and the reductions in public sector spending.

The submitted report stated that, through good leadership, governance and financial management, coupled with value for money service delivery, the Council had risen to the challenge by continuing to provide vital core services to the residents of Darlington, and had invested the resources available to grow the local economy and deliver success for the benefit of all.

It was reported that the Council had received its Local Government Finance Settlement on 19 December 2022, and which confirmed funding allocations for the two years remaining of the spending review with additional grant funding for social care and changes to the Council Tax referendum limits, which had been increased to 3% for Council Tax and 2% for the Social Care Precept. It was stated that future years funding beyond this period had not been confirmed and the consequence of this was that the draft 2023/24 – 2026/27 MTFP had an eye to future years, however did not seek to presume what the future would look like. It aimed to ensure that the Council can set a legal budget in 2023/24 and continue to provide our core offer level of services to the residents of Darlington.

It was reported that a healthy level of reserves had been maintained for medium term stability and this was now a crucial component of the budget strategy given the unprecedented pressures faced in the coming years. The reserves will be utilised to meet the 2023/24 funding gap and allow time for detailed work to be completed on future savings options.

The following amendment to the Motion was moved by Councillor Holroyd, and seconded by Councillor Snedker:

‘Strike out

(b) Approve a delegation for Cabinet to vary the Revenue Budget for 2023/24 by up to £0.5m without further Council approval.

And strike out

(c) Approve a delegation for Cabinet to vary the Capital Budget for 2023/24 by up to £0.5m without further Council approval.’

A named vote was taken of those Members present at the meeting and there appeared:-

For the Amendment – Councillors Boddy, Holroyd and Snedker (3)

Against the Amendment – The Mayor, Councillors Ali, Bartch, Dr. Chou, Clarke, Crudass,

Crumbie, Mrs. Culley, Donoghue, Dulston, Durham, Harker, C. L. B. Hughes, L. Hughes, Johnson, B. Jones, Mrs. D. Jones, Keir, Laing, Layton, Lee, Marshall, McCollum, McEwan, Mills, Newall, K. Nicholson, M. Nicholson, Renton, Mrs. H. Scott, Sowerby, Tait, Tostevin, Wallis and Willis (35)

The Amendment was Lost.

The following amendment to the Motion was moved by Councillor Snedker, and seconded by Councillor Holroyd:

‘Reallocate the projected savings from Waste Disposal of £0.118m in each year 23/24, 24/25, 25/26 and 26/27 to Street Scene services – to improve the quality of service to residents in cleaning pavements, sweeping streets and clearing drains.’

A named vote was taken of those Members present at the meeting and there appeared:-

For the Amendment – Councillors Boddy, Holroyd and Snedker (3)

Against the Amendment – The Mayor, Councillors Ali, Bartch, Dr. Chou, Clarke, Crudass, Crumbie, Mrs. Culley, Donoghue, Dulston, Durham, Harker, C. L. B. Hughes, L. Hughes, Johnson, B. Jones, Mrs. D. Jones, Keir, Laing, Layton, Lee, Marshall, McCollum, McEwan, Mills, Newall, K. Nicholson, M. Nicholson, Renton, Mrs. H. Scott, Sowerby, Tait, Tostevin, Wallis and Willis (35)

The Amendment was Lost.

In accordance with the requirements of the Budget and Policy Framework Rules a vote on the recommendation was taken of those Members present at the meeting and there appeared:-

For the Motion – Councillors Bartch, Dr. Chou, Clarke, Crudass, Mrs. Culley, Donoghue, Dulston, Durham, Holroyd, Johnson, B. Jones, Mrs. D. Jones, Keir, Laing, Lee, Marshall, Mills, K. Nicholson, Renton, Mrs. H. Scott, Snedker, Sowerby, Tait, Tostevin and Willis (25)

Against the Motion – The Mayor; Councillors Ali, Boddy, Crumbie, Harker, C. L. B. Hughes, L. Hughes, Layton, McCollom, McEwan, Newall, M. Nicholson and Wallis (13)

Motion Carried.

RESOLVED - (a) That the Revenue MTFP, as set out in Appendix 6 and the Capital programme as set out in Appendix 7, be approved, including the following:

- (i) A Council Tax increase of 2.99% plus a 2% Adult Social Care Precept to help fund social care for 2023/24.
- (ii) The Schedule of Charges as set out in Appendix 3.

(b) That a delegation for Cabinet to vary the Revenue Budget for 2023/24 by up to £0.5m without further Council approval be approved.

(c) That a delegation for Cabinet to vary the Capital Budget for 2023/24 by up to £0.5m without further Council approval be approved.

REASONS - (a) The Council must set a budget for the next financial year.

(b) To enable the Council to continue to plan services and finances over the medium term.

(c) To ensure decisions can be made in a timely manner.

(d) To ensure investment in our assets is maintained.

63 SETTING THE COUNCIL TAX FOR 2023/24

The Group Director of Operations submitted a report (previously circulated) requesting that consideration be given to setting this Council's Council Tax for 2023/2024, which was required to be set before 11th March 2023.

In accordance with the requirements of the Budget and Policy Framework Rules a vote on the recommendation was taken of those Members present at the meeting and there appeared:-

For the Motion – The Mayor; Councillors Bartch, Dr. Chou, Clarke, Crudass, Mrs. Culley, Donoghue, Dulston, Durham, Holroyd, Johnson, B. Jones, Mrs. D. Jones, Keir, Laing, Lee, Marshall, Mills, K. Nicholson, Renton, Mrs. H. Scott, Sowerby, Tait, Tostevin and Willis (25)

Against the Motion – None (0)

Abstentions – Councillors Ali, Boddy, Crumbie, Harker, C. L. B. Hughes, L. Hughes, Layton, McCollom, McEwan, Newall, M. Nicholson, Snedker and Wallis (13)

Motion Carried.

RESOLVED – (a) That the following amounts be calculated by the Council for 2023/24 in accordance with sections 31 to 36 of the Act and relevant regulations:-

| | | |
|-------|--|--------------|
| (i) | the aggregate of the amount which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils, which is its expenditure. | £251,315,330 |
| (ii) | the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act, which is its income. | £189,240,000 |
| (iii) | the amount by which (i) exceeds (ii) calculated by the Council for the year in accordance with Section 31A(4) of the Act as its Council Tax Requirement. | £62,075,330 |
| (iv) | The amount at item 5(iii) above, divided by the council | £1,783.03 |

tax base in paragraph 13 below, calculated by the Council in accordance with Section 31B of the Act as the basic amount of its Council Tax for the year (including Parish Precepts).

(v) the aggregate of all special items (Parish Precepts) referred to in Section 34(1) of the Act as in the attached **Appendix 1**. £198,330

(vi) the amount at 5(iv) above less the result given by dividing the amount at 5(v) above by the amount at paragraph 13 below, calculated by the Council in accordance with Section 34(2) of the Act as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish Precept relates. £1,777.33

(vii) That the basic council tax for 2023/24 calculated for dwellings in those areas that have parish precepts be as set out in **Appendix 1**, column 5.

(viii) That the Council, in accordance with Sections 30 and 36 of the Act, hereby sets the aggregate amounts shown in **Appendix 2** as the amount of Council Tax for 2023/24 for each part of its area and for each of the categories of dwellings.

(b) It be noted that for the year 2023/24 The Office of the Durham Police, Crime and Victims' Commissioner has stated the following amounts in the precept issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwellings shown :-

| | A | B | C | D | E | F | G | H |
|------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| | £ p | £ p | £ p | £ p | £ p | £ p | £ p | £ p |
| Police Authority | 170.16 | 198.52 | 226.88 | 255.24 | 311.96 | 368.68 | 425.40 | 510.48 |

(c) It be noted that for the year 2023/24 County Durham and Darlington Fire and Rescue Service has stated the following amounts in the precept issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwellings shown: -

| | A | B | C | D | E | F | G | H |
|----------------|-------|-------|--------|--------|--------|--------|--------|--------|
| | £ p | £ p | £ p | £ p | £ p | £ p | £ p | £ p |
| Fire Authority | 76.46 | 89.20 | 101.95 | 114.69 | 140.18 | 165.66 | 191.15 | 229.38 |

(d) The Council, in accordance with Section 30(2) of the Act hereby sets the amounts set out in **Appendix 3** as the amounts of council tax for 2023/24 for each of the categories of dwellings.

REASON - To set the Council Tax for the Council's area in accordance with statutory requirements.

64 DARLINGTON CAPITAL STRATEGY 2023/24

The Group Director of Operations submitted a report (previously circulated) requesting that consideration be given to the Council's Capital Strategy for 2023/24.

The submitted report stated that the production of a Capital Strategy was a requirement for Councils following the publication of the revised Prudential Code for Capital Finance in Local Authorities 2017. It was reported that the Strategy provided an overview of how capital expenditure and financing plans are decided upon, and provided a framework for the development, management and monitoring of the Council's capital investment plans. The submitted report stated that the Strategy also highlighted the resource streams available in terms of funding to the Council and the risk management approach taken.

RESOLVED – That the Capital Strategy for 2023/24 – 2026/27, as appended at Appendix 1 of the submitted report, be approved.

REASONS - (a) To provide a framework for capital investments.

(b) To ensure the Council adopts the Prudential Code for Capital Finance 2017.

(c) To enable the Council to invest in its assets.

65 HOUSING REVENUE ACCOUNT - MTFP 2023-24 TO 2026-27

The Group Director of Operations submitted a report (previously circulated) requesting that consideration be given to proposals for the revenue budget, capital programme, rent levels and service charges for the Council's Housing Revenue Account (HRA) for the financial year 2023/24, in the context of the HRA Medium Term Financial Plan to 2026/27, and the 30 year Investment Plan, following consultation with Council tenants.

The submitted report stated that the Council was the largest provider of social housing in the borough, providing 5,291 homes to local residents, and outlined the ambitious programme to build new Council houses in Darlington. It was reported that the new build Council housing programme was funded through capital receipts from right to buy sales, grant funding from Homes England and through estimated borrowing of £11.7m.

The submitted report set out the key decisions for the HRA for 2023-24, which included proposed revenue expenditure of £26.557m, and a proposed capital programme of £24.585m.

It was stated that Councils had the discretion to increase rents each year by the Consumer Price Index (CPI) plus 1%, which means for 2023-24 Members had the option to increase rents by up to 11.1%, however the Government had implemented a cap of 7%. Consideration was given to a 5% increase, a 3% increase, and a 2% increase, and taking into account the current economic pressures facing tenants and balancing this with the need to deliver the Council's ambitious capital and energy efficiency programmes, it was determined that an

increase of 5% was to be recommended, or an average of £3.69 each week. It was also recommended to increase service charges by an appropriate inflationary amount.

RESOLVED - (a) That an average weekly rent increase of 5% for 2023-24 be implemented giving an average social rent of £78.70 and affordable rent of £88.35.

(b) That garage rents and service charges are increased, as shown in Table 3 of the submitted report.

(c) That the revenue budget, at Appendix 1 of the submitted report, be approved.

(d) That the Housing Business Plan at Appendix 2 of the submitted report, be agreed.

(e) That the Capital programme at Appendix 3 of the submitted report, be approved.

REASON - To enable the Council to deliver an appropriate level of services to tenants to meet housing need and to support the economic growth of the Borough through housing development.

66 **PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT STRATEGY REPORT 2023/24**

The Group Director of Operations submitted a report (previously circulated) which requested that Council adopt the Prudential Indicators and Limits for 2023/24 to 2025/26 relating to capital expenditure and Treasury Management activity, a policy statement relating to the Minimum Revenue Provision, and the Treasury Management Strategy 2023/24, which includes the Annual Investment Strategy for 2023/24.

The submitted report outlined the Council's Prudential Indicators for 2023/24 – 2025/26, and set out the expected treasury operations for this period. It was stated that the report fulfilled key legislative and guidance requirements.

The information contained within the submitted report regarding the Council's expenditure plans, treasury management and prudential borrowing activities indicated that they were within the statutory framework and consistent with the relevant codes of practice, prudent, affordable and sustainable, and an integral part of the Council's Revenue and Capital Medium Term Financial Plans.

RESOLVED - (a) That the Prudential Indicators and limits for 2023/24 to 2025/26, as summarised in Tables 1 and 2 of the submitted report, be approved.

(b) That the Minimum Revenue Provision (MRP) statement (paragraphs 36-43 of the submitted report) be approved.

(c) That the Treasury Management Strategy 2023/24 to 2025/26, as summarised in paragraphs 47 to 73 of the submitted report, be approved.

(d) That the Annual Investment Strategy 2023/24, as contained in paragraphs 74 to 106 of the submitted report, be approved.

REASONS - (a) In order to comply with the Prudential Code for Capital Finance in Local Authorities and the Department for Levelling Up, Housing & Communities (DLUHC) guidance on investments.

(b) To comply with the requirements of the Local Government Act 2003.

(c) To approve a framework for officers to work within when making investment decisions.

67 PAY POLICY STATEMENT 2023/24

The Group Director of Operations submitted a report (previously circulated) requesting approval of the Pay Policy Statement for the financial year 2023/2024 in line with the requirements of the Localism Act 2011 and Local Government Transparency Code 2014.

The submitted report stated that the Localism Act 2011 required the Council to agree a written Pay Policy on an annual basis and publish specific information relating to the Council's highest and lowest paid employees.

RESOLVED – That the proposed Pay Policy 2023/24, as detailed at Appendix A of the submitted report, be approved, and arrangements be made to publish the Policy on the Council's intranet for public access.

REASON – To enable the Council to comply with the requirements of the Localism Act 2011.