



DARLINGTON

Borough Council

Economy and Resources Scrutiny Committee Agenda

10.00 am, Thursday, 19 January 2023

Council Chamber, Town Hall, Darlington. DL1 5QT

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) Economy and Resources Scrutiny Committee – Thursday, 5th January 2023;
 - b) Children and Young People Scrutiny Committee – Monday, 9th January 2023;
 - c) Adults Scrutiny Committee – Tuesday, 10th January 2023;
 - d) Health and Housing Scrutiny Committee – Wednesday, 11th January 2023; and
 - e) Communities and Local Services Scrutiny Committee – Thursday, 12th January 2023.

(Pages 3 - 18)

Luke Swinhoe
Assistant Director Law and Governance

Wednesday, 11 January 2023

Town Hall
Darlington.

Membership

Councillors Boddy, Crudass, Harker, L Hughes, Mrs D Jones, Lee, McEwan, Mills, Paley, Wright and Mrs H Scott.

If you need this information in a different language or format or you have any other queries on this agenda please contact Paul Dalton, Elections Officer, 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
paul.dalton@darlington.gov.uk

ECONOMY AND RESOURCES SCRUTINY COMMITTEE

Thursday, 5 January 2023

PRESENT – Councillors Mrs H Scott (Chair), Crudass, Harker, L Hughes, Lee, Mills and Paley.

APOLOGIES – Councillors Mrs D Jones and McEwan.

ABSENT – Councillors Boddy and Wright.

ALSO IN ATTENDANCE – Councillor Durham.

OFFICERS IN ATTENDANCE – Mark Ladyman (Assistant Director Economic Growth), Brett Nielsen (Assistant Director Resources), Anthony Sandys (Assistant Director - Housing and Revenues), Michael Conway (Mayoral and Democratic Officer) and Paul Dalton (Elections Officer).

ER30 DECLARATIONS OF INTEREST

Councillor Harker declared a non-Pecuniary interest in Minute ER32 below, as the Chair of the Darlington Federation of Nursery Schools Governing Body.

ER31 TO APPROVE THE MINUTES OF THE MEETING OF THIS SCRUTINY COMMITTEE HELD ON 3 NOVEMBER 2022

Submitted – the Minutes (previously circulated) of the meeting of this Scrutiny Committee held on 3 November 2022.

RESOLVED – That the Minutes be approved as a correct record.

ER32 MEDIUM TERM FINANCIAL PLAN 2023/24 - 2026/27

The Assistant Director - Resources submitted a report (previously circulated) requesting that consideration be given to the draft Medium Term Financial Plan (MTFP) for 2023/24 to 2026/27, which had been agreed by Cabinet at its meeting held on 13 December 2022, as a basis for consultation.

The submitted report referred Members to a briefing held on 14 December 2022, which had been offered to all Members, on the background and the overall proposals contained within the MTFP 2023/24 to 2026/27, and requested that Members of this Scrutiny Committee now consider those services and finances specifically within the remit of this Scrutiny Committee to enable a response to be formulated to Cabinet as part of the consultation exercise.

The Assistant Director - Resources provided an update on the Local Government financial settlement, which had been received on 19 December 2022, subsequent to the approval of the draft MTFP by Cabinet, and advised on the impact this settlement had on the assumptions made within that approved draft MTFP.

Members entered into discussion on the timing of the receipt of the Local Government financial settlement and the timescales involved in producing an updated MTFP, and the

level of response to, and the wider public interest in, the consultation on the MTFP. Members sought clarification on the timescales involved in terms of potential future Council Tax and Adult Social Care Precept increases, with concerns expressed that any future reduction in the cap would leave a shortfall in the latter years of the MTFP.

Clarification was also sought on the timescales involved in the National Non-Domestic Rates (NDR) reset, and the small improvements in the Revenue Support Grant (RSG). It was highlighted that there were small increases in the income stream, and that there was a significant budget gap between expenditure and income which was being covered by the use of reserves to allow time for improved economic growth, although it was noted that protection was in place for ear-marked reserves.

Members examined the budget pressures and savings outlined in Appendix 2 of the submitted report, noting some savings resulted from a reduced administrative burden, and the income from concessionary fares was scrutinised, with linkages to patronage explored. Members expressed disappointment that there was no dedicated funding for climate change initiatives, though it was acknowledged that there was funding in relation to specific schemes and projects.

RESOLVED – (a) That the proposals contained within MTFP 2023/24 to 2026/27, in relation to those services and finances which are specifically within the remit of this Scrutiny Committee, be agreed, and that this Scrutiny Committee will formulate a final recommendation to Cabinet on behalf of all the Scrutiny Committees at a Special Meeting of the Economy and Resources Scrutiny Committee scheduled to be held on 19 January 2023, once the views of the Adults Scrutiny Committee, the Children and Young People Scrutiny Committee, the Communities and Local Services Scrutiny Committee and the Health and Housing Scrutiny Committee have been taken into consideration;

(b) That the Chair, in consultation with the Lead Scrutiny Officers supporting this Scrutiny Committee, be given authority to agree the Minutes of this Scrutiny Committee, to enable the Minutes to be considered at a Special Meeting of the Economy and Resources Scrutiny Committee scheduled to be held on 19 January 2023.'

ER33 PERFORMANCE INDICATORS

Submitted - A report (previously circulated) of the relevant Assistant Directors, giving detailed performance information against the key Performance Indicators for Quarter 2, which were within the remit of this Scrutiny Committee. It was noted that twenty-two indicators, aligned to key priorities, are reported to the committee, eighteen of them on a six-monthly basis and four annually.

Members entered into discussion on staff retention, specifically in relation to the Customer Service Centre, with Members hearing about the work undertaken to improve retention, the reasons for high turnover, and the use of agency staff. Discussion continued on the increase in voluntary leavers (FHR 019), however it was reported that this was anticipated during the post-Covid-19 pandemic recovery period.

Clarification was sought on the number of FTE working days lost due to sickness (excluding schools) (FHR 001), and it was confirmed that the number of days had increased over the

previous quarter, however it was suggested that the baseline figure was unrealistic as this figure was skewed due to the previous method of recording absence due to Covid-19.

RESOLVED - That the report be noted.

ER34 WORK PROGRAMME

The Assistant Director Law and Governance submitted a report (previously circulated) requesting that consideration be given to the work programme of this Scrutiny Committee for the remainder of this Municipal Year.

RESOLVED – (a) That the presentations on ‘Markets Update’ and ‘Towns Fund’ be submitted to the next Ordinary Meeting of this Committee (Thursday, 2 February 2023).

(b) That the ‘Archived’ section of the Work Programme not be submitted to future meetings of this Committee.

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CHILDREN AND YOUNG PEOPLE SCRUTINY COMMITTEE

Monday, 9 January 2023

PRESENT – Councillors Crudass (Chair), C L B Hughes, L Hughes, Johnson and Snedker

STATUTORY CO-OPTees – None

NON-STATUTORY CO-OPTees – None

APOLOGIES – Councillors Ali, Preston and Willis, Carly Stonier, John Armitage and Sally Hudson

ABSENT – Councillors Bell, Lucas, Sowerby, Maura Regan, Tim Fisher and Janet Woodcock

OFFICERS IN ATTENDANCE – Allison Hill (Democratic Officer), Chris Bell (Assistant Director of Children's Services), Tony Murphy (Assistant Director Education and Inclusion) and Brett Nielsen (Assistant Director Resources) and Allison Hill (Democratic Officer)

CYP30 DECLARATIONS OF INTEREST

There were no declarations of interest reported at this meeting.

CYP31 MEDIUM TERM FINANCIAL PLAN 2023/24 - 2026/27

The Assistant Director - Resources submitted a report (previously circulated) requesting that consideration be given to the draft Medium Term Financial Plan (MTFP) for 2023/24 to 2026/27, which had been agreed by Cabinet at its meeting held on 13 December 2022, as a basis for consultation.

The submitted report referred Members to a briefing held on 14 December 2022, which had been offered to all Members, on the background and the overall proposals contained within the MTFP 2023/24 to 2026/27, and requested that Members of this Scrutiny Committee now consider those services and finances specifically within the remit of this Scrutiny Committee to enable a response to be formulated to Cabinet as part of the consultation exercise.

The Assistant Director of Resources provided an update on the Local Government financial settlement, which had been received on 19 December 2022, subsequent to the approval of the draft MTFP by Cabinet, and advised on the impact this settlement had on the assumptions made within that approved draft MTFP.

Members examined the Revenue Estimates for 2023/24 in Appendix 1 and the budget pressures and savings outlined in Appendix 2 of the submitted report, noting in particular the increased demand on the Strengthening Families Team, the increased in the number of Looked After Children and the increased number of Children and Families requiring support; and referred to the review commissioned by Central Government in respect of the challenges facing Children's Social Care and the expected response to the expected pressures nationwide.

Members expressed particular concern that there was no provision within the budget for

increased demand for Children and Families requiring support for the years 24/25 and beyond and feared for long term financial implications if there was no future investment for children and young people. The Assistant Director of Children's Services advised this Scrutiny Committee that the projections were based on the increase to the numbers last year and the anticipation that these numbers will level out over the coming years.

It was also noted that the investment of services for Social Care for both Children's and Adults Services was the most significant split of investment, accounting for nearly two thirds of the overall budget.

Members also discussed adoption and placements and the budget costs in relation to Adoption Tees Valley, the Regional Adoption Agency this authority is mandated too and questioned if there was equability across the authorities.

Members referred to the capital provision of £1.124 m for the replacement roof at Whinfield School and the wider issue of academisation and referred to the separate school condition funding budget paid direct to academies by the Department for Education and the government's full academisation of all schools and questioned the Assistant Director of Education and Inclusion on the significant work required to the roof and plans towards future discussions with schools on the implementation of the Education White Paper.

Members also examined the provision within the wider budget for discretionary services and whether these services were being provided at the expense of core services within Children's Services which are under continued pressure and will continue to do so with the cost of living, working wage and child poverty challenges ahead.

RESOLVED – That the Economy and Resources Scrutiny Committee be advised, following consideration, the following is this Scrutiny's views on the draft MTFP 2023/24 to 2026/27:

(a) That the proposals contained within MTFP 2023/24 to 2026/27, in relation to those services and finances which are specifically within the remit of this Scrutiny Committee, be agreed.

(b) That this Scrutiny Committee agree that all future discretionary spending should improve the lives of children and families and recommend that Cabinet considers the impact on Children's Social Care when making any discretionary spending decisions.

(c) That the Chair, in consultation with the Lead Scrutiny Officers supporting this Scrutiny Committee, be given authority to agree the Minutes of this Scrutiny Committee, to enable the Minutes to be considered at a Special Meeting of the Economy and Resources Scrutiny Committee scheduled to be held on 19 January 2023.

ADULTS SCRUTINY COMMITTEE

Tuesday, 10 January 2023

PRESENT – Councillors Donoghue (Chair), Mrs Culley, Curry, Holroyd, Johnson and Layton.

APOLOGIES – Councillors B Jones, M Nicholson, Mrs H Scott and A J Scott.

ALSO IN ATTENDANCE – Councillor Tostevin.

OFFICERS IN ATTENDANCE – Joss Harbron (Assistant Director - Adult Social Care), Brett Nielsen (Assistant Director Resources) and Paul Dalton (Elections Officer).

AD25 DECLARATIONS OF INTEREST

There were no declarations of interest reported at the meeting.

AD26 MEDIUM TERM FINANCIAL PLAN 2023/24 - 2026/27

The Assistant Director - Resources submitted a report (previously circulated) requesting that consideration be given to the draft Medium Term Financial Plan (MTFP) for 2023/24 to 2026/27, which had been agreed by Cabinet at its meeting held on 13 December 2022, as a basis for consultation.

The submitted report referred Members to a briefing held on 14 December 2022, which had been offered to all Members, on the background and the overall proposals contained within the MTFP 2023/24 to 2026/27, and requested that Members of this Scrutiny Committee now consider those services and finances specifically within the remit of this Scrutiny Committee to enable a response to be formulated to Cabinet as part of the consultation exercise.

The Assistant Director - Resources provided an update on the Local Government financial settlement, which had been received on 19 and 20 December 2022, subsequent to the approval of the draft MTFP by Cabinet, and advised on the impact this settlement had on the assumptions made within that approved draft MTFP.

Members welcomed the additional funding for Social Care announced in the Local Government settlement, however noted that, as most of the expenditure covered statutory requirements, there was little scope for robust scrutiny. Discussion ensued on the Fair Funding Review and the concerns that existed around future funding, in particular the potential deficits in the latter two years of the draft MTFP and the assumptions in terms of the interest rate.

Members entered into discussion on more general themes, including the establishment of charitable foundations to assist local authorities in terms of delivering non-statutory services, the collection of donations to assist with costs, and whether these approaches had been considered by this Council.

Clarification was also sought in terms of the current budget position, and how this fed into the draft MTFP, and Members were reassured that the Quarter 3 position for this financial year would be reported to the Economy and Resources Scrutiny Committee and Cabinet in

February 2023. It was noted that at Quarter 2 there was an overall overspend due to the recent pay settlement, however it was highlighted that the Adult Social Care budget had an underspend.

Discussion centred on the increased ageing population and the work being undertaken to ensure that elderly residents were able to remain in their homes for longer, reducing the burden on the Care Sector, and the efficiencies that could be achieved from 'spend to save' schemes and the use of sustainable energies.

Members felt that it was important that Adult Social Care should not be seen as a drain on local authority resources, but as an investment, which generated wealth and jobs, and should be discussed in business terms. Clarification was sought in terms of the PFI Funding identified within the MTFP, and the period covered by the New Homes Bonus.

RESOLVED - (a) That this Scrutiny Committee accept the proposals contained within the draft MTFP 2023/24 to 2026/27 for the initial year 2023/24, however retain reservations over future years.

(b) That the Chair, in consultation with the Lead Scrutiny Officers supporting this Scrutiny Committee, be given authority to agree the Minutes of this Ordinary Meeting of the Adults Scrutiny Committee, and that these Minutes be submitted to a Special Meeting of the Economy and Resources Scrutiny Committee, scheduled to be held on 19 January 2023.

HEALTH AND HOUSING SCRUTINY COMMITTEE

Wednesday, 11 January 2023

PRESENT – Councillors Mrs H Scott (Chair), Heslop, Layton and McEwan

APOLOGIES – Councillors Newall, Preston and Wright

ABSENT – Councillors Dr. Chou, Mills and Sowerby

OFFICERS IN ATTENDANCE – Penny Spring (Director of Public Health), Anthony Sandys (Assistant Director - Housing and Revenues), Brett Nielsen (Assistant Director Resources), Claire Gardner-Queen (Head of Housing), Lisa Soderman (Head of Leisure), Victoria Cooling (Public Health Registrar) and Hannah Miller (Democratic Officer)

HH37 DECLARATIONS OF INTEREST

There were no declarations of interest reported at the meeting.

HH38 MEDIUM-TERM FINANCIAL PLAN

The Assistant Director Resources submitted a report (previously circulated) requesting that Members give consideration to the Medium Term Financial Plan (MTFP) for 2023/24 to 2026/27, which had been approved by Cabinet at its meeting on 13 December, as a basis for consultation.

In introducing the report, the Assistant Director Resources reminded Members of the MTFP Briefing that was delivered to Members in December outlining the overall position of the MTFP, and requested that Members of this Scrutiny Committee now consider those services and finances specifically within the remit of this Scrutiny Committee to enable a response to be formulated and forwarded to the Economy and Resources Scrutiny Committee for consideration at its meeting scheduled to be held on 19 January 2023.

The Assistant Director of Resources provided an update on the Local Government finance settlement, which had been received on 19 December 2022, subsequent to the approval of the draft MTFP by Cabinet, and advised on the impact this settlement had on the assumptions made within that approved draft MTFP.

The submitted report stated that in recognition of the significant pressures facing local authority budgets and to help partially meet the pressures faced in Adult Social Care, the proposed Council Tax and Adult Social Care Precept levels had increased for 2023/24, at 2.99 per cent and 2 per cent respectively in line with Government changes to the referendum limits.

It was reported that the Public Health and Housing Revenue Account were the two main funding streams within the remit of this Scrutiny Committee; these were both ring fenced grants; that the 2023/24 Public Health Grant allocation had not been received yet and was currently included at the 2022/23 allocation of £8.831M.

Members entered into discussion regarding scenario planning, the Local Government finance settlement and potential impact of additional monies on future funding; and following a question Members were advised that due to an additional estimated £6.3M funding from the Local Government financial settlement, a fundamental review into services was unlikely to be required in 2023/24.

RESOLVED – (a) That the Economy and Resources Scrutiny Committee be advised that the majority view of this Scrutiny Committee is :-

- i. That the report be noted; and
 - ii. That it be noted that whilst additional funding from the Local Government finance settlement has improved the position of the MTFP for 2023/24, Members remain concerned regarding the medium to long term and the potential requirement for a review of service provision.
- (b) That the Economy and Resources Scrutiny Committee be advised that the minority view of this Scrutiny Committee is that the Council Tax increase of 2.99 per cent plus a 2 per cent Adult Social Care Precept, and the Schedule of Charges be accepted.
- (c) That the Members in attendance at the meeting, in consultation with the Lead Scrutiny Officers supporting this Scrutiny Committee, be given authority to agree the Minutes of this Meeting of the Committee, to enable the Minutes to be considered at a Special Meeting of the Economy and Resources Scrutiny Committee, scheduled to be held on 19 January 2023.

HH39 HOUSING REVENUE ACCOUNT - MTFP 2023-24 TO 2026-27

The Assistant Director Housing and Revenues submitted a report (previously circulated) requesting that Members give consideration to the Housing Revenue Account (HRA)– MTFP for 2023-24 to 2026-27 (also previously circulated).

The Assistant Director Housing and Revenue provided an update on the key decisions within the HRA for 2023-24 which included a proposed revenue expenditure of £26.557M, a proposed Capital Programme of £24.585M and a proposed weekly rent increase of 5 per cent.

It was reported that Councils had the discretion to inflate rents by CPI plus 1 per cent, which would mean a rent increase of 11.1 per cent for 2023-24. Members were advised that a decision was made to cap social housing rent increases at 7 per cent, and taking into account the current economic pressures faced by tenants and balancing this with increased costs of maintaining and improving Council housing and the need to deliver the Councils ambitious capital and energy efficiency programmes, an increase of 5 per cent was recommended which equated to an average £3.69 increase in weekly rents. Members were also informed that Cabinet recommended that service charges be increased by an appropriate inflationary amount.

Reference was made to the consultation exercise undertaken with the Tenants Panel; the Panel fully supported the proposed increase on the annual rent charge, were in support of the spending priorities and energy efficiency work to help reduce tenant's energy bills.

Discussion ensued regarding the service charges with particular concern raised in relation to the increases. The Assistant Director Housing and Revenues informed Members that over 70 per cent of Council tenants had their rent and most service charges covered by Universal Credit or Housing Benefit payments, and that a mid-year review of the service charges for gas and electricity would be undertaken.

RESOLVED – (a) That this Scrutiny Committee supports the average weekly rent increase of 5 per cent for 2023/24, increases to the garage rents and services charges, the budget, Housing Business Plan and capital programme, as appended to the submitted report.

(b) That Members concerns regarding the increases in service charges and the impact on residents and concerns in relation to the Council's Housing Revenue Account subsequent to 2023-24 be noted.

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COMMUNITIES AND LOCAL SERVICES SCRUTINY COMMITTEE

Thursday, 12 January 2023

PRESENT – Councillors Donoghue (Chair), Cossins, Mrs Culley, Haszeldine, McCollom, Wallis and Willis

APOLOGIES – Councillors Allen, Mrs D Jones and Tait,

ABSENT – Councillors Bell

ALSO IN ATTENDANCE – Councillors Renton and Keir

OFFICERS IN ATTENDANCE – Ian Thompson (Assistant Director Community Services), Anthony Hewitt (Assistant Director Highways and Capital Projects), Brett Nielsen (Assistant Director Resources) and Hannah Miller (Democratic Officer)

CLS34 DECLARATIONS OF INTEREST

There were no declarations of interest reported at the meeting.

CLS35 MEDIUM-TERM FINANCIAL PLAN

The Assistant Director Resources submitted a report (previously circulated) requesting that Members give consideration to the Medium Term Financial Plan (MTFP) for 2023/24 to 2026/27, which had been approved by Cabinet at its meeting on 13 December, as a basis for consultation.

In introducing the report, the Assistant Director Resources reminded Members of the MTFP Briefing that was delivered to Members in December outlining the overall position of the MTFP, and requested that Members of this Scrutiny Committee now consider those services and finances specifically within the remit of this Scrutiny Committee to enable a response to be formulated and forwarded to the Economy and Resources Scrutiny Committee for consideration at its meeting scheduled to be held on 19 January 2023.

The Assistant Director of Resources provided an update on the Local Government finance settlement, which had been received on 19 December 2022, subsequent to the approval of the draft MTFP by Cabinet, and advised on the impact this settlement had on the assumptions made within that approved draft MTFP.

The submitted report stated that in recognition of the significant pressures facing local authority budgets and to help partially meet the pressures faced in Adult Social Care, the proposed Council Tax and Adult Social Care Precept levels had increased for 2023/24, at 2.99 per cent and 2 per cent respectively in line with Government changes to the referendum limits.

Discussion ensued regarding the consultation process for the MTFP; and concerns were raised in relation to assumptions, particularly in relation to the interest rates, and projected deficits in each financial year of the MTFP.

Discussion also ensued regarding the climate change programme, Members noted that an action plan was in place and was being delivered using existing resources; the budget for Street Scene and the adequacy of the current level of service; and particular concern was raised in relation to the free parking offer which had been extended. The Local Services Portfolio Holder in attendance at the meeting addressed Members concerns.

Members sought clarification in relation to the allocation of £0.893m for the Integrated Transport Block; the charges in relation to swimming, parking and pavement café licences; and queried the allocation in the events budget for fireworks.

IT WAS AGREED – (a) That the Economy and Resources Scrutiny Committee be advised that the majority view of the Communities and Local Services Scrutiny Committee is :-

- i. That this Scrutiny Committee is dismayed at the lack of consultation with residents on the MTFP and in particular the services and finances which are specifically within the remit of this Scrutiny Committee;
- ii. That this Scrutiny Committee does not support the proposed Council Tax increase of 2.99 per cent plus a 2 per cent Adult Social Care Precept in light of the cost living crisis and the impact of the proposed increases on residents; and
- iii. That this Scrutiny Committee is concerned regarding the reliance on positive assumptions in the MTFP which may not come to fruition, and the potential increased risk in the future.

(b) That the Economy and Resources Scrutiny Committee be advised that the minority view of the Communities and Local Services Scrutiny Committee is that this Scrutiny Committee supports the MTFP 2023/24 to 2026/27.

(c) That the Minutes be circulated to all Members of the Scrutiny Committee and Members in attendance at the meeting, in consultation with the Lead Scrutiny Officers supporting this Scrutiny Committee, be given authority to agree the Minutes of this Meeting of the Committee, to enable the Minutes to be considered at a Special Meeting of the Economy and Resources Scrutiny Committee, scheduled to be held on 19 January 2023.

CLS36 STRONGER COMMUNITIES FUND

The Stronger Communities Portfolio Holder submitted a report (previously circulated) updating Members on the spend to date against the Stronger Communities Fund and requesting that Members give consideration to continuation of the scheme into the 2023/24 financial year.

The submitted report stated that Cabinet agreed, at its meeting held on 8 February 2022 to the continuation of the scheme into the 2022/23 financial year as part of the MTFP; the fund enables Members to use an allocated amount of money to deliver the objectives of building stronger communities; each Councillor had been allocated £1k; and details were provided of the spend against the £50k to date, together with information on what had been delivered in wards on an individual Councillor basis. Members noted the deadline of 24 March 2023.

IT WAS AGREED – (a) That the current spend against the £50k be noted.

(b) That the Economy and Resources Scrutiny Committee be advised that the Communities and Local Services Scrutiny Committee support the continuation of the scheme in the 2023/24 financial year.

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