

**DECISIONS SHOULD NOT BE IMPLEMENTED BEFORE
MONDAY 18 DECEMBER 2023**

CABINET

Tuesday, 5 December 2023

PRESENT – Councillors Harker (Chair), Curry, McCollom, McEwan, Porter, Dr. Riley, Roche and Wallis

INVITEES – Councillors Keir, K Nicholson and Snedker

APOLOGIES – Councillor Dulston

ALSO IN ATTENDANCE – Councillors Mammolotti, Robinson and Mrs Scott

C68 DECLARATIONS OF INTEREST.

There were no declarations of interest reported at the meeting.

C69 TO HEAR RELEVANT REPRESENTATION (FROM MEMBERS AND THE GENERAL PUBLIC) ON ITEMS ON THIS CABINET AGENDA.

No representations were made by Members or members of the public in attendance at the meeting.

C70 TO APPROVE THE MINUTES OF THE MEETING OF THIS CABINET HELD ON 7 NOVEMBER 2023.

Submitted - The Minutes (previously circulated) of the meeting of this Cabinet held on 7 November 2023.

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

REASON – They represent an accurate record of the meeting.

C71 MATTERS REFERRED TO CABINET

There were no matters referred back for re-consideration to this meeting.

C72 ISSUES ARISING FROM SCRUTINY COMMITTEE

There were no issues arising from Scrutiny considered at this meeting.

C73 KEY DECISIONS

There were no Key Decisions considered at this meeting.

C74 CHILDREN'S SOCIAL CARE IN DARLINGTON: ENSURING PLACEMENT SUFFICIENCY AND ENABLING CREATIVE ALTERNATIVES

The Cabinet Member with the Children and Young People Portfolio introduced the report of the Group Director of People (previously circulated) outlining a series of proposals to reduce dependency on costly external placements, and to support and improve placement sufficiency for children and young people in Darlington.

The submitted report stated that sourcing placements for looked after children was at crisis point nationally with an increasing reliance on high-cost unregulated emergency placements or expensive residential care due to a lack of more appropriate placements; the issue had been compounded in Darlington by increases in the looked after population and the mandated National Transfer Scheme for unaccompanied asylum-seeking children (UASC); and that the increased number of children cared for by this Council, coupled with a lack of placement sufficiency had resulted in a significant increase in placement expenditure along with a reduction in placement stability for children and young people looked after by this Council.

It was reported that a range of responses to those challenges had been implemented; those measures on their own could not effectively meet the scale of the pressure; this Council did not have the in-house sufficiency to meet the diverse needs of children downstream and the baseline support offered benchmarked negatively in the region in terms of core support; a number of service critical proposals had been developed in response which comprised the enhancement and growth of this Councils foster care service and directly provided children's residential care services; and that the proposals avoided an overreliance on high-cost external placements and supported the growth of step down and transition to adulthood provision in response to increased demand. Particular reference was made to the financial implications of the proposals and the impact on the draft Medium Term Financial Plan.

Discussion ensued on the proposals; the monitoring of the proposals; and working with other local authorities in either Durham or the Tees Valley. The Cabinet Member with the Children and Young People Portfolio responded thereon.

RESOLVED – That the proposals, as detailed in the submitted report, be supported, and they be progressed to Council within the Medium Term Financial Plan (MTFP) process.

REASONS – (a) The current overreliance on externally provided children's social care placements is unsustainable.

(b) The Council needs to diversify the range of directly provided children's social care services in order to meet the needs of Darlington children and improve placement stability.

(c) The proposals have a positive impact on the MTFP.

C75 HOUSING REVENUE ACCOUNT - MEDIUM TERM FINANCIAL PLAN 2024/25 TO 2027/28

The Cabinet Member with the Health and Housing Portfolio introduced the report of the Group Director of Operations (previously circulated) requesting that consideration be given to the proposals for the revenue budget, capital programme, rent levels and service charges

for the Council's Housing Revenue Account (HRA) for the financial year 2024/25, in the context of the HRA Medium Term Financial Plan (MTFP) to 2027/28 and the 30-year Business Plan.

The submitted report stated that the Council was the largest provider of social housing in the Borough, providing 5,278 homes to local residents; those homes were of a high standard of accommodation that met the Decent Homes Standard; as a result of the high quality of the homes and the services provided they were in high demand; and to meet that demand the Council had an ambitious programme to build new homes in Darlington, funded through capital receipts from the right to buy sales, grant funding and borrowing of £13.5m. The proposed revenue budget expenditure of £31.783m included £6.179m to fund responsive repairs and maintenance and £13.455m contribution to the capital programme. The proposed capital programme of £27.270m included funding for work to current properties and £15.815m to deliver the new build Council housing programme.

It was reported that the key decision to be made regarding the HRA each year was the balance between setting rent and service charge levels that were affordable to the Council's tenants whilst ensuring there was sufficient resources to invest in housing stock, tackle climate change and maintain services; Local Authorities had the discretion to increase rents by the Consumer Prices Index (CPI) plus one per cent; CPI for September 2023 was 6.7 per cent which meant that Members could decide to increase rents by up to 7.7 per cent; and that a number of options had been considered, taking into account the current economic pressures facing tenants and delivering ambitious capital and energy efficient programmes.

Discussion ensued on the options considered for increasing the rents; the importance of investing and maintaining the Council's housing stock; and the funding to deliver energy efficiency measures to help reduce tenants' energy bills and tackle climate change.

RESOLVED - That the following recommendations be agreed for wider consultation, namely that :-

- (a) an average weekly rent increase of 6.7 per cent for 2024/25 be implemented giving an average social rent of £83.98 and affordable rent of £94,17;
- (b) garage rents and service charges be increased, as shown in Table 3 of the submitted report;
- (c) the revenue budget, as attached at Appendix 1 to the submitted report, be approved;
- (d) the Housing Business Plan, as attached at Appendix 2 to the submitted report, be agreed; and
- (e) the capital programme, as attached at Appendix 3 to the submitted report, be agreed.

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.

C76 MEDIUM TERM FINANCIAL PLAN (MTFP) FOR CONSULTATION

The Leader introduced the report of the Chief Officers Executive (previously circulated) requesting that consideration be given to the Medium Term Financial Plan (MTFP) for 2024/25 to 2027/28 (also previously circulated) for consultation, including setting a budget and council tax increase for 2024/25.

The submitted report stated that the Council was facing unparalleled financial challenges stemming from reductions in public spending; the aftermath of Covid; the current economic climate; increased cost of living; income deprivation and rising poverty; increased demand for children's social care; high inflation; and rising interest rates. It was reported that unless further government funding was forthcoming the Council would need to undertake a fundamental review of its services over the course of 2024 to decide what and how services would be delivered in the coming years.

Reference was made to the fact that the Local Government Finance Settlement was not anticipated until late December, the consequence of which was that the draft 2024/25 Budget and MTFP had an eye to future years but did not seek to presume what the future would look like.

It was reported that all budgets had been reviewed and challenged; savings of £4.019m had been achieved; and that reserves would be utilised to meet the 2024/25 funding gap to allow for detailed work to be completed on savings options during 2024, should no government funding be forthcoming.

Details of the projected expenditure and income, budget pressures and savings, schedule of fees and charges, assumptions used to prepare estimates, projected Revenue Outturn 2023/24 and proposed Capital Programme, were also appended to the submitted report.

Particular references were made at the meeting to the Council Tax base, which was based on 1991 figures; investment of money; the Local Government Finance Settlement which was not likely to be received until late December 2023 and would be a one-year settlement; and funding of green spaces. The Leader of the Council responded thereon.

RESOLVED - That the Revenue Medium Term Financial Plan (MTFP) and the Capital Programme, as set out in Appendices 6 and 7 respectively to the submitted report, be approved for consultation, including:-

(a) a Council tax increase of 2.99 per cent plus a two per cent Adult Social Care Precept to fund social care for 2024/25;

(b) the Schedule of Charges, as set out in Appendix 3 to the submitted report; and

(c) funding for Children's Services to address the dependence on expensive external provision and improve placement sufficiency for children and young people in Darlington, as detailed in paragraphs 40 to 45 of the submitted report.

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 reduce the pressures on the MTFT in the medium term.
- (e) To ensure investment in the Council's assets is maintained.

C77 MID YEAR PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT MONITORING REPORT 2023/24

The Cabinet Member with the Resources Portfolio introduced the report of the Group Director of Operations (previously circulated) requesting that consideration be given to the revised Treasury Management Strategy and Prudential Indicators and providing a mid-yearly review of the Council's borrowing and investment activities.

It was reported that the mandatory Prudential Code, which governed the Council's borrowing, required Council approval of controls, called Prudential Indicators, which related to capital spending and borrowing. The Prudential Indicators were set out in three statutory annual reports, a forward looking annual treasury management strategy; a backward looking annual treasury management report; and the mid-year update. The key objectives of those three annual reports were set out in the submitted report, together with the key proposed revisions to the indicators which related to a reduction in the Operational Boundary to £148.025m and the Authorised Limit to £245.331m to allow for any additional cashflow requirements.

RESOLVED - (a) That the revised prudential indicators and limits, as detailed within Tables 1 to 6, 8, 10 and 12 to 17 of the submitted report, be noted.

(b) That the Treasury Management Budget (Financing Costs) projected outturn as shown in Table 11 of the submitted report, be noted.

(c) That the report be forwarded to Council in order for the updated prudential indicators to be approved.

REASONS - (a) In order to comply with the Prudential Code for Capital Finance in Local Authorities.

(b) To inform Members of the performance of the Treasury Management function.

(c) To comply with the Local Government Act 2003.

(d) To enable further improvements to be made in the Council's Treasury Management function.

C78 COMPLAINTS MADE TO THE LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN AND THE HOUSING OMBUDSMAN SERVICE

The Cabinet Member with the Resources Portfolio introduced the report of the Chief Executive, Group Director of Operations, Group Director of People and Group Director of Services (previously circulated) providing an update of the outcome of cases which have been determined by the Local Government and Social Care Ombudsman (LGSCO) and the Housing Ombudsman Service (HOS) since the preparation of the previous report to Cabinet on 5 September 2023 (Minute C41/Sep/23 refers).

The submitted report set out in abbreviated form the decisions reached by the LGSCO and the HOS between 1 April 2023 and 30 September 2023 and outlined the actions taken as a result of those complaints.

Particular reference was made to the low number of complaints that had been received, particularly in relation to housing.

RESOLVED – That the report be noted.

REASONS – It is important that Members are aware of the outcome of complaints made to the LGSCO and the HOS in respect of the Council's activities.

C79 MEMBERSHIP CHANGES - TO CONSIDER ANY MEMBERSHIP CHANGES TO OTHER BODIES TO WHICH CABINET APPOINTS.

There were no membership changes reported at the meeting.

**DECISIONS DATED –
FRIDAY 8 DECEMBER 2023**