

ECONOMY AND RESOURCES SCRUTINY COMMITTEE

Thursday, 19 January 2023

PRESENT – Councillors Mrs H Scott (Chair), Boddy, Crudass, Harker, L Hughes, Mrs D Jones, Lee and McEwan.

APOLOGIES – Councillors Mills.

ABSENT – Councillors Paley and Wright.

ALSO IN ATTENDANCE – Councillors Holroyd, Keir (Local Services Portfolio), Snedker, Donoghue, Newall and Tait.

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

ER35 DECLARATIONS OF INTEREST

There were no declarations of interest reported at the meeting.

ER36 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 :-

Submitted – The Minutes (previously circulated) of meetings of this Council's Scrutiny Committees which had been held to discuss the proposals contained within the draft Medium-Term Financial Plan (MTFP) for 2023/24-26/27.

It was reported that each of the Council's Scrutiny Committees had been requested to consider the MTFP 2023/24 to 2026/27, and to forward any views, particularly in relation to those services and finances which were specifically within their remit, to this Scrutiny Committee for consideration.

Each of the Chairs in attendance gave an overview of the discussions which had taken place at their meetings, together with the agreed response to this Scrutiny Committee.

(a) Economy and Resources Scrutiny Committee

It was reported that the following views had been proposed at the meeting held on 5 January 2023:-

(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.

Members accepted the recommendation, and no further discussion ensued on this item.

(b) Children and Young People Scrutiny Committee

It was reported that the following views had been proposed at the meeting held on 9 January 2023:-

(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.

The Chair of the Children and Young People Scrutiny Committee advised that discussion had taken place on the lack of resources and funding for nursery schools and Early Years provision, and reiterated the views of the Committee, in that all discretionary spending should have children and young people as a focus. Further discussion ensued on discretionary spending and investing in the future. Members of the Economy and Resources Scrutiny Committee accepted the recommendations of the Children and Young People Scrutiny Committee.

(c) Adults Scrutiny Committee

It was reported that the following views had been proposed at its meeting held on 10 January 2023:-

(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.

The Chair of the Adults Scrutiny Committee advised that Members of the Adults Scrutiny Committee accepted the proposals for the initial year 2023/24, contained within the MTFP, however retained some reservations going forward beyond that in terms of funding and assumptions.

Discussion ensued on the potential to make savings in the current year, spend to save schemes, and the use of charitable foundations for service provision. Members of the Economy and Resources Scrutiny Committee accepted the recommendations of the Adults Scrutiny Committee.

(iv) Health and Housing Scrutiny Committee

It was reported that the following views had been proposed at the meeting held on 11 January 2023:-

(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.

Members accepted the recommendations, and no further discussion ensued on this item.

(v) Communities and Local Services Scrutiny Committee

It was reported that the following views had been proposed at the meeting held on 12 January 2023:-

(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.

Members entered into discussion on (i) and it was confirmed that the same level of consultation had taken place on this occasion as it had done last year, with information appearing on social media, within the 'One Darlington' magazine, and on the Council's website. Members also heard that, although there was challenge on the level of consultation, no further alternative budget was proposed. Consideration was also given to the need to increase the Adult Social Care precept, the impact of Council Tax increases on those with the lowest incomes, the fees and charges for car parking compared to other services, and the budget allocated for Street Scene services, particularly in terms of waste collection, waste disposal, recycling, 'leaf litter', and the associated increased costs especially in relation to increased house building.

Members also considered the need for a national solution to the increasing costs of social care, and the levels of funding from local authorities and the National Health Service in terms of Adult Social Care. Members of the Economy and Resources Scrutiny Committee accepted the recommendations of the Communities and Local Services Scrutiny Committee.

Taking into account the above and the discussions which had taken place, the Economy and Resources Scrutiny Committee gave consideration to the views it wished to put forward to Cabinet on behalf of all of the Scrutiny Committees.

RESOLVED - That Cabinet be advised that the following is the response of the Economy and Resources Scrutiny Committee on behalf of all of the Council's Scrutiny Committees in relation to the Medium Term Financial Plan 2023/24 to 2026/27 consultation :-

(a) That, taking into consideration the views of all the Scrutiny Committees, the majority view of this Scrutiny Committee is that the Medium Term Financial Plan 23/24-26/27 provides the best solution going forward.

(b) That the minority view of this Scrutiny Committee is that:

- i. It notes the many and various concerns raised at the Children and Young People, Adults, Communities and Local Services and Health and Housing Scrutiny Committee meetings, specifically highlighting:
 - the long-term affordability of services, in particular Children and Adults Social Care;
 - the unsustainability of the revenue budget;
 - that residents are facing unprecedented financial difficulties.
- ii. It notes Cabinet's draft 4-year financial plan is based on spending nearly £10m more than our income every year, at the same time as raising Council Tax by 5% every year.
- iii. It is gravely concerned that Cabinet's draft financial plan puts forward no new ideas as to how to bring under control four years of overspending.