

ECONOMY AND RESOURCES SCRUTINY COMMITTEE

Thursday, 4 January 2024

PRESENT – Councillors Coe, Dillon (Chair), Durham, Haszeldine, Henderson, Marshall, McGill, Ray and Mrs Scott

APOLOGIES – Councillor Baker

ALSO IN ATTENDANCE – Councillors Keir, Porter

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 Cheryl Williams (Programmes and Performance Manager)

ER73 DECLARATIONS OF INTEREST

Cllr McGill declared an interest as a Trustee and non-remunerated Director of FirstStop Darlington.

ER75 MEDIUM TERM FINANCIAL PLAN

The Assistant Director Resources presented the Medium Term Financial Plan (MTFP) for 2024/25 to 2027/28, agreed for consultation on 5 December 2023 with the consultation period running until 22 January 2024.

A briefing was delivered to Councillors on 13 December 2023 which provided an overview and highlighted key points in the plan. It was noted that since the report had been published the Council has received the draft financial settlement for 2024/25 and an update was provided to Members highlighting the key points

- (a) The settlement is for 2024/25 only.
- (b) The Services Grant has reduced by approximately £800,000.
- (c) The New Home Bonus has been continued for 2024/25, we will receive approximately £400,000.
- (d) A number of figures are still to be confirmed, but at this point it is estimated that resources will decrease by approximately £250,000 for 2024/25 and further in future years if the New Homes Bonus ends.

The Assistant Director Resources clarified that the Local Government Finance Settlement which was received on 18 December 2023 and that staff have been interpreting and incorporating figures and that all settlement details will be included in the updated version of the MTFP which will go Cabinet and Council in February. Some Members expressed the view that more time was required to consider the MTFP in view of the receipt of the Local Government Finance Settlement and could not form a view on the MTFP until this was known.

We raised questions regarding the reduction in the Services Grant, officers clarified that this

decrease was expected following further information received after the MTFP was published, but the decrease was more than expected. The Services Grant had reduced in previous years.

A further question was raised as to whether fundamental changes in strategy will be required in the longer term if more budget pressures arise. Officers responded that the budget is built using the best knowledge available at this time taking into account service demands and these have been included in the MTFP, however further pressures or savings would impact on the plan.

Members also asked the question regarding the impact of interest rate fluctuations on future budgets. Officers confirmed that the main impact of interest rates is on contracts that have allowance built in for interest rate changes and particularly for borrowing and investments. Staff manage the borrowing and investments through the Treasury Management always consider interest rates in decisions.

The question was asked whether the impact of council tax arrangements for empty properties is being included in the report and it was confirmed that it is and any changes will be included in the final version of the report.

A further question was raised as to whether the commitment to invest in play areas was still being honoured. Officers confirmed that commitment is still funded, as it was included in the 2023/24 MTFP, this was not included in appendix 7 as works have begun.

Members also raised the question as to whether any reduction in staff numbers may occur in 2024/25. Officers confirmed that any savings currently in the report are achieved through natural turnover however future years cannot be predicted at this time.

Members raised the point that this report is not the final report that will be presented to Cabinet, it was confirmed that this is due to new information (such as the Local Government Finance Settlement) which will be included in the final MTFP, but officers strive to provide Scrutiny Committees with the most up-to-date version possible at the time of meeting.

RESOLVED – (a) That the report be noted and that the Chair of this meeting, 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 18 January 2024.

(b) That the minority view of this Scrutiny Committee is that it could not support the MTFP in its current form until fully appraised of the Local Government Finance Settlement.