

COUNCIL
25 JANUARY 2024

OVERVIEW OF ECONOMY AND RESOURCES SCRUTINY COMMITTEE

1. Since the last meeting of the Council, the following are the main areas of work the Economy and Resources Scrutiny Committee has undertaken.

Medium Term Financial Plan

2. We received the report of the Assistant Director Resources presenting 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.
3. 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.
4. 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.
5. 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.
6. 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.

7. 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.
8. 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.
9. Members agreed 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.

Housing Services Climate Change Strategy 2024-29

10. We welcomed the Programmes and Performance Manager - Housing and Revenues who delivered a presentation on Housing Services Climate Change Strategy 2024-29 to be considered before approval by Cabinet on 9 January 2024 with progress of the strategy to be reviewed on an annual basis.
11. We were provided with information in support of the Government's target of achieving net zero carbon by 2050 including the challenges faced by Housing staff and the strategies in place to handle these and to meet the Government targets of achieving an Energy Performance Certificate (EPC) rating of C for all our council homes by 2030.
Members received an explanation of the "Fabric First" approach being utilised, in which the service's goal is to maximise efficiency in the use of all materials (e.g., insulation, windows and doors) in carrying out works on council properties with the average spend on each property between £26,707 to £31,410.
12. It was reported that positive progress is being made overall and that the benefits to residents include better quality insulation resulting in shorter periods with heating on and double-glazing keeping heat in resulting in positive feedback from tenants.
13. Members raised the question as to whether work is also carried out on private housing where possible. Officers clarified that where funding opportunities are available they will

work with the Private Sector Housing team with joint funding bids. We also asked as to whether payments are made from the housing revenue account, and it was confirmed that this is the case but only in relation to Council housing.

14. Members raised the question as to whether emissions from occupied council properties count towards net carbon zero goals. Officers stated that they would need to confirm this however that it would be difficult to regulate tenants' energy usage.
15. We acknowledged the quality of presentation and information provided and support the report's onward submission to cabinet and to review progress on an annual basis.

Discretionary Housing Payment Policy 2024-29

16. We welcomed the Assistant Director - Housing and Revenues to present the report prior to its onward submission to 9 January 2024 Cabinet. Members were informed that the Discretionary Housing Payment (DHP) policy is a scheme which aims to provide residents who receive Housing Benefit or Universal Credit, with additional financial assistance with their rental costs. The operation of the scheme is at the Council's discretion and funding is provided by the Department for Work and Pensions (DWP) with any leftover funding returned at the end of each grant period.
17. Members asked questions which included the time periods that funds are granted to tenants, we were informed that the policy is designed for short-term assistance, generally lasting six months and twelve in certain cases. We asked the question as to why the entire grant has not been spent in this period and officers clarified that a balancing act is required in order to make the funding last for the full period however in previous years where housing benefit was more prevalent it was far easier to identify shortfall and those requiring aid as opposed to the current system of Universal Credit. However, officers also highlighted that the goal is always to issue the full amount of funding where possible in each period.
18. Discussion was held as to the promotion of the scheme and we were informed that promotion is mainly handled by the local authority and citizens advice bureau rather than the DWP and members suggested that the scheme could be advertised in One Darlington in the future.
19. We considered the report and supported the report's onward submission to Cabinet.

Council Tax and Business Rates Discretionary Relief Policy 2024-29

20. We welcomed the Assistant Director - Housing and Revenues to present the report prior to its onward submission to 9 January 2024 Cabinet.
21. Members were informed that Section 49 of the Local Government Finance Act 1988 provides the Council with discretionary powers to reduce a person's Business Rates liability in cases of hardship. In addition, section 69 of the Localism Act 2011 amends the Local Government Finance Act 1988 to allow Councils the discretion to award discretionary relief to all types of businesses.

Section 13a (1) (c) of the Local Government Finance Act 1992 provides the Council with discretionary powers to reduce a person's Council Tax liability to such an extent as we think fit.

22. It was highlighted that the Council does not receive a grant towards these payments which are taken from the Council's collection fund.
23. We considered the report and supported the report's onward submission to cabinet.

Council Tax and Business Rates Recovery Strategy 2024-29

24. We welcomed the Assistant Director - Housing and Revenues to present the report prior to its onward submission to 9 January 2024 Cabinet.
25. Members were informed that the strategy sets out how the Council will use its discretionary and statutory powers to facilitate payments, recover debts and maintain a firm but fair approach to collection and recovery. The collection of Council Tax and Business Rates is a high priority for the Council and is the main revenue source for the funding of key Council services and the overall goal is to recover debts in the most efficient manner for the Council.
26. Members asked questions which included what proportion of debts are unrecoverable and were informed that we have a 1% bad-debt provision however most debt agencies recognise council tax as a primary debt for payment. A further question was asked with regards to council tax collection rates appearing to be lower than expected and this was explained to be as a result of in-progress recovery and those on long-standing payment arrangements.
27. We raised the question as to the driving factors behind the production of the report. Officers confirmed that the decision was made due to various factors which included the high number of Freedom of Information requests received, the council's desire for transparency and also the opportunity to consolidate a lot of information that is already present (e.g. on the council website) into a single format. It was also asked if it will be evident if the strategy has an effect on recovery. Officers stated that it would be difficult at any time to determine the trends for non-payments however the team are proven to be very effective in identifying cases requiring attention and providing help and support to aid recovery actions. It was also highlighted that statistical results are also present in performance indicator reports if future analysis is required.
28. Members took the opportunity to acknowledge the high standard of work carried out by the recovery department and acknowledge the impact on recovery post-COVID.
29. We considered the report and supported the report's onward submission to Cabinet.

Work Programme

30. We have given consideration to the Work Programme for this Committee for the Municipal Year 2023/24 and possible review topics. The work programme is a rolling work programme and items can be added as necessary.
31. A Member highlighted that the Revised Climate Change Strategy (9 January 2024 Cabinet) had not been suggested for presentation at this Scrutiny Committee prior to submission to Cabinet. This will be addressed for future meetings.

Councillor Joe Dillion
Vice Chair Economy and Resources Scrutiny Committee
On behalf of
Councillor Rebecca Baker
Chair Economy and Resources Scrutiny Committee