

## COUNCIL

Thursday, 15 February 2024

**PRESENT** – The Mayor, Councillors Ali, Anderson, Baker, Beckett, Coe, Crudass, Crumbie, Mrs Culley, Curry, Dillon, Donoghue, Dulston, Durham, Garner, Harker, Haszeldine, Holroyd, Johnson, Kane, Keir, Lawley, Layton, Mahmud, Mammolotti, Marshall, McCollom, McEwan, McGill, K Nicholson, Pease, Porter, Ray, Renton, Dr. Riley, Roche, Snedker, Storr, Toms, Tostevin, Wallis and Walters.

**APOLOGIES** – Councillors Allen, Bartch, Henderson, Laing, Lee, M Nicholson, Robinson and Mrs Scott.

### 61 **DECLARATIONS OF INTEREST.**

There were no declarations of interest reported at the meeting.

### 62 **ANNOUNCEMENTS.**

**Death of Former-Mayor and Former-Councillor Roderick Crichlow (Francis)** - The Mayor reported on the death of Former-Mayor and Former-Councillor Roderick Crichlow (formerly Francis), who had recently passed away, and in doing so referred to Former-Councillor Crichlow's years of service.

As a mark of respect, Members stood and observed a short silence in memory of their former colleague.

### 63 **QUESTIONS - TO ANSWER QUESTIONS (WHERE APPROPRIATE NOTICE HAS BEEN GIVEN FROM):-**

#### (1) **THE PUBLIC;**

There was one question, with notice, from a Member of the Public, who received an answer thereon.

#### (2) **MEMBERS TO CABINET/CHAIRS;**

There were no questions from Members, where notice had been given, for the Mayor, Members of the Cabinet, or the Chairs of the Scrutiny Committees.

### 64 **MEDIUM TERM FINANCIAL PLAN (MTFP)**

The Chief Officers Executive submitted a report (previously circulated) to seek approval for a Medium Term Financial Plan (MTFP) for 2024/25 to 2027/28, including setting a budget and Council Tax increase for 2024/25, and also the approval of a 2024/25 to 2027/28 Capital Programme.

The submitted report stated the Council faced unparalleled financial challenges which stemmed from reductions in public spending between 2010 and 2019 where the Council's budget was reduced by £46m in real terms, a 36% reduction in budget. This financial

position has been further compounded in the aftermath of covid and the current economic climate, the cost of living is increasing, and income deprivation and poverty rising.

The submitted report stated that the Council had previously met the challenges faced head on through value for money service delivery, shared services, economic growth, and strong financial management and had utilised built up reserves to continue to provide vital services for the residents of Darlington, however it was noted that the additional demands and inflationary increases were putting an unprecedented pressure on affordability and that the Council's reserves would be significantly reduced by the end of 2025/26. It was stated that unless additional Government funding was forthcoming the Council would need to undertake a fundamental review over the course of 2024 to decide what and how services will be delivered in the coming years.

It was reported that the Council had received its Local Government Finance Settlement on 5 February 2024, and which confirmed funding allocations for one year only and the Council Tax referendum limits of 3% for Council Tax and 2% for the Adult Social Care Precept. It was stated that as part of the settlement reference was made to the development and sharing of productivity plans which would require local authorities to set out how they intended to improve service performance and reduce wasteful expenditure.

The submitted report stated that future years funding beyond this period had not been confirmed and that the consequence of this was that the 2024/25 – 2027/28 MTFP had an eye to future years but did not seek to presume what the future would look like, and aimed to ensure that the Council could set a legal budget in 2024/25 and continue to provide our core offer level of services to the residents of Darlington.

In accordance with the requirements of the Budget and Policy Framework Rules a vote on the recommendation was taken of those Members present at the meeting and there appeared:-

**For the Motion** – The Mayor; Councillors Ali, Anderson, Baker, Beckett, Coe, Crumbie, Dillon, Garner, Harker, Haszeldine, Holroyd, Johnson, Kane, Lawley, Layton, Mahmud, Mammolotti, McCollom, McEwan, McGill, Porter, Ray, Dr. Riley, Roche, Snedker, Storr, Toms and Wallis (29)

**Against the Motion** – Councillors Crudass, Mrs. Culley, Donoghue, Dulston, Durham, Keir, Marshall, K. Nicholson, Pease, Renton, Tostevin and Walters (12)

**Abstentions** – None (0)

Motion Carried.

**RESOLVED** - That

- (a) The responses and comments received to the consultation be noted.
- (b) That the Revenue MTFP as set out in **Appendix 6** and the Capital Programme as set out in **Appendix 7**, be approved, including the following:

- (i) A Council Tax increase of 2.99% plus a 2% Adult Social Care Precept to help fund social care for 2024/25.
  - (ii) The Schedule of Charges as set out in **Appendix 3**.
  - (iii) 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 noted in the report and detailed in **Appendix 8**.
- (c) That a delegation for Cabinet to vary the Revenue Budget for 2024/25 by up to £0.5m without further Council approval, be approved.
- (d) That a delegation for Cabinet to vary the Capital Budget for 2024/25 by up to £0.5m without further Council approval, be approved.

**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 MTFP in the medium term.
- (e) To ensure investment in our assets is maintained.

## **65 SETTING THE COUNCIL TAX FOR 2024/25**

The Group Director of Operations submitted a report (previously circulated) requesting that consideration be given to setting this Council's Council Tax for 2024/2025, which was required to be set before 11th March 2024.

In accordance with the requirements of the Budget and Policy Framework Rules a vote on the recommendation was taken of those Members present at the meeting and there appeared:-

**For the Motion** – The Mayor; Councillors Ali, Anderson, Baker, Beckett, Coe, Crumbie, Dillon, Garner, Harker, Haszeldine, Holroyd, Johnson, Kane, Lawley, Layton, Mahmud, Mammolotti, McCollom, McEwan, McGill, Porter, Ray, Dr. Riley, Roche, Snedker, Storr, Toms and Wallis (29)

**Against the Motion** – Councillors Crudass, Mrs. Culley, Donoghue, Dulston, Durham, Keir, Marshall, K. Nicholson, Pease, Renton, Tostevin and Walters (12)

**Abstentions** – None (0)

Motion Carried.

**RESOLVED** – That:

- (a) The following amounts be calculated by the Council for 2024/25 in accordance with



Police Authority	178.83	208.63	238.44	268.24	327.85	387.46	447.07	536.48
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- (c) It be noted that for the year 2024/25 County Durham and Darlington Fire and Rescue Service has stated the following amounts in the precept issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwellings shown: -

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Fire Authority	78.75	91.87	105.00	118.12	144.37	170.62	196.87	236.24

- (d) The Council, in accordance with Section 30(2) of the Act hereby sets the amounts set out in **Appendix 3** as the amounts of Council Tax for 2024/25 for each of the categories of dwellings.

**REASON** - To set the Council Tax for the Council's area in accordance with statutory requirements.

## 66 DARLINGTON CAPITAL STRATEGY 2024/25

The Group Director of Operations submitted a report (previously circulated) requesting that consideration be given to the Council's Capital Strategy for 2024/25.

The submitted report stated that the production of a Capital Strategy was a requirement for Councils following the publication of the revised Prudential Code for Capital Finance in Local Authorities 2021. It was reported that the Strategy provided an overview of how capital expenditure and financing plans are decided upon, and provided a framework for the development, management and monitoring of the Council's capital investment plans. The submitted report stated that the Strategy also highlighted the resource streams available in terms of funding to the Council and the risk management approach taken.

The submitted report stated that the Strategy maintained a strong and current link to the Council's priorities and to its key strategy documents such as the Treasury Management Strategy, Medium Term Financial Plan and the Council Plan.

**RESOLVED** – That the Capital Strategy for 2024/25, as appended at Appendix 1 of the submitted report, be approved.

**REASONS** - (a) To provide a framework for capital investments.

(b) To ensure the Council adopts the Prudential Code for Capital Finance 2021.

(c) To enable the Council to invest in its assets.

## 67 HOUSING REVENUE ACCOUNT - MTFP 2024-25 TO 2027-28

The Group Director of Operations submitted a report (previously circulated) requesting that consideration be given to 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 to 2027/28, and the 30 year

Business Plan, following consultation with Council tenants.

The submitted report stated that the Council was the largest provider of social housing in the borough, providing 5,278 homes to local residents, and outlined the ambitious programme to build new Council houses in Darlington. It was reported that the new build Council housing programme was funded through capital receipts from right to buy sales, grant funding from Homes England and through estimated borrowing of £13.5m.

The submitted report set out the key decisions for the HRA for 2024-25, which included proposed revenue expenditure of £31.783m, and a proposed capital programme of £27.270m.

It was stated that Councils had the discretion to increase rents each year by the Consumer Price Index (CPI) plus 1%, which means for 2024-25 Members had the option to increase rents by up to 7.7%. Members were reminded that a 5% rent increase was agreed in February 2023 for the current financial year, and although rents could have been increased by 7%, the 5% increase was in recognition of the ongoing economic pressures facing tenants.

Taking into account the current economic pressures facing tenants and balancing this with the increased costs of maintaining and improving our housing and the need to deliver the Council's ambitious capital and energy efficiency programmes, it was determined that an increase of 6.7% was to be recommended, or an average of £5.54 each week. It was also recommended to increase service charges by an appropriate inflationary amount.

Following a request by five Members, a Named Vote was called for, and there appeared:-

**For the Motion** – The Mayor; Councillors Ali, Anderson, Baker, Beckett, Coe, Crumbie, Dillon, Garner, Harker, Haszeldine, Holroyd, Johnson, Kane, Lawley, Layton, Mahmud, Mammolotti, McCollom, McEwan, McGill, Porter, Ray, Dr. Riley, Roche, Snedker, Storr, Toms and Wallis (29)

**Against the Motion** – Councillors Crudass, Mrs. Culley, Donoghue, Dulston, Durham, Keir, Marshall, K. Nicholson, Pease, Renton, Tostevin and Walters (12)

**Abstentions** – None (0)

Motion Carried.

**RESOLVED** - (a) That an average weekly rent increase of 6.7% for 2024-25 be implemented giving an average social rent of £83.98 and affordable rent of £94.17.

(b) That garage rents and service charges are increased, as shown in Table 6 of the submitted report.

(c) That the revenue budget, at Appendix 1 of the submitted report, be approved.

(d) That the Housing Business Plan at Appendix 2 of the submitted report, be agreed.

(e) That the Capital programme at Appendix 3 of the submitted report, be approved.

**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.

## **68 PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT STRATEGY REPORT 2024/25**

The Group Director of Operations submitted a report (previously circulated) which requested that Council adopt the Prudential Indicators and Limits for 2024/25 to 2026/27 relating to capital expenditure and Treasury Management activity, a policy statement relating to the Minimum Revenue Provision, and the Treasury Management Strategy 2024/25, which includes the Annual Investment Strategy for 2024/25.

The submitted report outlined the Council's Prudential Indicators for 2024/25 – 2026/27, and set out the expected treasury operations for this period. It was stated that the report fulfilled key legislative and guidance requirements.

The information contained within the submitted report regarding the Council's expenditure plans, treasury management and prudential borrowing activities indicated that they were within the statutory framework and consistent with the relevant codes of practice, prudent, affordable and sustainable, and an integral part of the Council's Revenue and Capital Medium Term Financial Plans.

**RESOLVED** - (a) That the Prudential Indicators and limits for 2024/25 to 2026/27, as summarised in Tables 1 and 2 of the submitted report, be approved.

(b) That the Minimum Revenue Provision (MRP) statement (paragraphs 36-43 of the submitted report) be approved.

(c) That the Treasury Management Strategy 2024/25 to 2026/27, as summarised in paragraphs 47 to 80 of the submitted report, be approved.

(d) That the Annual Investment Strategy 2024/25, as contained in paragraphs 89 to 113 of the submitted report, be approved.

**REASONS** - (a) In order to comply with the Prudential Code for Capital Finance in Local Authorities and the Department for Levelling Up, Housing & Communities (DLUHC) guidance on investments.

(b) To comply with the requirements of the Local Government Act 2003.

(c) To approve a framework for officers to work within when making investment decisions.

## **69 PAY POLICY STATEMENT 2024/25**

The Group Director of Operations submitted a report (previously circulated) requesting approval of the Pay Policy Statement for the financial year 2024/2025 in line with the requirements of the Localism Act 2011 and Local Government Transparency Code 2014.

The submitted report stated that the Localism Act 2011 required the Council to agree a written Pay Policy on an annual basis and publish specific information relating to the Council's highest and lowest paid employees.

**RESOLVED** – That the proposed Pay Policy 2024/25, as detailed at Appendix A of the submitted report, be approved, and arrangements be made to publish the Policy on the Council's internet for public access.

**REASON** – To enable the Council to comply with the requirements of the Localism Act 2011.