

COUNCIL

Thursday, 20 February 2025

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

APOLOGIES – Councillors Haszeldine, Lawley and Robinson.

57 **DECLARATIONS OF INTEREST.**

Councillors Cossins and M. Nicholson each declared an interest in Minute 63, below, as tenants of the Council.

58 **ANNOUNCEMENTS.**

Death of former-Councillor Lynne Haszeldine – The Mayor announced the death of former-Councillor Lynne Haszeldine, and made reference to former-Councillor Haszeldine's years of service on the Council.

Members stood and observed a short silence in respect of their former colleague.

Retirement of the Chief Executive and the Assistant Director, Law and Governance - The Mayor announced that this was the last meeting of the Council that both the Chief Executive and the Assistant Director, Law and Governance, would be attending prior to their retirements. The Mayor extended the thanks of the Council to both for their long-standing service and support to the Council.

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

(1) **THE PUBLIC;**

There were three questions, received with notice, from Members of the Public. Two Members of the Public attended the meeting to ask their question in person, and each received an answer thereon.

The Mayor requested that a written response be provided to the Member of the Public who did not attend to ask their question in person.

(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.

60 **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 2025/26 to 2028/29, including setting a budget and Council Tax increase for 2025/26, and also the approval of a 2025/26 to 2028/29 Capital Programme.

The submitted report highlighted that the Council continued to face significant and 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 had been further compounded in the aftermath of covid and an unstable economic climate, which had seen the cost of living is increasing, high inflation, 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 significant additional demand for services was putting unprecedented pressure on affordability and despite additional savings achieved the Council's reserves would be fully depleted by the end of 2027/28.

It was reported that the provisional Local Government Finance Settlement was published on 18 December 2024, and confirmed funding for one year only, along with the Council Tax referendum limits of 3% Council Tax and 2% for Social Care precept. It was noted that the provisional settlement was positive and provided additional grant funding for Darlington, along with an extension on the New Homes Bonus for an additional year, however, it was anticipated the increase in employers National Insurance contributions announced in the budget will fall short of the resource being made available by £0.670m which was an additional MTFP pressure and furthermore the increase in CPI directly impacted on our social care contracts and had reduced the benefit of additional grant funding.

The submitted report stated that future years funding had not been confirmed and that the consequence of this was that the 2025/26 – 2028/29 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 2025/26 and continue to provide our core offer level of services to the residents of Darlington.

The following Amendment was moved by Councillor Toms and seconded by Councillor Dulston:

'Make necessary adjustments to the MTFP to continue necessary resource to the Stronger Communities Fund.

In Appendix 6, page 73, 'Medium Term Financial Plan 2025 to 2029' in the box 'Balances' insert a line 'Transfer to Stronger Communities Fund (0.050)' for the financial year 2025/26 and make all necessary adjustments to the relevant calculations.'

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

For the Amendment – The Mayor; Councillors Bartch, Crudass, Mrs. Culley, Dulston, Durham,

Henderson, Holroyd, Keir, Laing, Lee, Mammolotti, Marshall, K. Nicholson, Pease, Renton, Mrs. Scott, Snedker, Toms, Tostevin and Walters (21)

Against the Amendment – Councillors Ali, Anderson, Baker, Beckett, Coe, Cossins, Crumbie, Curry, Dillon, Garner, Harker, Johnson, Kane, Layton, Mahmud, McCollom, McEwan, McGill, M. Nicholson, Porter, Ray, Dr. Riley, Roche, Storr and Wallis (25)

Abstentions – Councillor Allen (1)

Amendment Lost.

The Substantive Motion was then put to the meeting. 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 – Councillors Ali, Allen, Anderson, Baker, Beckett, Coe, Cossins, Crumbie, Curry, Dillon, Garner, Harker, Henderson, Johnson, Kane, Layton, Mahmud, Mammolotti, McCollom, McEwan, McGill, M. Nicholson, Porter, Ray, Dr. Riley, Roche, Snedker, Storr, Toms and Wallis (30)

Against the Motion – The Mayor, Councillors Bartch, Crudass, Mrs. Culley, Dulston, Durham, Keir, Laing, Marshall, K. Nicholson, Pease, Renton, Mrs. Scott, Tostevin and Walters (15)

Abstentions – Councillor Holroyd (1)

(**Note:** Councillor Lee was not present at the meeting at the time that the vote was taken).

Motion Carried.

RESOLVED – That:

- (a) the response and comments received to the consultation be noted.
- (b) the Revenue MTFP as set out in Appendix 6 and the Capital programme as set out in Appendix 7, including the following, be approved:
 - (i) A Council Tax increase of 2.99% plus a 2% Adult Social Care Precept to help fund social care for 2025/26.
 - (ii) The Schedule of Charges as set out in Appendix 3.
 - (iii) The efficiency savings, transformation and services reviewed proposed.
- (c) a delegation for Cabinet to vary the Revenue Budget for 2025/26 by up to £0.5m without further Council approval, be approved.
- (d) a delegation for Cabinet to vary the Capital Budget for 2025/26 by up to £0.5m without further Council approval, be approved.

REASONS - The recommendations are supported by the following 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.

6 SETTING THE COUNCIL TAX FOR 2025/26

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The Executive Director of Resources and Governance submitted a report (previously circulated) requesting that consideration be given to setting this Council's Council Tax for 2025/2026, which was required to be set before 11th March 2025.

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 – Councillors Ali, Allen, Anderson, Baker, Beckett, Coe, Cossins, Crumbie, Curry, Dillon, Garner, Harker, Henderson, Holroyd, Johnson, Kane, Layton, Mahmud, McCollom, McEwan, McGill, M. Nicholson, Porter, Ray, Dr. Riley, Roche, Snedker, Storr, Toms and Wallis (30)

Against the Motion – The Mayor, Councillors Bartch, Crudass, Mrs. Culley, Dulston, Durham, Keir, Laing, Marshall, K. Nicholson, Mrs. Scott, Tostevin and Walters (13)

Abstentions - None (0)

(**Note:** Councillors Lee, Mammolotti, Pease and Renton were not present at the meeting at the time the vote was taken.)

Motion Carried.

RESOLVED – That:

- (a) the following amounts be calculated by the Council for 2025/26 in accordance with sections 31 to 36 of the Act and relevant regulations:-

- | | | |
|------|---|--------------|
| (i) | the aggregate of the amount which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils, which is its expenditure | £280,308,728 |
| (ii) | the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act, which is its income | £209,712,000 |

- (iii) the amount by which (i) exceeds (ii) calculated by the Council for the year in accordance with Section 31A(4) of the Act as its Council Tax Requirement £70,596,728
- (iv) The amount at item 5(iii) above, divided by the Council Tax base in paragraph 13 below, calculated by the Council in accordance with Section 31B of the Act as the basic amount of its Council Tax for the year (including Parish Precepts) £1,966.23
- (v) the aggregate of all special items (Parish Precepts) referred to in Section 34(1) of the Act as in **Appendix 1** of the submitted report £255,728
- (vi) the amount at 5(iv) above less the result given by dividing the amount at 5(v) above by the amount at paragraph 13 below, calculated by the Council in accordance with Section 34(2) of the Act as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish Precept relates £1,959.11
- (vii) That the basic Council Tax for 2025/26 calculated for dwellings in those areas that have parish precepts be as set out in **Appendix 1**, column 5, of the submitted report
- (viii) That the Council, in accordance with Sections 30 and 36 of the Act, hereby sets the aggregate amounts shown in **Appendix 2** of the submitted report as the amount of Council Tax for 2025/26 for each part of its area and for each of the categories of dwellings

- (b) It be noted that for the year 2025/26 The Office of the Durham Police, Crime and Victims' Commissioner 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
Police Authority	188.16	219.52	250.88	282.24	344.96	407.68	470.40	564.48

- (c) It be noted that for the year 2025/26 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	82.08	95.76	109.44	123.12	150.48	177.84	205.20	246.24

- (d) The Council, in accordance with Section 30(2) of the Act hereby sets the amounts set out

in **Appendix 3** of the submitted report as the amounts of Council Tax for 2025/26 for each of the categories of dwellings.

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

62 DARLINGTON CAPITAL STRATEGY 2025/26

The Executive Director of Resources and Governance submitted a report (previously circulated) requesting that consideration be given to the Council's Capital Strategy for 2025/26.

The submitted report stated that the revised Prudential Code for Capital Finance in Local Authorities 2024 required every Council to publish a Capital Strategy and review it on an annual basis. It was reported that the revised Code emphasised the need to ensure capital expenditure was prudent, proportional, affordable and sustainable, and that greater emphasis was placed on the long-term implications of capital expenditure on the revenue budget and the delivery of the Council's policy objectives.

The submitted report stated 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 Strategy also highlighted the resource streams available in terms of funding to the Council and the risk management approach taken.

The submitted report highlighted 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 2025/26, 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 2024.

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

63 HOUSING REVENUE ACCOUNT - MTFP 2025-26 TO 2028-29

The Executive Director of Resources and Governance 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 2025/26, in the context of the HRA Medium Term Financial Plan to 2028/29, 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 5,260 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 £13.8m.

The submitted report set out the key decisions for the HRA for 2025-26, which included proposed revenue expenditure of £30.186m, and a proposed capital programme of £30.092m.

It was stated that Councils had the discretion to increase rents each year by the Consumer Price Index (CPI) plus 1%, which means for 2025-26 Members had the option to increase rents by up to 2.7%. Members were reminded that at 6.7% rent increase was agreed in February 2024 for the current financial year, and although rents could have been increased by 7.7%, the 6.7% 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 2.7% was to be recommended, or an average of £2.81 each week. It was also recommended to increase service charges by an appropriate inflationary amount.

RESOLVED - (a) That an average weekly rent increase of 2.7% for 2025-26 be implemented giving an average social rent of £86.15 and affordable rent of £97.55.

(b) That garage rents and service charges are increased, as shown in Table 3 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.

64 PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT STRATEGY REPORT 2025/26

The Executive Director of Resources and Governance submitted a report (previously circulated) which requested that Council adopt the Prudential Indicators and Limits for 2025/26 to 2027/28 relating to capital expenditure and Treasury Management activity, a policy statement relating to the Minimum Revenue Provision, and the Treasury Management Strategy 2025/26, which includes the Annual Investment Strategy for 2025/26.

The submitted report outlined the Council's Prudential Indicators for 2025/26 – 2027/28, 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 2025/26 to 2027/28, as summarised in Tables 1 and 2 of the submitted report, be approved.

(b) That the Minimum Revenue Provision (MRP) statement (paragraphs 39-48 of the submitted report) be approved.

(c) That the Treasury Management Strategy 2025/26 to 2027/28, as summarised in paragraphs 52 to 82 of the submitted report, be approved.

(d) That the Annual Investment Strategy 2025/26, as contained in paragraphs 83 to 114 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.

65 PAY POLICY STATEMENT 2025/26

The Executive Director of Resources and Governance submitted a report (previously circulated) requesting approval of the Pay Policy Statement for the financial year 2025/2026 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 2025/26, 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.