



STANLEY AREA ACTION PARTNERSHIP (AAP)

MINUTES OF THE BOARD MEETING

Held on Tuesday 1st November 2022 at 5.00pm via 'Teams'

Councillor

Cllr Joan Nicholson
Cllr Angela Hanson
Cllr Gordon Binney

Partner Organisations

Suzanne Jobson (Karbon Homes)
Barbara Edmundson (Integrated Care Board, NHS)
Insp Dave Stewart (Durham Constabulary)
Martyn Stenton (Durham County Council)
Helen Richardson (Stanley Town Council) Co-optee
Nerise Oldfield-Thompson (Voluntary & Community Sector)

Public Representatives

Olga Milburn
Darren McMahon
Linda Tyman
Helen McCaughey
John Ullathorne

Officer Attendance

Daniel O'Brien (AAP Coordinator)
Andrea Boyd (AAP Community Development Project Officer)
Lesley Lines (AAP Support Officer)
Joanne Ashworth (AAP Town & Villages Project Officer)

Apologies

Cllr Christine Bell, Cllr Carl Marshall, Cllr Carole Hampson, Cllr Jeanette Stephenson (Stanley Town Council), Jonathan Smith (Fire Service), Max Wright (Business Representative), and Vicky Walton (Public Representative).

Public Attendance:

Four members of the Forum/Public attended the meeting.

Introductions and Apologies:

Martyn Stenton (Durham County Council) Chaired the meeting. Apologies are noted above.

Declaration of Interest:

Daniel advised there were no projects on the agenda for approval, hence no declarations were needed.

Agreement of the Minutes – 4th October 2022 and matters arising not covered on this agenda:

The Minutes of 4th October were agreed as a true record.

There were no matters arising.

2023/24 Budget Consultation Presentation:

Martyn Stenton, Durham County Council gave an overview of the Council Budget for this financial year 2022/23:

Revenue Budget

- | | |
|-----------------------------------|--------------|
| • Gross Expenditure Budget | £1.2 billion |
| • Sum financed by Council Tax | £252 million |
| • Percentage of Gross Expenditure | 21% |
| • Expenditure on Employees | £318 million |
| • Expenditure purchasing services | £491 million |

The council's biggest budgets relate to the purchase of services such as residential and nursing care and home care for adults, and residential care and support for looked after children, plus waste disposal costs.

Council Tax Position Overview

- Council Tax is calculated by reference to the "Band D" Council Tax calculation
- In County Durham, 83% of all properties are in Bands A to C – therefore most people pay only a proportion of the Band D charge
- Durham County Council is a **low tax base** authority due to the high proportion of properties in the lower Bands
- This means we have a low Band D equivalent tax base and a higher Band D Council Tax

Council Tax Position Comparisons

- The proportion of properties in each Council Tax band varies significantly across the country, impacting on the tax raising capacity of individual local authorities
- In England, on average, 66% of all properties are within bands A to C
- In County Durham 83% of all properties are within bands A to C
- Authorities with a low band D council tax tend to be in affluent areas where the average amount paid by their residents is significantly higher as more properties are in Bands E to H and therefore pay more than the band D amount (Band H pays double the band D figure)
- The majority (57%) of County Durham taxpayers live in a Band A property and currently pay 2/3rds of the Band D Council Tax
- In 2022/23 this equates to £1,135.72 p.a. for Band A

Council Tax Position – Comparisons with actual Council Tax paid

- The average Council Tax paid per household in England is £1,493 p.a.

- The average Council Tax charged per household in County Durham is £1,307 (inc all precepts) – £186 (12.5%) below the national average
- Of the 309 Local Authorities in England, we rank 240th in terms of the highest Council Tax – i.e. **in the bottom 25%**
- A 2.99% increase on a **Band A** property in County Durham would equate to a £36 increase p.a. or 67p per week
- Durham also has a significant safety net for vulnerable low-income households through its **Local Council Tax Reduction Scheme** – we are the only Council in the N. East and one of only a few nationally that does not cap the level of support available.
- 80% of all eligible (financially vulnerable) working age households (c34,000) in Durham receive 100% support and have no bill to pay.

Budget Pressures

- The council is operating in a period of significant uncertainty and volatility – the likes of which it has not seen for over 30 years.
- For next year and across the next four years, the budget setting process will be more difficult, than it has been previously, largely due to a range of external factors that are outside our control, including demand pressures in social care and significant increases in inflation which are impacting on our energy costs and on transport, waste management and other major contracts.
- These factors are being further compounded by interest rate rises, expected pay settlements, and continued uncertainty about future government funding.
- It is very difficult to plan ahead with any certainty at this time and the unprecedented challenge in balancing the budget next year could worsen if any further cost pressures arise, or if the government's funding for councils is reduced.

Budget Pressures- 2023/24 Current Position & Considerations

The council estimates additional unavoidable base budget pressures in 2023/24 will total £75.6 million, arising from the following issues:

	£million
National Living Wage uplift and other inflation on care fees	23.6
Pay inflation for council employees	16.7
Looked After Children	11.4
Energy price inflation	9.0
Inflation on other expenditure areas	4.2
Home to School Transport	3.9
Additional borrowing to fund Capital Expenditure	3.0
Waste Disposal	2.6
Additional staffing – Adult Social Care reforms	1.6

Budget Pressures- 2023/24 Current Position & Considerations

- The council is forecasting to receive some small increases in government grant but is not expecting the Government to make any significant investment into the sector to help alleviate the budget pressures it is facing – there is a risk government grant could be cut
- The council is able to raise Council Tax in 2023/24 by a maximum of 2.99% - this is a 1.99% “base” Council Tax increase (i.e. the referendum limit) and a 1% Adult Social Care precept - there is a possibility that the Government gives the council additional Council Tax raising powers
- A 1% increase generates circa £2.5 million of additional revenue to the council - with the maximum 2.99% increase generating circa £7.2 million additional Council Tax revenues
- The council is unable to raise sufficient income from Council Tax to meet the inflationary pressures it faces

Budget Pressures - Other Risks and Issues

- Local authorities will receive additional government grant over the next two years, however this will be required to finance the cap on adult care costs and changes to the adult care means test. The council will also have to implement a “fair cost of care” for service provision. The council is assuming that the funding received from government will be enough to cover the additional costs and loss of income from these changes.
- Base budget pressures for the future, across all service areas, are a major concern at this point, with inflation set to continue to be high next year, the ongoing long term impact of the pandemic being unknown, and with the demands upon our services continuing to increase.

Our proposed approach for balancing the budget 2023/24

Savings from back office / further staff reductions - £7 million

- Such as changes to contracts, processes, staff reviews and deletion of vacant posts

Income raising £4.25 million

- Such as selling renewable energy back to the grid, increasing some fees and charges and enforcement of Fixed Penalty Notices

Savings from changes in the way we deliver front-line services £0.5 million

- Proposed changes to the way we deliver some services which will be subject to further conversations with those impacted or public consultation

Council Tax increase of 2.99% (1.99% plus 1% adult social care precept) £7.2 million

Use of reserves £25.6 million

- Meet the gap from earmarked reserves created to support budget setting - the use of this reserve is only a temporary solution.

Our proposed approach 2023/24 - use of reserves

The use of £25.6 million of reserves to balance next years budget is not a sustainable position, and we cannot continue to do this going forward. Reserves are held for a number of reasons including:

- to help cushion the impact of any uneven cash flows, for example, delays in expected income or funding
- to avoid unnecessary temporary borrowing, especially important given rising interest rates
- as a contingency to cushion the impact of any unexpected events or emergencies, for example flooding, and other exceptional weather
- as a means of building up funds for known or predicted future liabilities. These are known as earmarked reserves.

So, any use of reserves to bridge the budget gap impacts on our financial stability. We are reviewing all our spending commitments to ensure we can free up sufficient funding to meet our budget requirements.

Consultation

We are consulting with the public and partners until 22 November and we will extend this to ensure that we receive feedback from all AAPs, the last of which meet on 1 December 2022.

Consultation: Key Messages

- A range of unavoidable budget pressures – largely driven by national / external factors need to be accommodated next year.
- The position is both volatile and uncertain – it is uncertain what (if any) additional support will be forthcoming from Government and there is a risk we could face further funding cuts
- The council is in a stronger position than many local authorities.

- Unless the Government provide substantial additional funding, the council will need to use a significant amount of its reserves to balance its budget next year
- Using reserves to this level is not sustainable and can only buy us the time to develop more sustainable budget solutions
- Since 2010 the council has had to make savings of £250 million. The emphasis has always been to protect front line services through finding savings to back office and the workforce has reduced by 3,000 in this time. It is becoming much more difficult to make savings in this way.
- Significant uncertainty exists regarding the planned Social Care Reform changes in the medium term.
- The council continues to suffer from low tax base and limitations on tax raising capacity.
- Additional flexibility on Council Tax increases is a real possibility and there will be an expectation from Government that this is taken up.

Questions

- What is the AAP view on our approach to balancing the 2023/24 forecast budget shortfall?
- What do you feel will be the impact of this approach upon you or those you represent?
- Do you have any alternatives to the approach, whilst making the required savings?
- If the government do remove the cap, what is your view on the council utilising additional Council Tax raising powers above the current 2.99% forecast, given that we may be expected to do this?

Consultation: Next Steps

- Take on board feedback from budget consultations at Cabinet in January 2023
- Budget report presented to Cabinet on 8 February 2023
- Cabinet budget proposals then presented to Full Council on 22 February 2023 where budget approval and Council Tax for 2023/24 will be set.
- Further work underway to identify further budget savings to meet the shortfall expected for the MFTP 2023/24 - 2026/27
- Further extensive consultation in 2023 to help formulate our budget plans for 2024/25 and the MFTP 2024/25 - 2027/28

To complete an online survey following this meeting, go to:

<https://online1.snapsurveys.com/AAPBudget2324>

Responses from Stanley AAP Board Members Present:

Board Members welcomed the opportunity to view and comment on the approach taken by the Council regarding the 2023/23 budget. Board members commented that the information was well presented and set out the challenges facing the council.

Some Board Members recognised there may need to be consideration of council tax increases above 2.99% if this was permitted but several Board Members stated that they would be against any increase over the current 2.99% forecast. They were concerned this may have a detrimental effect on residents who were already struggling and may fall into arrears and the cost to recover that debt via enforcement would increase. Also, any increase over 2.99% may push people down the Council Tax Reduction route for financial support and this would be counterproductive for the County Council.

The utilisation of reserves to balance the budget was welcomed over any reduction to frontline services as a short-term measure but there was some recognition this wasn't a sustainable position. However, concerns were raised about staff reductions and if this would have an adverse effect on service delivery?

A number of Board Members stated that residents need to receive understandable and digestible budget information to help them have a clearer understanding of what council tax pays for and what is being protected in terms of frontline delivery regarding any increase/what the increase pays for. As at present many residents have minimal knowledge of these areas. If information was presented to show what a 67p per week council tax increase would pay for, this may be better received by residents, especially in comparison to rising energy bills and mortgages costs that they are struggling with currently.

Concerns were raised about cuts to specific departments and services, and more specifically the fact that AAPs were under examination as part of the Community Engagement Review that the County Council are carrying out. Fears were raised that all the excellent work that AAPs do could disappear, along with the direct and wider funding that it puts into the local community and voluntary sector and the wider local economy.

You can let us know what you think about the budget proposals in the following ways:

- Fill in the online survey at: www.durham.gov.uk/consultation
- Fill in a paper survey at your local library or Customer Access Point.

The closing date for comments is Tuesday 22nd November 2022. However, we will be gathering feedback from AAP Boards held after this date.

Daniel thanked Martyn for the overview and highlighted he and many other Board Members looked forward to being engaged and consulted moving forward throughout the consultation process.

Neighbourhood Issues and Locality Policing Issues:

Speed Watch - Neighbourhood Insp. Dave Stewart advised that Consett had the highest rate of catching and fining speeding drivers. 48% of all speeding throughout the county. This was attributed to volunteers manning the Speed Watch vehicle contributed by Derwent Valley AAP.

He advised a request for funding a Speed Watch Vehicle for Stanley was presented at the Stanley Town & Village Task Group but was not supported. He added that within the Stanley area between January – July, 5 road traffic incidents were reported with 3 attributed to speeding.

John advised getting the vehicle and its volunteers into Stanley.

Drones – Insp. Stewart advised the Drones, funded by Stanley AAP, now had 3 trained pilots who worked with a network of CCTV cameras around the area.

The long lens camera supported by the AAP has also been well used.

Mini Police – Insp. Stewart advised this was funded by Durham Agency Against Crime. It was suggested that Stanley Town Council did once have a budget to contribute to the Mini - Police. Helen advised she would look into this matter and let Board members know.

Civic Hall Vandalism – Helen advised that the roof of the Civic Hall and fencing was continuing to be targeted. Insp. Stewart advised that target hardening the premises was needed.

AAP Coordinator Update:

Poverty Task Group:

Welfare Assistance Scheme for Stanley - Daniel advised the Group had now met twice with key local deliverers sitting on the Group. Following advice from the Board, an Area Budget proposal had been submitted for £50k for a Welfare Assistance Scheme for Stanley. This funding would be distributed by six key local deliverers; PACT House, Annfield Plain Community Centre, Craghead Village Hall, Tanfield Lea Community Centre, South Stanley Partnership, and Quaking Houses Village Hall, and administered by Stanley Town Council. Daniel highlighted that unfortunately energy costs could not be funded by this project. He further advised that PACT House had secured £10k for energy costs and that this had been opened up for all the deliverers of the Assistance Scheme to use.

Martyn highlighted that people who did not pay by Direct Debate were still entitled to £150. He advised helping people to log on to make sure they get the £150 due to them.

Cllr Nicholson highlighted that Channel 4 were doing a documentary on the cost of living and would feature Annfield Plain Community Centre.

Darren highlighted that Sky were doing a piece on 'Changing Lives'.

Warm Spaces – Daniel highlighted that local groups and community buildings could still apply for £1k to support opening their buildings as a warm space to the public, with hot drinks, newspapers etc.

Darren highlighted that he had been refused one application after applying for two buildings managed by PACT House.

Helen highlighted the Civic Hall had opened on Monday from 9am – 4pm as a warm space, but no one came in. Volunteers had come along with jigsaws and games.

Darren highlighted that Asda had put on an offer of a hot drink and soup for £1.

Daniel highlighted that Darren had pulled together a list of community buildings taking part in the Warm Spaces offer, which covered all aspects of the Stanley area. It was suggested that these be printed and distributed at Asda and Aldi tills.

Daniel highlighted he would be happy to print the posters. If volunteers wanted to collect them from the office to distribute.

Community Recovery 2nd Call Out for Projects

Daniel advised he had already received a few applications. Closing date 2nd December 2022.

Fun & Food

Daniel advised the Christmas applications were already in as the closing date had passed. He added he was looking to pull together a panel to appraise the projects. Anyone interested to get in touch.

Town & Villages Task Group

Daniel advised the next meeting was Monday 14th November, 2pm via 'Teams'. He advised the Levelling Up bid decision should be in by then.

Partner Work Update / Stanley specific items of interest:

Stanley Town Council – Helen reminded everyone that tickets were on sale for the Cinderella Pantomime with the first showing Thursday 15th December 2022.

Helen also advised that the new defibrillator at the Civic Hall had been deployed within 24 hours of it being installed.

Karbon Homes – 12 deeds of Christmas – A way of celebrating the stars of the community. Those individuals or groups who have gone the extra mile to help others and deserve a big thank you.

Neighbourhood Budget Summaries:

Andrea advised that no Neighbourhood Budget projects approved this month.

Small Grants:

Annfield Plain Association Football Club

Project Brief: To Purchase Home & Away Football Strips.

Total Cost: £1,200.00

Councillor Joan Nicholson Contribution: £499.50

Councillor Christine Bell Contribution: £499.50

Durham County Council – Families First

To support a children's focus group & activities.

Total Cost: £980.00

Councillor Joan Nicholson Contribution: £122.50

Councillor Christine Bell Contribution: £122.50

Councillor Joyce Charlton Contribution: £122.50

Councillor Gordon Binney Contribution: £122.50

Councillor Carl Marshall Contribution: £122.50

Councillor Angela Hanson Contribution: £122.50

Councillor Carol Hampson Contribution: £122.50

Councillor Sam McMahon Contribution: £122.50

Pre-Notified Any Other Business:

Daniel advised there was none.

Next Meeting:

Tuesday 6th December 2022 at 5pm Venue to be confirmed.

For further details about these minutes please contact Stanley AAP office,

Tel: 03000 265323 or Email: Stanleyaap@durham.gov.uk