

CITY OF DURHAM PARISH COUNCIL

Minutes of the meeting of the Parish Council Finance Committee held on Monday 14th October 2024 at 13:30pm in Meeting Room 1.01, Clayport Library. Durham. DH1 1WA

Present: Councillors A Doig, V Ashfield, E Ashby, J Ashby, L Brown and S Walker.

Also present: Parish Clerk A Shanley

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillor D Freeman. No other apologies were received.

2. TO RECEIVE ANY DECLARATIONS OF INTEREST FROM MEMBERS

None received.

3. TO APPROVE THE MINUTES OF THE PREVIOUS MEETING HELD ON 11th SEPTEMBER 2024

The minutes of the meeting held on 11th September 2024 were unanimously **agreed** as a true and accurate record of proceedings.

4. PUBLIC PARTICIPATION

None received.

5. REPORT ON THE CURRENT FINANCIAL POSITION OF THE PARISH COUNCIL

The Clerk provided the following report to Members on the current financial position of the Parish Council:

Since our last meeting I am pleased to say that we have now had it confirmed that the Parish Council has once again passed its external audit by Mazars. This review of the Council's procedures, policies, internal audit, minutes and much more takes place annually and this is the sixth time we've passed an audit without any issues. An unqualified audit is an important reflection of the work of a Parish Council, not only to reassure residents that their precept is being spent appropriately but particularly as the Parish Council looks to develop to the next stage and perhaps seek a Quality Gold Award from NALC in the coming months.

Our total income to date is £285,853. That figure includes:

- £282,429.66 from the precept.*
- £6 refund for groceries from ASDA for an event.*
- £918 from this year's landlord appeal launched earlier this year.*
- The slight increase from my last report includes the further contribution of £2,500 from Durham University towards the landlord appeal.*

To date, that landlord appeal this year has helped to finance additional recycling waste collections as part of a Lattin/Ashfield-led Green Move In operation to avoid waste overflowing on-street as well as a new Tidy Gardens/ recycling leaflet about to be launched in the coming weeks. To date, approximately £8,000 has been achieved from this scheme over the last two financial years.

The Parish Council's expenditure to date (including VAT) totals £161,987 and spends are all within allocated budget headings or our contingency funds.

I would refer Members to the Detailed Income and Expenditure report I circulated with the Agenda along with the Nominal Ledger. Very happy with where we are at – 51.5% of budgets allocated.

A few budgets to highlight:

- £2,935 from the training budget - I doubt any of the training budget will be spent this financial year and can carry over.*
- £1,750 from the licensing economy report will also remain unspent*
- £1,800 out of the remaining £3,300 will go on business support.*
- £3,450 remaining in the City Theatre project – toilets at Owengate.*
- Staffing costs of £90,000 include £15,000 for assistant – following a contract with Claire Murray-Kemp and £900 spent on Sue. Worked on the basis of 4% increase – Government is now talking about 5.5%. AI tool is very good.*
- Administration and events are likely to run over by approximately £1,000-£1,500.*
- £2,175 remaining in budget for website upgrade.*
- Hold the planning support – may need this for Hild and Bede.*
- £9,876 remaining in planting budget but £8,000 is for Market Place improvements. Fruit trees on order and bulbs done.*
- £1,200 will be coming out of Shhh campaign for What to do if you have... leaflet.*
- River Wear and Emergency Plan – need to discuss with Carole.*

End of report

6. CONSIDERATION OF DCC BUDGET PROPOSALS FOR 2025/26

The Clerk reported that Durham County Council is facing a budget gap of £64.1 million over the next four years. The Clerk advised that the County Council is seeking to balance its budget through a combination of savings, a council tax increase, and using the Medium-Term Financial Plan (MTFP) Support Reserve:

- **Savings:** The council has identified savings of £8.083 million for 2024/25 and £16.360 million for the MTFP period. These savings include staff reductions, back-office savings, and changes to how front-line services are delivered.
- **Council tax increase:** The council is proposing to increase council tax by the maximum of 2.99%.
- **MTFP Support Reserve:** The council will use £3.798 million from the MTFP Support Reserve to balance the 2024/25 budget. This is a short-term solution to allow time to develop more sustainable savings for 2025/26.

The Clerk advised that the County Council is also seeking public input on the proposed budget solutions. The Council's budget challenges are due to a number of factors, including:

- Unfunded budget pressures, particularly in children's social care and home-to-school transport
- Pay and price inflation, which is partially linked to expected increases in the National Living Wage
- Uncertainty about how available funding will be shared between councils

Members carefully considered the content of this consultation **agreed** to recommend the following draft response to this consultation to the next Full Council meeting:

"Thank you for the opportunity to respond to this important consultation on the County Council's budget proposals for 2025/26 and Medium-Term Financial Plan 2026-2029

This is clearly an extremely difficult consultation to have to undertake and the City of Durham Parish Council accepts that the factors which have led to this consultation are beyond the control of the County Council – increasing demand pressures in statutory social care, crippling cuts to local Government funding from Central Government and increasing costs to deliver these services.

For a Local Authority to make additional savings of £64.1million over the next four years is an incredibly difficult task indeed and it is clear from this consultation that almost every avenue to achieve this without impacting so heavily on frontline and statutory services has been explored.

DCC priorities

Durham County Council has shown itself to be a compassionate authority, whether through the retention of part of the LCTRS grant paid to Parish and Town Councils or, as one of only a few remaining local authorities in the country to do so, the provision of support offered to the most vulnerable households in our county through Council Tax discounts (33,400 households receiving 100% support). We applaud the Council for this commitment to supporting local services for those most in need.

The Parish Council would not support any changes to this support offered by Durham County Council.

Moreover, 62% of DCC's overall gross expenditure accounts for Adult and Health Services as well as Children and Young People's Services and options for savings in areas such as social care, are generally limited due to the statutory nature of the services. The fact that DCC spends over 60% of its total expenditure on caring for our most vulnerable residents simply serves to highlight the life and death demands which Council officers are charged with each day.

Council tax increase of 2.99%

As the consultation highlights, a 2.99% increase in DCC's Council Tax is equal to an annual £57.83 increase on a Band D property which is around £1.11 a week. However, in County Durham, 57% of Council Tax payers live in a Band A property and 84% of all properties are in Bands A to C, which means that the majority of people will be charged less than this.

Whilst we are deeply reluctant to advocate a position which would see our residents pay more in Council tax during this cost-of-living crisis, proposing a 2.99% Council tax increase at this present time would be highly irresponsible and unsustainable without further direct Government funding for which Durham County Council has no guarantee. As such, we cannot see how, in this current climate, the County Council can have any choice other than to raise Council tax by 4.99% and, in the event that this threshold is raised in the Chancellor's Autumn Statement on 30th October 2024, even beyond this level.

The level of financial risk Durham County Council is presently exposed to is deeply concerning indeed. By the end of the 2025/26 financial year, the Council's reserves will

have reduced by £73 million since 1 April 2022 and general reserves will be only 5% of the Council's Net Expenditure.

Moreover, as with other Local Authorities, Durham County Council must prepare itself for an above-inflation pay award to public sector worker of between 5.5% to 6%, as announced by the Chancellor in July 2024.

Raising additional income

The Parish Council very much welcomes most of the income raising proposals set out at this consultation. However, a long-term strategy for how Durham County Council manages and/or retains its 850+ building assets across the county is clearly missing from these proposals. This should be an urgent priority for the Administration as a means of both generating further income as well as potentially dealing with other priority issues such as addressing the housing crisis in our county. As of January 2023, 10,271 residents were on a waiting list for a social house with those in Band 1 waiting on average 227 days (FOI response ref: 5796513).

In addition, the Parish Council very much welcomes and supports the Council in applying an additional 100% Council Tax premium on Second Homes from April 2025, with the expectation that this will generate an extra £0.7 million. This is in addition to the 1,398 properties across the county paying the empty homes council tax premium (as at January 2024).

Proposed savings

As you are aware from the City of Durham Parish Council's response to the County Council's recent consultation on changes to the way it delivers face-to-face services, we simply cannot support the Council's proposals to reduce the Customer Access Points to one day per week.

The face-to-face Customer Access Point at Clayport is invaluable in assisting residents with a wide range of issues, including housing, social services, benefits and other Council services. We regard the easy access, predominantly appointment-free, face-to-face aspect of this service to be of real benefit to our residents.

For many in our community, especially the elderly, disabled and those without reliable internet access, the CAP represents a vital resource for obtaining information and support. The face-to-face assistance offered at the CAP cannot be replaced for 80% of the working week by online services or telephone support, which we know some residents find difficult to navigate.

Limiting access to this facility would disproportionately impact the most vulnerable members of our community who rely on direct interaction to resolve their issues. It would also undermine the Council's commitment to accessibility and community support.

The Parish Council very much welcomes the proposal to switch to more sustainable and perennial forms of planting across the county. As we have seen from our success in the Northumbria in Bloom contest, Durham consistently performs highly in this area and the Council's Clean and Green team must be commended for their work on this. That being said, the way the County Council delivers this service – much valued by our residents – must be made more sustainable as it should not be automatically assumed

that Parish and Town Councils across the county can assume responsibility for this into the future”.

End of response.

7. SECTION 106 APPLICATION CONSULTATION – DURHAM SCHOOL

The Clerk reminded Members that a new Section 106 grant application has been submitted by Durham Cathedral Schools Foundation (DCSF) which seeks funding to improve hockey facilities at their site in Durham. The key proposal is to refurbish the existing AstroTurf and install floodlighting.

The Clerk advised that the documentation indicates that these upgrades are essential to expand the usage of the pitch, particularly for local clubs like Durham City Hockey, as the demand for hockey facilities has exceeded supply, especially with university growth limiting access to other pitches.

The Clerk advised that the project is valued at £373,469.92, including £83,514 for floodlighting. The Foundation will provide £12,000 in management costs and match funds from the Section 106 agreement. The total amount of funding sought from Section 106 is £141,015.20.

The Clerk advised that the improvements will make the pitch available for community use, particularly in the evenings and on weekends, with fees set below market rates.

The Clerk also highlighted that the project is supported by Durham County Council, as it aligns with their leisure strategy and sports pitch development plans, and is backed by local sports groups and governing bodies such as England Hockey.

The Clerk advised that, because of the strict timetable in which to respond to this application (within 21 days of receipt of the application documentation), Members were aware that this matter had been referred to this Committee meeting today.

Members expressed serious concerns over this proposal, specifically in relation to the proposed floodlighting of Clay Lane – a very sensitive site from a wildlife and heritage perspective.

Members also expressed disappointment that this funding was being directed towards a private institution and that this application had failed to sufficiently demonstrate an unmet demand for a hockey playing field nor that this would encourage a wider take-up of the sport. It is surely better to look at a more publicly accessible, Multi-Use Games Area (MUGA) style pitch which would allow for a greater range of sports to be enjoyed.

It was **agreed** to strongly object to this Section 106 application. The Clerk **agreed** to draft the response to this application.

8. REPORT ON BUDGET SETTING PROCESS FOR FINANCIAL YEAR 2025/26

The Clerk reminded Members that there will be a need to begin considering the Parish Council’s budget for 2025/26 and advised Members that each Committee will be asked to agree its expenditure from November 2024. Members thanked the Clerk for his ongoing work on this work.

9. DATES OF FUTURE MEETINGS

Wednesday 15th January 2025 at 11am
Wednesday 16th April 2025 at 11am

There being no further business, the Chair thanked Members for their attendance and contributions and closed the meeting.

Signed,

A handwritten signature in black ink, consisting of a stylized 'A' followed by a horizontal line and a small flourish.

**Chair of the Parish Council Finance Committee
(15th January 2025)**