

CABINET

Tuesday, 11 February 2020

PRESENT – Councillors Mrs H Scott (Chair), Dulston, Johnson, Marshall, Mills and Tostevin

INVITEES – Councillors Curry, Harker, K Nicholson and Snedker

APOLOGIES – Councillors Crudass

ALSO IN ATTENDANCE – Councillors Ali, Bartch, Clarke, Mrs Culley, Heslop, Howarth, B Jones, Mrs D Jones, Lee, McCollom, McEwan and Wallis

C109 DECLARATIONS OF INTEREST.

In respect of Minute C111(4) below, the Assistant Director Law and Governance reported at the meeting that the Managing Director, Darlington Borough Council, had granted a general dispensation to all Cabinet Members, as they may have interests in particular aspects of the Local Plan, that potentially could have consequential implications for themselves, their work places, spouses, partners, civil partners or family members under grounds Section 33 (a), (b), (c), (d) and (e) of the Localism Act 2011, to allow them to participate fully at meetings of Cabinet, when the Local Plan was being considered.

C110 TO HEAR RELEVANT REPRESENTATION (FROM MEMBERS AND THE GENERAL PUBLIC) ON ITEMS ON THIS CABINET AGENDA.

In respect of Minute C111(4) below, representations were made by members of the public in attendance at the meeting.

C111 KEY DECISIONS:-

(1) MEDIUM TERM FINANCIAL PLAN

Pursuant to Minute C94(1)/Jan/20, the Leader introduced the report of the Chief Officers Executive (previously circulated) proposing a Medium Term Financial Plan (MTFP) for 2020/21 to 2023/24 including setting a budget and council tax increase for 2020/21, to Council for approval on 20 February 2020.

The submitted report stated that over the last decade, the Council had faced significant challenges following the economic downturn and reduction in public sector spending; to date the Council had been successful in responding to those challenges but there were still financial pressures to be faced, particularly in respect of a growing elderly population and pressure in the children's social care sector; the draft Local Government Finance Settlement (LGFS) had been received on 20 December 2019; the settlement was in line with the Chancellors spending review announcement with the continuation of Revenue Support Grant (RSG) and New Homes Bonus (NHB), additional social care monies of £2m and the ability to raise income for Adult Social Care through the precept; as the settlement was for one year only assumptions had

been made in regard to future years funding; and outlined the proposed amendments to the draft MTFP.

It was reported that the Council undertook a significant consultation exercise in 2016, following an in-depth and detailed review of all services which resulted in the agreement of a Core Offer budget which allowed for a small futures fund allocated to discretionary services; in subsequent MTFP's the Council had agreed to use unallocated balances of £4.7m to invest in five areas which held great value to the community; although the Core Offer remained challenging, an additional £1.8m had been allocated to bolster the Futures Fund themes whilst retaining usable balances of £3.683m; and that the Council's financial position was robust with a four year balanced MTFP with funds available for investment which would be delegated to Cabinet.

Details of the projected expenditure and income, budget pressures and savings, schedule of fees and charges, assumptions used to prepare estimates, projected Revenue Outturn 2019/20, assessment of risk balances, and comments from the Economy and Resources Scrutiny Committee, were also appended to the submitted report.

RESOLVED - That the Revenue Medium Term Financial Plan, as set out in Appendix 7 of the submitted report, be approved and recommended to the special meeting of Council on the 20 February 2020 including:-

- (a) a Council Tax increase of 1.99 per cent plus the two per cent adult social care precept to fund social care for 2020/21 totalling 3.99 per cent;
- (b) the schedule of charges, as set out in Appendix 3 of the submitted report; and
- (c) the Futures Fund investment of £1.8m, as set out in paragraph 61 of the submitted report.

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.

(2) DARLINGTON CAPITAL STRATEGY

Pursuant to Minute C94(2), the Leader introduced the report of the Chief Officers Executive (previously circulated) setting out the Council's proposed Capital Strategy for 2020/21 incorporating the capital programme priorities.

The submitted report stated that the revised Prudential Code and Capital Finance in Local Authorities 2017 required every Council to publish a Capital Strategy and to review it on an annual basis; the Council published its first strategy in 2019/20; the Strategy was an evolving document which would grow over time; this year the Capital Programme (also previously circulated) had been added for approval; and that the

Capital Programme included the current agreed programme and proposed priorities for investment.

It was reported that the Strategy provided an overview of how capital expenditure and financing plans were decided upon; provided the framework for the development, management and monitoring of the Council's capital investment plans; focused on core principles that underpinned the Council's four-year capital programme and governance framework which was in place; the Strategy maintained a strong and current link to the Council's priorities and its key strategy documents such as the Treasury Management Strategy, Medium Term Financial Plan and Council Plan; and that no feedback had been received during the consultation period.

RESOLVED - That it be recommended to the special meeting of Council scheduled to be held on 20 February 2020, that:-

- (a) the Capital Strategy for 2020/21 to 2023/24, as detailed at Appendix 1 of the submitted report, be approved; and
- (b) the Capital Programme, as detailed at Appendix 2 of the submitted report, with priorities summarised in Annex A of the submitted report, be approved.

REASONS - (a) To ensure the Council adopts the Prudential Code for Capital Finance 2017.

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

(c) The Strategy is approved by Council.

(3) HOUSING REVENUE ACCOUNT - MEDIUM TERM FINANCIAL PLAN 2020/21 TO 2023/24

The Cabinet Member with the Health and Housing Portfolio introduced the report of the Director of Economic Growth and Neighbourhood Services (previously circulated) requesting that consideration be given to proposals for the revenue budget, rent levels and service charges for the Council's Housing Revenue Account (HRA) for the financial year 2020/21 in the context of the HRA Medium Term Financial Plan to 2023/24 and the 30-year Business Plan.

The submitted report stated that the key decision to be made regarding the HRA was the balance between rent and service charge levels and investment in housing stock; it was the first time since 2016/17, that Local Authorities had the discretion to inflate rents by the Consumer Prices Index (CPI) plus one percent, following four years of compulsory reductions; 68 per cent of tenants would have their rent and services charges covered by benefit payments; the Council's rent and service charges tended to be much lower than other Social Landlords operating in Darlington; as Central Government had lifted the borrowing cap on the HRA, the Council could now borrow £9m to fund the housing capital programme, which could be supplemented with Homes England grant; and that the Council intended to build 100 affordable homes per annum for the next 10 years.

Particular reference was made at the meeting to the importance of building social

housing to the best possible standard and to the investment being made in the housing stock.

RESOLVED – That it be recommended to the special meeting of Council at its meeting scheduled to be held on 20 February 2020, that:

- (a) an average weekly rent increase of 2.7 per cent for 2020/21, be implemented, giving an average social rent of £71.30 and affordable rent of £82.55;
- (b) garage rents and service charges, be increased as shown in Table 3 of the submitted report;
- (c) the budget, as detailed at Appendix 1 of the submitted report, be approved;
- (d) the Housing Business Plan, as detailed at Appendix 2 of the submitted report, be agreed;
- (e) that the Director of Economic Growth and Neighbourhood Services be given delegated powers to proceed with new build schemes for affordable rent using the funding, as identified at paragraph 16 of the submitted report; and
- (f) that the Director of Economic Growth and Neighbourhood Services be given delegated powers to acquire dwellings in the private sector as opportunities arise, particularly as part of regeneration initiatives as discussed at paragraph 17 of the submitted report.

REASON - To enable the Council to deliver an appropriate level of service to tenants to meet housing need and to support the economic growth of the Borough through housing development.

(4) BOROUGH OF DARLINGTON PROPOSED SUBMISSION LOCAL PLAN 2016 TO 2036

The Cabinet Member with the Economy and Regeneration Portfolio introduced the report of the Director of Economic Growth and Neighbourhood Services (previously circulated) requesting that consideration be given to the changes to the Darlington Local Plan following the consultation that had been undertaken between 21 June and 2 August 2018; publication of the proposed submission copy of the Local Plan, including the proposed changes, for the statutory six week period to allow representations to be received prior to submission for independent examination; a number of delegated powers to the Director of Economic Growth and Neighbourhood Services, in consultation with the Economy and Regeneration Portfolio Holder; and the revised timetable and process for producing the new Local Plan (including the revision of the Local Development Scheme).

The submitted report stated that an up to date Local Plan was essential to meet the development needs of the Borough and to enable the Council to shape and maintain control of development; the Plan was a framework for growth and aimed at ensuring that Darlington became an even more sustainable location in which people choose to live, work and visit; the Plan provided the Council with the required spatial guidance

and direction to contribute to and enable the structured development of the Borough; outlined the consultation process; provided a summary of the key changes; and outlined the next steps.

Representations were made by members of the public in attendance at the meeting in respect of the Skerningham Strategic Allocation Site and in particular the removal of one of the proposed access roads to the site across Springfield Park; one of the other alternative access roads to the site via Barmpton Lane/Whinbush Way; sites 21 and 392 Elm Tree Farm; the green space at Sparrow Hall Drive; and the additional engagement events held in January 2020 to inform the public and other stakeholders of the results of the traffic remodelling work that had been undertaken in relation to the site. Representation was also made at the meeting to the replacement of Site 009 with Site 403, at Blackwell Grange East, in response to representations made in relation to the historic parkland importance of site 009.

The Leader, Cabinet Member with the Economy and Regeneration Portfolio, Director of Economic Growth and Neighbourhood Services and Head of Planning Policy, Economic Strategy and Environment responded thereon.

RESOLVED - (a) That the recommended changes to the Plan, in response to representations received as highlighted in Appendix 1 and Appendix 2 of the submitted report, be agreed.

(b) That the extra changes to the Plan and Policies Map suggested by officers and as a result of an Inspectors Advisory Visit, undertaken on 4 September 2019, and as highlighted in Appendix 3 of the submitted report, be agreed.

(c) That no further changes be made to the Plan, as detailed in Appendix 4 of the submitted report.

(d) That the changes in relation to the Sustainability Appraisal, as detailed at Appendix 5 of the submitted report, be agreed.

(e) That the Local Development Scheme 2020-2023, as detailed at Appendix 6 of the submitted report, be approved to take immediate effect.

(f) That the Proposed Submission Draft Local Plan be approved for a six-week pre-submission representation period.

(g) That, following the conclusion of the pre-submission representation period, the Director of Economic Growth and Neighbourhood Services, in consultation with the Portfolio holder for Economy and Regeneration Portfolio, be authorised to make any minor editing and formatting changes necessary.

(h) That the Director of Economic Growth and Neighbourhood Services, in consultation with the Portfolio holder for Economy and Regeneration, be authorised to thereafter submit the Proposed Submission Local Plan, including any changes made under (g) above, and other required documents to the Planning Inspectorate for examination.

(i) That the Director of Economic Growth and Neighbourhood Services, in

consultation with the Portfolio holder for Economy and Regeneration, be authorised to ask the Inspector appointed to hold the Examination, to recommend such modifications to the Proposed Submission Local Plan and submission documents as may be necessary to satisfy the requirements as to soundness.

(j) That it be recommended to the Special Council meeting scheduled to be held on 20 February 2020, that the Proposed Submission Local Plan, be approved and be placed on deposit to allow representation and then submitted to the Secretary of State for Independent Examination.

REASONS - (a) Local Planning Authorities must prepare a Local Plan that sets out the local planning policies for their local planning authority area. Government guidance requires that Local Plans must be positively prepared, justified, effective and be consistent with national policy, in accordance with Section 20 of the Planning and Compulsory Purchase Act 2004 (as amended) and the National Planning Policy Framework (NPPF).

(b) The Council is required to have an up to date Local Development Scheme (Planning & Compulsory Act 2004, as amended by Section 111, Localism Act 2011).

C112 PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT STRATEGY REPORT 2020/21

The Cabinet Member with the Resources Portfolio introduced the report of the Managing Director (previously circulated) requesting consideration be given to reviewing the Prudential Indicators and Limits for 2020/21 to 2022/23 relating to capital expenditure and Treasury Management activity; a policy statement relating to the Minimum Revenue Provision; and the Treasury Management Strategy 2020/21, which includes the Annual Investment Strategy for 2020/21

The submitted report outlined the Council's Prudential Indicators for 2020/21 to 2022/23 and set out the expected treasury operations for that period and reported that the expenditure plans, Treasury Management and Prudential Borrowing activities indicated that they were within the statutory framework and consistent with the relevant codes of practice, were prudent, affordable and sustainable and were an integral part of the Council's Revenue and Capital Medium Term Financial Plans.

The submitted report also included a Treasury Management Strategy for 2020/21, covering the Council's debt and investment projections estimates and limits on future debt, expected movements in interest rates and the Council's borrowing and investment strategies for future years. Key objectives of the investment strategy were outlined noting that the primary objective was the safeguarding of the repayment of principal due to the Council, ensuring adequate liquidity of those investments and finally the rate of return on the investment.

RESOLVED – That it be recommended to the special meeting of Council scheduled to be held on 20 February 2020, that:-

(a) the Prudential Indicators and limits for 2020/21 to 2022/23, as summarised in Tables 1 and 2 of the submitted report, be approved;

(b) the Minimum Revenue Provision (MRP) statement as detailed in paragraphs 35 to 39 of the submitted report, be approved.

(c) the Treasury Management Strategy 2020/21 to 2022/23, as summarised in paragraphs 43 to 69 of the submitted report, be approved; and

(d) the Annual Investment Strategy 2020/21, as contained in paragraphs 70 to 109 of the submitted report, be approved.

REASONS - (a) In order to comply with the Prudential Code for Capital Finance in Local Authorities and the Ministry of Housing, Communities and Local Government (MHCLG) 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.

**DECISIONS DATED –
FRIDAY 14 FEBRUARY 2020**