

Cabinet Agenda



**5.00 pm Tuesday, 13 October 2020
Committee Room No. 2 - Town Hall,
Darlington DL1 5QT**

In accordance with Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020, Members will join the meeting remotely rather than by attending a venue. Members of the public can view a live stream of the meeting at:

<https://www.darlington.gov.uk/livemeetings>

Members of the public may make representations on items on this agenda and these will be taken into account when making the decisions. Representations should be submitted to Lynne Wood (Lynne.Wood@darlington.gov.uk) by 5.00 p.m. on Monday 12 October 2020

1. Introductions/Attendance at Meeting.
2. Declarations of Interest.
3. To hear relevant representation (from Members and the General Public) on items on this Cabinet agenda.
4. To Approve the Minutes of the Meeting of this Cabinet held on Tuesday, 15 September 2020. (Pages 1 - 10)
5. Matters Referred to Cabinet –
There are no matters referred back for reconsideration to this meeting

6. Issues Arising from Scrutiny Committee –
There are no issues referred back from the Scrutiny Committees to this Meeting, other than where they have been specifically consulted on an issue and their comments are included in the contents of the relevant report on this agenda
7. Death in Service - Sally Lakey –
Report of the Acting Director of Children and Adults Services.
(Pages 11 - 12)
8. Repair to the Victorian Indoor Market Roof –
Report of the Director of Economic Growth and Neighbourhood Services.
(Pages 13 - 16)
9. Land to the Rear of Tandridge Court, Woodland Road, Darlington - Proposed Disposal for Residential Self-Build Plots –
Report of the Director of Economic Growth and Neighbourhood Services.
(Pages 17 - 22)
10. Treasury Management Annual Report and Outturn Prudential Indicators 2019/20 – Report of the Managing Director.
(Pages 23 - 42)
11. Regulation of Investigatory Powers Act –
Report of the Managing Director.
(Pages 43 - 46)
12. Schedule of Transactions –
Report of the Director of Economic Growth and Neighbourhood Services.
(Pages 47 - 50)
13. Membership Changes - To consider any Membership Changes to Other Bodies to which Cabinet appoints.
14. SUPPLEMENTARY ITEM(S) (if any) which in the opinion of the Chair of this Committee are of an urgent nature and can be discussed at this meeting.
15. Questions.

EXCLUSION OF THE PUBLIC AND PRESS

16. To consider the exclusion of the Public and Press :- –
RESOLVED - That, pursuant to Sections 100A(4) and (5) of the Local Government Act 1972, the public be excluded from the meeting during the consideration of the ensuing items on the grounds that they involve the likely disclosure of exempt information as defined in exclusion paragraph 3 of Part I of Schedule 12A of the Act.



Luke Swinhoe
Assistant Director Law and Governance

Monday, 5 October 2020

Town Hall
Darlington.

Membership

Councillors Clarke, Dulston, Johnson, Keir, Marshall, Mills, K Nicholson and
Mrs H Scott

If you need this information in a different language or format or you have any other queries on this agenda please contact Lynne Wood, Elections Manager, Resources Group, during normal office hours 8.30 a.m. to 4.45 p.m. Mondays to Thursdays and 8.30 a.m. to 4.15 p.m. Fridays (e-mail Lynne.Wood@darlington.gov.uk or telephone 01325 405803).

This page is intentionally left blank

**DECISIONS SHOULD NOT BE IMPLEMENTED BEFORE
MONDAY 28 SEPTEMBER 2020**

CABINET

Tuesday, 15 September 2020

PRESENT – Councillors Mrs H Scott (Chair), Clarke, Dulston, Johnson, Keir, Marshall and K Nicholson

INVITEES – Councillors Curry, Harker and Snedker

APOLOGIES – Councillors Mills

ALSO IN ATTENDANCE – Councillors Durham and Walis

C22 DECLARATIONS OF INTEREST.

There were no declarations of interest reported at the meeting.

**C23 TO HEAR RELEVANT REPRESENTATION (FROM MEMBERS AND THE
GENERAL PUBLIC) ON ITEMS ON THIS CABINET AGENDA.**

In respect of Minutes C27(1) and C32 below, representations were made by Members in attendance at the virtual meeting.

**C24 TO APPROVE THE MINUTES OF THE MEETING OF THIS CABINET HELD ON
TUESDAY, 14 JULY 2020.**

Submitted - The Minutes (previously circulated) of the meeting of this Cabinet held on 14 July 2020.

RESOLVED - That the Minutes be confirmed as a correct record.

REASON - They represent an accurate record of the meeting.

C25 MATTERS REFERRED TO CABINET

There were no matters referred back for re-consideration to this meeting.

C26 ISSUES ARISING FROM SCRUTINY COMMITTEE

There were no issues arising from Scrutiny considered at this meeting.

C27 KEY DECISIONS:-

- (1) **BOROUGH OF DARLINGTON LOCAL PLAN 2016/36 – UPDATED LOCAL
DEVELOPMENT SCHEME 2020/23**

The Cabinet Member with the Economy Portfolio introduced the report of the Director of Economic Growth and Neighbourhood Services (previously circulated) requesting that consideration be given to the revised timetable for producing the new Local Plan, including a revision to the Local Development Scheme, previously approved by Cabinet and Council (Minutes C114(4)/Feb/20 and 62/Feb/20 refer respectively).

The submitted report stated that the production of a Local Development Scheme (LDS) was a statutory requirement; the LDS set out the planning policy documents that would be prepared over the next three years; following the production of the LDS the focus would be the production of the Local Plan itself; an up to date Local Plan was essential to meet the development needs of the Borough to enable the Council to shape and maintain control of development; the Local Plan was a framework for growth; the success of the Borough was predicted on growth and underpinned the future vibrancy of the town and local communities; the Plan covered the period 2016 to 2036; and that following its adoption the Local Plan's policies and proposals would be monitored through an Implementation Plan to assess their effectiveness.

A Member addressed Cabinet in respect of the progress being made with the Local Plan, and made reference, in particular, to the Springfield Park Link Road and whether a decision had been made on its inclusion in the Plan; if there were any viable alternative access points to the road, should it go ahead; and if any capacity work had been undertaken on the roads in the area should the link road not be developed. Reference was also made to the Local Plan and the implications of the Government's White Paper on Planning, on the control of development. The Cabinet Member with the Economy Portfolio responded thereon.

RESOLVED - That the August 2020 Update of the Local Development Scheme 2020/23, as appended to the submitted report, be approved to take immediate effect.

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).

(2) (URGENT ITEM) TOWN CENTRE CAR PARKING

The Cabinet Members with the Local Services Portfolio introduced the report of the Director of Economic Growth and Neighbourhood Services (previously circulated) providing an update on Town Centre Car Parking charges and requesting that consideration be given to providing funding to enable a range of parking offers to continue until the end of December 2020.

The submitted report stated that a series of parking officers had been approved to support the town centre in June 2018 and October 2019 (Minutes C11/Jun/18 and C53(3)/Oct/19 refer respectively); in response to Covid-19 all parking charges ceased to support the control of the virus; financial provision had been provided to continue

with free parking until the end of September 2020; as the recovery continued demand for parking had grown; and outlined the financial, legal and equality implications of continuing with a number of parking offers in the Town Centre.

Particular references were made at the meeting to the carbon impact of the proposals; the value for money of implementing the proposed offers; the amount of funding spent to promote and encourage other forms of transport, in the Town Centre, such as cycling; and the availability of places to store bikes securely in the Town Centre. Reference was also made to the impact on the Town Centre of those offers and if there was any supporting evidence that the increase in demand for car parking was due to a shift from one form of transport to another rather than increasing the number of people visiting the Town Centre. The Cabinet Member with the Local Services Portfolio responded to those issues thereon.

RESOLVED – That the parking offers, as detailed in Appendix 1 of the submitted report, be approved, and it be recommended to Council, as its meeting scheduled to be held on 24 September 2020 that:-

- (i) £392,883 of additional funding be released to extend the parking offers, as outlined in Appendix 1 of the submitted report, until the end of December 2020, to be funded from General Fund Reserves; and
- (ii) the long stay parking offer in East Street car park be retained permanently.

REASONS - (a) To approve the amendment to charges.

(b) To support the recovery of the town centre.

C28 REDEVELOPMENT OF THE VICTORIAN INDOOR MARKET

The Cabinet Member with the Economy Portfolio introduced the report of the Director of Economic Growth and Neighbourhood Services (previously circulated) requesting that consideration be given to the release of funds, for the delivery of a Temperate Garden, as part of the redevelopment of Darlington Victorian Indoor Market.

The submitted report stated that in 2019 the Council entered into a lease with Market Asset Management Darlington Limited (MAM) for the management, refurbishment of the Victorian Indoor Market and the management and improvement of the outdoor market; as part of the lease, MAM were obliged and committed to invest £1,500,000 to undertake redevelopment works on the indoor market; as a result of Covid-19 the redevelopment had stalled; since July 2020 the project had begun to get back on track with the completion of design briefs and the tender / procurement exercises had commenced; and outlined the proposed works for both the indoor and outdoor markets, including the installation of a temperate garden, which was an important element of the overall project. It was reported that following receipts of structural engineer reports the cost of the project had risen to £2,050,000, to be funded from the Tees Valley Combined Authority Indigenous Growth Fund.

In response to issues and concerns raised by Members, it was reported that the Council still owned the Indoor Market building, and that the contract with MAM, was for the management of the markets; and that although the roof of the Indoor Market

was in the process of being repaired, the work had not yet been completed, contrary to recent reports. Discussion ensued on the timetable for the project and the impact that Covid-19 had had on the that timetable.

RESOLVED – That, subject to grant funding conditions being agreed with Market Asset Management Darlington Limited:-

- (a) a grant of £2,050,000 to MAM, be supported, for investment into the Victorian Indoor Market for the development of the temperate garden and food and beverage outlets; and
- (b) the Tees Valley Combined Authority Indigenous Growth Fund allocation, be released, for that purpose.

REASON - To contribute to the further economic wellbeing and vitality of the Town Centre.

C29 DELIVERY OF NEW HOMES AT NEASHAM ROAD - JOINT VENTURE PROPOSAL AND LAND DISPOSAL

The Cabinet Member with the Economy Portfolio introduced the report of the Managing Director and the Director of Economic Growth and Neighbourhood Services (previously circulated) updating Members on the proposed delivery of new homes on Neasham Road and requesting that consideration be given to the establishment of a new Joint Venture Company (JVC) between Esh Homes Ltd and Darlington Borough Council to provide the infrastructure to open the site and then build and sell homes on parts of the site, as shown on the plan appended to the submitted report; the proposed disposal terms of land agreed between the Council and the new JVC; building 150 Council owned affordable homes on the site; determining the Sustainable Code Level which the dwellings are to be built to; and utilising £2.8m of Housing Infrastructure Funding (HIF) for strategic infrastructure at Neasham Road.

The submitted report stated that Esh Homes Limited had been appointed as a joint venture partner for residential development; the partnership had already proved to be a successful model for the accelerated delivery and provision of housing within the Borough; the acquisition and disposal of land at Neasham Road had been approved by Cabinet (Minutes C102/Jan/19 refers); planning permission had been granted in August 2020 for the development of 449 homes; and outlined the proposals for the three areas of the site.

RESOLVED - (a) That the establishment of a new Joint Venture Company (JVC) to deliver, build and sell new homes at Neasham Road, be approved, and delegated authority be given to the Assistant Director Law and Governance, to finalise the negotiations for the establishment of the Joint Venture Company.

(b) That £8.5m, from the Investment Fund be approved, to fund the JVC, financed by prudential borrowing subject to a legal charge in favour of the Council over the Land acquired by the JVC company together with a Guarantee from the Joint Venture partner in respect of 50 per cent of the loan sum.

(c) That the sale of the land to the JVC, be approved, conditional upon the completion of the Joint Venture Agreement.

(d) That the Assistant Director Law and Governance be authorised to execute the sale of the land, the entering into the joint venture and associated documents accordingly.

(e) That the Assistant Director Resources, the Assistant Director Housing and Building Services and the Assistant Director Law and Governance, be authorised, to act as directors in the JVC as part of its Executive Board.

(f) That upon completion of the Joint Venture agreement, a secured loan facility be entered into with the JVC as a secured loan simultaneous with the land transaction.

(g) That Area A, as shown on the plan appended to the submitted report, be developed by the JVC and Area B, as shown on the plan appended to the submitted report, be allocated to the Council's new build affordable housing scheme on the terms and conditions as outlined at Appendix 2a and Appendix 2b of the submitted report, and it be agreed that the Director of Economic Growth and Neighbourhood Services be granted Delegated Authority to finalise negotiations in line with the terms reported.

(h) That delegated powers be granted to the Director of Economic Growth and Neighbourhood Services, to transfer the land at Area B to the Housing Revenue Account, in line with the terms as outlined at Appendix 3 of the submitted report, and provide 150 Council owned affordable homes at an estimated build cost of £24.13m for Sustainable Code 3 level plus financial contributions towards Section 106 costs, as detailed at Appendix 4 of the submitted report, and works undertaken by the JVC, or an additional cost of £14,000 per property for 150 dwellings for Code 4.

(i) That the termination of agreements, relating to the former allotment land to secure vacant possession and negotiate compensation as appropriate, be approved.

(j) That the funding required to facilitate the development and to fund the additional fees, development costs and annual maintenance costs in relation to ecology, on the terms and conditions as outlined in Appendices 2a, 2b and 3 of the submitted report, be released and the £2.8m Housing Infrastructure Funding, currently utilised on Stag House Farm, be used on strategic infrastructure at Neasham Road (the external funding and commercial envelope information relating to Neasham Road, as identified at Appendix 5 of the submitted report).

REASONS - (a) To contribute to the our Covid recovery in line with the agreed Economic Strategy.

(b) Accelerates the building of new homes for sale by the JVC and contributes to our much-needed social housing requirement.

**C30 EXCHANGE OF LAND AT WHESSOE ROAD AND DRINKFIELD MARSH,
DARLINGTON**

The Cabinet Member with the Economy Portfolio introduced the report of the

Managing Director and Director of Economic Growth and Neighbourhood Services (previously circulated) requesting that consideration be given to exchanging 1.14 acres of land held by the Council at Whessoe Road, as shown hatched on the plan at Appendix 1 to the submitted report, for 0.83 acres of land adjacent to Drinkfield Marsh, as shown hatched on the plan at Appendix 2 of the submitted report.

The submitted report outlined the background to both areas of land; the proposed terms of the land exchange; and the valuation, finance and planning comments.

RESOLVED - (a) That the exchange of land, on the terms as set out in the submitted report, be approved.

(b) That the Assistant Director Law and Governance be authorised to complete the transfers of land accordingly.

REASON - In order to safeguard Drinkfield Marsh Local Nature Reserve.

C31 REVIEW OF OUTCOME OF COMPLAINTS MADE OMBUDSMAN

The Cabinet Member with the Resources Portfolio introduced the report of the Managing Director, Director of Children and Adults Services and the Director of Economic Growth (previously circulated) providing Members with an update of the outcome of cases which had been determined by the Local Government and Social Care Ombudsman (LGSCO) and the Housing Ombudsman (HO) since the preparation of the previous report to Cabinet on 3 December 2019 (Minute C85/Dec/19 refers).

The submitted report stated that during the second half of 2019/2020 the Council received two upheld Maladministration Injustice decisions from the LGSCO, compared to four for the same period in 2018/19; both the upheld Maladministration Injustice decisions related to financial assessments; and the actions identified to remedy the complaints should ensure that there was no re-occurrence.

In introducing the report, the Cabinet Member with the Resources Portfolio stated that he had requested a further report on the upheld maladministration cases, due to the sensitivities around the process of assessing an individual's contribution towards the cost of adult social care services.

RESOLVED - That the contents of the report be noted.

REASONS - (a) It is important that Members are aware of the outcome of complaints made to the LGSCO and the HO in respect of the Council's activities.

(b) The contents of the submitted report do not suggest that further action, other than detailed in the report, is required.

C32 COMPLAINTS, COMPLIMENTS AND COMMENTS ANNUAL REPORTS 2019/20

The Cabinet Member with the Resources Portfolio introduced the report of the Managing Director, the Director of Children and Adults Services and the Director of Economic Growth (previously circulated) providing Cabinet with the 2019/20

Complaints, Compliments and Comments Annual Reports for Adult Social Care, Children's Social Care, Corporate, Housing and Public Health (all also previously circulated).

The submitted report stated that in 2019/2020 a total of 838 complaints had been received, an increase from 825 in 2018/19; 292 compliments had been received, an increase from 280 in 2018/19; and 168 comments had been received, a decrease from 240 in 2018/19.

The Chair of the Economy and Resources Scrutiny Committee addressed Cabinet in respect of a number of recommendations that were made by the Economy and Resource Scrutiny Committee, at its meeting held on 10 September 2020, and requested that future reports include the previous year's information as graphical information, rather than text, to allow comparisons to be made with previous years and more context around those complaints, compliments and comments.

Particular reference was made to one of the complaints detailed in the submitted report in respect of the removal of children from the care of their parents, and what action, if any, was taken in response to that complaint.

The Cabinet Member with the Resources Portfolio responded thereon.

RESOLVED - (a) That the content of the Adult Social Care, Children's Social Care, Corporate, Housing and Public Health Complaints, Compliments and Comments Annual Reports, as appended the submitted report, be noted.

(b) That the further recommendations as detailed in the Adult Social Care, Children Social Care, Corporate and Housing Complaints, Compliments and Comments Annual Reports, as appended to the submitted report, be endorsed.

REASONS - (a) To make Cabinet aware of the number and nature of the complaints, compliments and comments received by the Council and the organisational learning that had taken place as a result.

(b) To enable the Council to further improve its services as a result of the complaints, compliments and comments received and improve satisfaction with complaints handling.

C33 PROPOSED WRITE-OFF OF IRRECOVERABLE DEBTS 2019/20

The Cabinet Member with the Resources Portfolio introduced the report of the Managing Director and Director of Economic Growth and Neighbourhood Services (previously circulated) requesting that consideration be given to the write-off of former Housing tenant rent arrears, Housing Benefit overpayments, Non-Domestic Rates, Council Tax and Sundry Debtor invoices with individual values greater than £500, that were considered to be irrecoverable.

The submitted report stated that £607,190 of former Housing tenant rent arrears for 324 individual cases, representing 2.28 per cent of the annual rent debit; £163,523 of Housing Benefit overpayments in respect of 97 individual cases representing 0.57% of the total Housing Benefit expenditure; £1,292,456 of Non-Domestic Rates and

Council Tax representing 1.36 per cent of the total debit raised; and 18 individual sundry debts totalling £32,314.79, representing 0.09 per cent of the debt recoverable, were being written off, as no further steps could be taken to recover the sums.

Particular references were made by a Member in attendance at the meeting, on the reasons for the increase in the amount of write-off of irrecoverable debts that were proposed for 2019/2020, compared to previous years, and what the impact of Covid-19 would have on irrecoverable debts. The Cabinet Member with the Resources Portfolio and the Managing Director responded thereon, and in doing so, the Managing Director reported that a comprehensive review of outstanding debts had been undertaken during 2019/2020 and that the total write-offs included within the submitted report, included debts from previous financial years.

RESOLVED - That a total amount of £607,190 of former Housing tenant arrears, £163,523 of Housing Benefit overpayments, £1,292,456 of Non-Domestic Rates and Council Tax, and £32,314.79 of Sundry Debtor invoices be written-off, subject to steps for recovery being taken, wherever possible, if and when contact is made.

REASONS- (a) It is considered all practical steps have been made to recover the debts.

(b) To enable the Council's accounts to be maintained in accordance with the Financial Procedure Rules.

C34 INVESTMENT FUND UPDATE

The Cabinet Members with the Resources Portfolio introduced the report of the Managing Director (previously circulated) updating Cabinet on progress against the agreed investments being funded through the Investment Fund.

The submitted report stated that an investment fund had been established for innovative investment opportunities beyond the traditional Treasury Management Strategy, in order to achieve greater returns; the fund was being used for joint venture vehicles and economic regeneration initiatives; returns on joint ventures were anticipated to be over £4M; the fund was currently being used on eight schemes; and outlined the impact of Covid-19.

RESOLVED - (a) That the use of the Investment Fund and the returns achieved through the joint venture vehicles, as detailed in the submitted report, be noted.

(b) That the change of Gross Profit margin acceptable for a development in the Darlington Borough Council / Esh Joint Venture, as noted in Appendix 1 of the submitted report, be approved.

REASONS - (a) To keep Cabinet informed of progress made on opportunities undertaken and investment returns.

(b) To increase development opportunities and ultimately income for the Council.

C35 MEMBERSHIP CHANGES - TO CONSIDER ANY MEMBERSHIP CHANGES TO OTHER BODIES TO WHICH CABINET APPOINTS.

There were no membership changes reported at the meeting.

C36 TO CONSIDER THE EXCLUSION OF THE PUBLIC AND PRESS :-

RESOLVED - That, pursuant to Sections 100A(4) and (5) of the Local Government Act 1972, the public be excluded from the meeting during the consideration of the ensuing items on the grounds that they involve the likely disclosure of exempt information as defined in exclusion paragraph 3 of Part I of Schedule 12A to the Act.

**DECISIONS DATED –
FRIDAY 18 SEPTEMBER 2020**

This page is intentionally left blank

CABINET
13 October 2020

DEATH IN SERVICE – SALLY LAKEY

Responsible Cabinet Member – Councillor (insert)
Responsible Director – James Stroyan, Acting Director of Children and Adults Services

SUMMARY REPORT

Purpose of the Report

1. To inform Members of the recent Death in Service on 29 September 2020 of Sally Lakey. Sally was employed as a Business Support Officer in Business Support and was a valued member of the team within the Commissioning, Performance and Transformation Service.

Information and Analysis

2. It is with great sadness that I have to inform Members of Sally Lakey's death on 29 September 2020. Sally was 59 years old and joined the Council on 5 January 2015. Sally had over 5 years local government service. Sally was a well-respected member of the team and will be greatly missed.
3. A letter has been sent to Sally's family conveying the Council's sympathy and Human Resources are ensuring they receive appropriate advice and support.

Recommendation

4. It is recommended that the Cabinet note :-
 - (a) with great sadness the recent death in service of Sally Lakey, a respected employee of the Council; and
 - (b) the actions of the Council in conveying the sympathy to Sally's family and the support offered from Human Resources.

Reasons

5. The recommendations are supported to make Members aware of the recent death in service.

James Stroyan
Acting Director of Children and Adults Services

This page is intentionally left blank

**CABINET
13 OCTOBER 2020**

REPAIR TO THE VICTORIAN INDOOR MARKET ROOF

**Responsible Cabinet Member –
Councillor Alan Marshall, Economy Portfolio**

**Responsible Director – Ian Williams
Director of Economic Growth and Neighbourhood Services**

SUMMARY REPORT

Purpose of the Report

1. To gain Cabinet approval for the release of previously agreed capital funds for the repairs to the roof at the Victorian Indoor Market.

Summary

2. In 2017 the Council entered a lease with Market Asset Management Darlington Ltd (MAM) for the management, refurbishment of the Victorian Indoor Market and the management and improvement of Darlington's outdoor market.
3. As part of the contract negotiations with MAM it was acknowledged that the market roof was in a poor state of repair which the Council had made previous financial provision to address and repair. This commitment was over and above the agreed works MAM would carry out, detailed in previous Cabinet reports, to ensure that the market functioned in a more efficient manner and to transform the market with the provision of high quality street food scene, bar and events stage, an enhanced entrance, improved trading floor for market traders and additional public toilets.
4. There is currently £300,000 set aside for this work and this report requests that this capital funding is released to carry out repairs to the indoor market roof. MAM have carried out a tender and procurement exercise to identify a contractor to complete repairs to the market hall roof with the cost of works at £240,128. Once this work is complete phase 1 of the redevelopment of the market hall can commence in early 2021. The balance of £59,872 is set aside as a contingency for any unforeseen additional works that may be required. The final cost of works will be reported to a future Cabinet in the Capital Programme Monitoring Outturn report.

Recommendation

5. It is recommended that Members approve the release of the £300,000 from the agreed capital budget for the works to commence.

Reason

- The recommendation is supported by the reason that contributing to the ongoing commitment to the full refurbishment of the Victorian Indoor Market will have a positive impact upon the economic wellbeing and vitality of the Town Centre.

Ian Williams
Director of Economic Growth and Neighbourhood Services

Background Papers

MAM – Indoor Market Proposals

Mark Ladyman: Extension 6306

S17 Crime and Disorder	This paper supports and complements the actions detailed in the Darlington Town Centre Footfall Strategy to reduce ASB in the Town Centre.
Health and Well Being	No direct impacts
Carbon Impact	No direct impacts
Diversity	No direct impacts
Wards Affected	All
Groups Affected	All
Budget and Policy Framework	This decision does not represent a change to the budget and policy framework. Any works highlighted in the report will be met through agreed capital budgets.
Key Decision	No
Urgent Decision	No
One Darlington: Perfectly Placed	The actions detailed in the report aim to improve the attractiveness of the Town Centre therefore directly impacting on Perfectly Placed.
Efficiency	The report aims to utilise the Councils and partner resources in a collective more efficient manner.
Impact on Looked After Children and Care Leavers	Does this report impact have no impact on Looked After Children or Care Leavers - No

MAIN REPORT

Information and Analysis

Repair to the Victorian Indoor Market Roof

- Darlington's Victorian Indoor Market plays an important anchor for the Town Centre going forward. In terms of a unique proposition the market should and could act as an attractor for many people to come to the town. However, this building is underperforming and is not fulfilling its potential. The Council has recognised the need for further investment and in 2017 entered a partnership agreement with Market Asset Management.
- As part of the contract negotiations with MAM it was acknowledged that the market roof was in a poor state of repair which the Council had made previous financial

provision to address and repair. This commitment was over and above the agreed works MAM would carry out, detailed in previous Cabinet reports, to ensure that the market functioned in a more efficient manner and to transform the market with the provision of high quality a street food scene, bar and events stage, an enhanced entrance, improved trading floor for market traders and additional public toilets.

9. There is currently £300,000 set aside for this work and this report requests that this capital funding is released to carry out repairs to the indoor market roof. MAM have carried out a tender and procurement exercise to identify a contractor to complete repairs to the market hall roof with the cost of works at £240,128. Once this work is complete phase 1 of the redevelopment of the market hall can commence in early 2021. The balance of £59,872 is set aside as a contingency for any unforeseen additional works that may be required. The final cost of works will be reported to a future Cabinet in the Capital Programme Monitoring Outturn report.
10. The scope of works involves the replacing the inner slopes of the roof and installing new flashing to these areas. The replacement of the valley gutters to the central area of the building, supply and erect all necessary scaffolding. The total cost of works also includes all professional fees.
11. Once this work is complete phase 1 of the redevelopment of the market hall can commence in early 2021.

Financial Considerations

12. As part of the 2015/16 MTFP it was recognised that the Market hall required a significant level of repairs and given the market is integral to the Town Centre investment was agreed. The amount agreed was £500,000 of which £200,000 was released in May 2016 to carry out essential repairs. This left £300,000 to be released at a later date.

Legal Implications

13. The leasehold of the indoor market building is owned by MAM under a 99-year long lease from Darlington Borough Council which commenced in September 2017.
14. Under the term of the long lease MAM are obligated to deliver required improvement works before the break clause date or the Council will be entitled to terminate the lease. MAM are also subject to minimum operational requirements and to a restriction of the use of the building.
15. There is a potential state aid issue, however it is considered that the funding falls into the European Union General Block Exemption Regulations and in particular aid for culture and heritage conservation.
16. Any funding to MAM will need to meet grant funding conditions and be documented by formal funding agreements and in addition state aid issues will need to be addressed.

This page is intentionally left blank

**CABINET
13 OCTOBER 2020**

**LAND TO THE REAR OF TANDRIDGE COURT, WOODLAND ROAD, DARLINGTON
PROPOSED DISPOSAL FOR RESIDENTIAL SELF BUILD PLOT(S)**

**Responsible Cabinet Member –
Councillor Alan Marshall, Economy Portfolio**

**Responsible Director – Ian Williams
Director of Economic Growth and Neighbourhood Services**

SUMMARY REPORT

Purpose of the Report

1. To identify the plot of land to the rear of Tandridge Court, off Woodland Road as a potential site to be included in the Council's Self-build and Custom Housebuilding Register, with the intention that this site be made available for future self-build development. Depending on the size of the plots the site may be able to accommodate a number of residential dwelling houses.

Summary

2. The Self-build and Custom Housebuilding Act 2015 places a duty on public authorities to keep a register of individuals and associations who wish to acquire serviced plots to bring forward self-build and custom housebuilding. It requires Local Authorities to keep and publicise a register to allow people to express an interest in acquiring a self-build plot, and to bear this register in mind while carrying out its functions. It also requires the authority to grant sufficient serviced plots to meet the identified on the register for each year, although registration does not guarantee that a suitable plot will be identified or will become available.
3. Darlington currently have a requirement to deliver one serviced plot by October 2020 and a second by October 2021 for two separate individuals on Part 1 of the Self-build and Custom Housebuilding Register (those that have met all criteria including local eligibility).
4. The Council owned former Cockerton depot site at the rear of Tandridge Court, off Woodlands Road, Darlington is considered to be suitable for this potential self-build use and is surplus to operational requirements. Shown hatched on the attached plan (**Appendix 1**), the site extends to 0.165 hectares (0.41 acres) and is conveniently located for facilities in Cockerton and the Denes.
5. It is proposed that this former depot site be included on the Council's Self-build and Custom Housebuilding Register.

6. It is intended that the plots will be available for sale with the benefit of an Outline Planning permission and prospective purchasers will then be required to submit a Reserved Matters application for detailed planning consent.
7. To protect the Council's position and ensure a quality product the Council would initially transfer the land to the self-builder under a building licence. The freehold interest would only be transferred once the development is completed in accordance with the planning permission and a certificate of practical completion issued.

Recommendations

8. It is recommended that :-
 - (a) The land to the rear of Tandridge Court as shown on Appendix 1 be declared surplus and authority be granted for it to be included on the Council's Self-build and Custom Housebuilding Register.
 - (b) The Director of Economic Growth and Neighbourhood Services in consultation with the Portfolio Holder be authorised to dispose of the land for self-build housing development, subject to the Council receiving market value for the plot(s) and the prospective self-builder obtaining detailed planning consent.
 - (c) The AD Law and Governance be authorised to complete the documentation for the disposal of the land.
 - (d) Terms agreed for the subsequent sale of self-build plots to be reported on the Schedule of Transactions in due course.

Reasons

9. The recommendations are supported by the following reasons:-
 - (a) To facilitate the Council's duty to have a site available and listed on the Self-build and Custom Housebuilding Register.
 - (b) This site has been vacant for several years and a self-build development would be a suitable use for the surplus land.

Ian Williams
Director of Economic Growth and Neighbourhood Services

Background Papers

No background papers were used in the preparation of this report

David Frankland: Extension 6319

S17 Crime and Disorder	There are no implications for crime and disorder in connection with this report.
Health and Well Being	There are no impacts on Health and Well Being arising from the proposals in this report.
Carbon Impact and Climate Change	There will be little carbon impact resulting from the proposal in this report.
Diversity	Equality and diversity are not relevant to the proposal in this report.
Ward Affected	Pierremont
Groups Affected	No groups are affected by the proposals in this report.
Budget and Policy Framework	This decision does not represent a change to the budget and policy framework.
Key Decision	This is not a key decision
Urgent Decision	This is not an urgent decision.
One Darlington: Perfectly Placed	The development of the former Cockerton Depot site on land to the rear of Tandridge Court, off Woodland for a self-build housing development is a perfectly placed development.
Efficiency	This report will not deliver any efficiency savings, nor will it require additional staff time/resource over and above what is already available.
Impact on Looked After Children and Care Leavers	No impact

MAIN REPORT

Background

10. The Council demolished the timber constructed former Cockerton depot building several years ago, leaving the concrete base and a brick built lock up garage on the site. The lock up garage is no longer in use and the land which has stood vacant for years is now considered surplus to operational requirements.
11. The site can be accessed by vehicles and pedestrians and will have shared access with the occupiers of Tandridge Court.
12. The Council is required to deliver sufficient serviced plots to meet the need identified on the Self-build and Custom Housebuilding Register. In Darlington this is currently one plot by October 2020 and one in the following year by October 2021. A serviced plot of land is a plot of land that either has access to a public highway and has connections for electricity, water and wastewater.
13. Subject to Cabinet's approval it is intended that the site be included in the Self-build and Custom Housebuilding Register and an outline planning application be made for self-build residential development on this site. It is envisaged that this site will accommodate up to two plots, which if approved will meet the Council's duty under the Self-build and Custom Housebuilding Act 2015. The plots would then be available for potential purchasers of self-build plots.

Proposed Terms.

14. The Council will offer the self-build plot(s) for sale on a building licence and on completion of the development in accordance with the planning permission the Council would then transfer the freehold to the self-builder.

Planning Comment

15. The proposal to develop this land for a self-build residential development and its inclusion on the Council's Self-Build and Custom Housebuilding Register needs to be considered in the context of national and local planning policies and the development will require planning permission.

Financial Implications

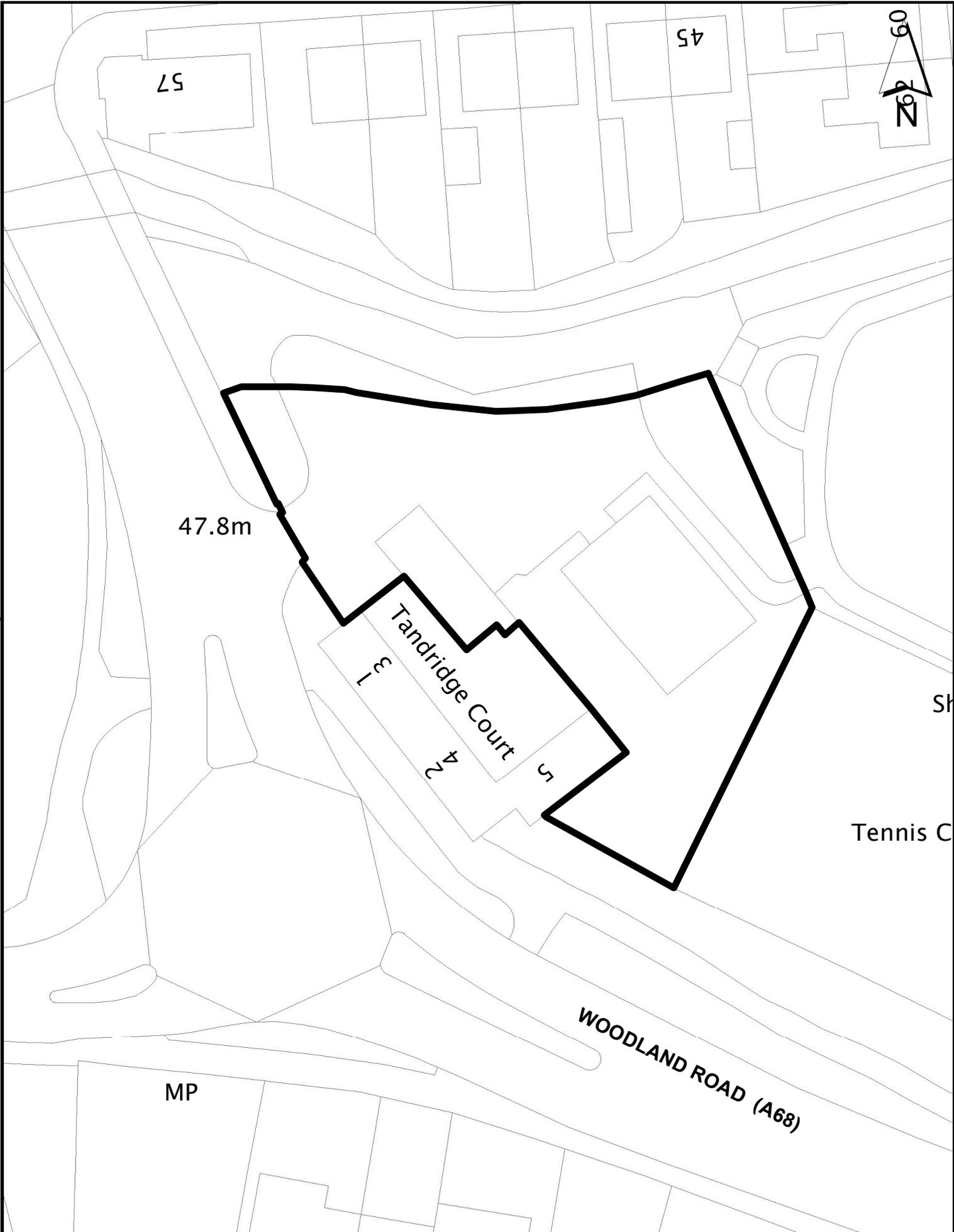
16. The sale of this land will achieve a capital receipt for the Council.
17. The council opted to tax for VAT purposes on the land on the 29 July 2019, however, the option will not apply as the land is being sold to an individual for construction of a dwelling.

Legal Implications

18. As this proposal concerns the sale of land, the Council must ensure that it complies with S.123 of the Local Government Act 1972. Save for the above there are no legal implications arising from the proposal in this report at this stage, though legal implications may arise following title investigations.

Consultation

19. Internal consultation on the proposal to dispose of the Council's land have raised no objections. External consultation would be carried out as part of the planning process.



DARLINGTON BOROUGH COUNCIL
 ESTATES, RESOURCES GROUP
 TOWN HALL, FEETHAMS
 DARLINGTON
 Co. DURHAM
 DL1 5QT

Project Title: **LAND ADJACENT TANDRIDGE COURT, WOODLAND ROAD**
 Drawing Title:

Scale: 1 : 500	Ref:
Date: 20/11/12	Area:
Drawn: RMH	0.408 Acres

This map is reproduced from the Ordnance Survey material with the permission of Ordnance Survey on behalf of the Controller of Her Majesty's Stationary Office. © Crown copyright. Unauthorised reproduction infringes Crown copyright and may lead to prosecution or civil proceedings.
Licence Number 100023728 2012

This page is intentionally left blank

CABINET
13 OCTOBER 2020

TREASURY MANAGEMENT ANNUAL REPORT AND OUTTURN
PRUDENTIAL INDICATORS 2019/20

Responsible Cabinet Member - Councillor Charles Johnson, Resources Portfolio

Responsible Director - Paul Wildsmith, Managing Director

SUMMARY REPORT

Purpose of the Report

1. This report provides important information regarding the regulation and management of the Council's borrowing, investments and cash-flow. It is a requirement of the Council's reporting procedures and covers treasury activity for 2019/20. The report also seeks approval of the Prudential Indicators results for 2019/20 in accordance with the Prudential Code.

Summary

2. The financial year 2019/20 presented similar circumstances to 2018/19 with regard to treasury management. However, as Members are aware due to the recent low returns for cash investments new ways to improve investment returns are continually being sought. Cost of borrowing remained low throughout 2019/20 and due to the Covid-19 pandemic the cost of short term borrowing is anticipated to remain low for a number of years.
3. During 2019/20 the Council complied with its legislative and regulatory requirements. The borrowing need (**Table 1**) was only increased for capital purposes.
4. At 31st March 2020 the Council's external debt was £181.661m which is £2.500m (1.3%) higher than the previous year. This relates to Housing Revenue Account (HRA) borrowing for future build requirements, that was achieved at favourable rates as the government reduced the Public Works Loan Board (PWLB) certainty rate for the HRA. The average interest rate for borrowing was down from 3.22% in 2018/19 to 2.72% in 2019/20. This reduction in the average rate of interest is due to a new mix of maturity dates to take advantage of the lower cost of borrowing for short term debt. Investments totalled £56.799m at 31st March 2020 (£55.849m at 31st March 2019) earning interest of 0.75% on short term cash investments and 2.23% on Property Fund units net of costs.
5. Financing costs have been reduced during the year and a saving of £0.268m has been achieved from the original MTFP. The majority of the savings relate to the

increase in interest received from investments and increased MRP from departmental prudential borrowing.

Recommendation

6. It is recommended that:
 - (a) The outturn 2019/20 Prudential Indicators within this report and those in **Appendix 1** be noted.
 - (b) The Treasury Management Annual Report for 2019/20 be noted.
 - (c) This report to be forwarded to Council, in order for the 2019/20 Prudential Indicators to be noted.

Reasons

7. The recommendations are supported by the following reasons:
 - (a) In order to comply with the Prudential Code for Capital Finance in Local Authorities.
 - (b) To inform members of the Performance of the Treasury Management function.
 - (c) To comply with the requirements of the Local Government Act 2003.

Paul Wildsmith
Managing Director

Background Papers

- (i) Accounting Records
- (ii) Annual Investment Strategy 2019/20
- (iii) Prudential Indicators and Treasury Management Strategy Report 2019/20

Peter Carrick: Extension 5401

S17 Crime and Disorder	This report has no implications for crime and disorder
Health and Well Being	There are no issues relating to health and wellbeing which this report needs to address
Carbon Impact and Climate Change	There are no issues relating to carbon impact
Diversity	There are no specific implications for diversity
Wards Affected	The proposals affect all wards
Groups Affected	The proposals do not affect any specific group
Budget and Policy Framework	The report does not change the Council's budget or Policy framework but needs to be considered by Council
Key Decision	This is not an Executive decision
Urgent Decision	This is not an Executive decision
One Darlington: Perfectly Placed	The proposals in the report support delivery of the Community Strategy through appropriate and effective deployment of the Councils Resources
Efficiency	The report outlines movements in the national economic outlook that have enabled officers to take advantage of different types of Investments and changing interest rates to benefit the Revenue MTFP.
Impact on Looked After Children and Care Leavers	Does this report impact on Looked After Children or Care Leavers

MAIN REPORT

Information and Analysis

8. This report summarises:

- (a) Capital expenditure and financing for 2019/20
- (b) The Council's underlying borrowing need
- (c) Treasury position at 31st March 2020
- (d) Prudential indicators and compliance issues
- (e) The economic background for 2019/20
- (f) A summary of the Treasury Management Strategy agreed for 2019/20
- (g) Treasury Management activity during 2019/20
- (h) Performance and risk benchmarking

9. Throughout this report a number of technical terms are used, a glossary of terms can be found at the end of this report.

The Council's Capital Expenditure and Financing 2019/20

10. The Council undertakes capital expenditure on long term assets, which is financed either,

- (a) immediately through capital receipts, capital grants, contributions and from revenue; or

(b) by borrowing.

11. Part of the Council's treasury activities is to address this borrowing need, either through borrowing from external bodies, or utilising temporary cash resources within the Council. The wider treasury activities also include managing the Council's cash flow, its previous borrowing activities and the investment of surplus funds. These activities are structured to manage risk foremost and then optimise performance.
12. Capital Expenditure forms one of the prudential indicators that are used to regulate treasury activity. Table 1 shows total capital expenditure and how this was financed, compared with what was expected to be spent and how this would have been financed. Actual expenditure was £4.281m more than planned, mostly due to increased activity in the General Fund. However the mix of funding differs from that which was expected as some schemes progressed quicker than others. This impacted slightly on the borrowing needed to fund expenditure which was £2.559m higher than initially anticipated.

Table 1 – Capital Expenditure and Financing

	2018/19	2019/20		
	Outturn £m	Revised Estimate £m	Outturn £m	Variance £m
General Fund Capital Expenditure	21.298	17.280	23.111	5.831
HRA Capital Expenditure	9.376	10.834	11.963	1.129
Loans to Joint Ventures etc	6.117	10.544	7.865	(2.679)
Total Capital Expenditure	36.791	38.658	42.939	4.281
Resourced by:				
Capital Receipts GF	3.022	1.705	2.348	0.643
Capital receipts Housing	0.550	0.200	1.432	1.232
Capital Grants	9.336	14.753	16.705	1.952
Capital Contributions	4.076	0.000	0.162	0.162
Revenue Contributions - GF	0.000	0.000	0.956	0.956
Revenue (Housing)	9.446	10.634	7.411	(3.223)
Total Resources	26.430	27.292	29.014	1.722
Borrowing needed to finance expenditure	10.361	11.366	13.925	2.559

The Council's Overall Borrowing Need

13. The Council's underlying need to borrow is called the Capital Financing Requirement (CFR). The figure is a gauge for the Council's debt position. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents 2019/20 and prior years' net capital expenditure which has not yet been paid for by revenue or other resources.
14. Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the government, through

PWLB, or the money markets) or utilising temporary cash resources within the Council.

15. The General Fund element of the CFR is usually reduced each year by a statutory charge to the revenue accounts called the Minimum Revenue Provision (MRP). The total CFR can also be reduced each year through a Voluntary Revenue Provision (VRP).
16. The Council's CFR for the year is shown in Table 2 and represents a key prudential indicator. The CFR outturn for 2019/20 is £219.489m which is £2.559m higher than approved due to the increased borrowing need required to finance the additional capital expenditure in 2019/20.
17. No MRP repayments were made on the General Fund debt in line with the report to Council on 23rd February 2017.

Table 2 - Capital Financing Requirement

	2018/19	2019/20		
	Outturn £m	Approved Indicator £m	31 March Actual £m	Variance £m
Opening Balance	198.788	207.348	207.348	0.000
Add Capital Expenditure financed by borrowing	10.361	11.366	13.925	2.559
Less MRP/VRP General Fund	0.000	0.000	0.000	0.000
Less MRP/VRP Housing	(0.629)	(0.629)	(0.629)	0.000
Less MRP/VRP PFI	(1.172)	(1.155)	(1.155)	0.000
Closing balance	207.348	216.930	219.489	2.559

Treasury Position at 31 March 2020

18. Whilst the measure of the Council's underlying need to borrow is the CFR, the Assistant Director of Resources can manage the Council's actual borrowing position by:
 - (a) borrowing to the CFR level; or
 - (b) choosing to utilise some temporary cash flows instead of borrowing ("under borrowing"); or
 - (c) borrowing for future increases in CFR (borrowing in advance of need, the "over borrowed" amount can be invested).
19. The financial reporting practice that the Council is required to follow (the Statement of Recommended Practice (SORP)), changed in 2007/08. Financial instruments (borrowing and investments etc.) must now be reported in the Statement of Accounts in accordance with national Financial Reporting Standards. The figures in this report are based on actual amounts borrowed and invested and so will differ from those in the Statement of Accounts which due to statutory requirements are shown at Fair Value.

20. The Council's total debt outstanding at 31st March 2020 was £181.661m. In addition to this, a liability of £11.498m relating to the PFI scheme and Finance Leases brings the total to £193.159m. The Council's revised CFR position was estimated to be £216.930m, however, the actual out turn position was £219.489m. When comparing this to our actual borrowing of £193.159m this meant that the Council was "under borrowed" by £26.330m. This "under borrowed" amount was financed by internal borrowing which means that the amount that could have been invested externally was reduced to cover this. The reduced under borrowed position still has the dual effect of reducing costs to the MTFP because borrowing costs are generally greater than investment returns and it reduces counterparty risk by reducing our exposure to banks and other financial institutions.
21. The treasury position at the 31st March 2020, including investments compared with the previous year is shown in Table 3 below.

Table 3 – Summary of Borrowing and Investments

Treasury Position	31 March 2019		31 March 2020	
	Principal £m	Average Rate %	Principal £m	Net annualised Average Rate %
General Debt - Fixed Rate Debt, Market and Public Works Loan Board (PWLB)	154.161	3.52%	156.661	2.93%
Property Fund Borrowing	25.000	1.17%	25.000	1.45%
Total Debt	179.161	3.22%	181.661	2.72%
Cashflow Investments up to 6 months	25.850	0.69%	21.800	0.91%
Capital Investments over 6 months	0.000	0.00%	5.000	1.05%
Property Fund Investment -net of costs	29.999	2.30%	29.999	2.20%
Total Investments	55.849		56.799	
Net borrowing position	123.312		124.862	

Prudential Indicators and Compliance Issues

22. Some prudential indicators provide an overview while others are specific limits on treasury activity. These indicators are shown below:
23. **Gross Borrowing and the CFR** – in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2018/19) plus the estimates of any additional capital financing requirement for the current (2019/20) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allowed the Council some flexibility to borrow in advance of its immediate capital needs in 2019/20. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

Table 4 – Gross Borrowing Compared with CFR

	31 March 2019 Actual £m	31 March 2020 Approved Indicator £m	31 March 2020 Actual £m
Gross Borrowing Position	179.161	183.258	181.661
PFI and Finance Lease Liability	12.653	11.498	11.498
CFR Excluding PFI & leases	194.695	205.432	207.991
CFR	207.348	216.930	219.489

24. **The Authorised Limit** – The Authorised Limit is the “Affordable Borrowing Limit” required by section 3 of the Local Government Act 2003. The Council does not have power to borrow above this level.
25. **The Operational Boundary** – The Operational Boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the Boundary are both acceptable, subject to the Authorised Limit not being breached.
26. **Actual financing costs as a proportion of net revenue expenditure** - This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue expenditure. The actual for this indicator has reduced due to nil provision of MRP for the General Fund and other savings in the Financing Costs budget, but has risen from the previous year due to a reduction in the Councils overall budget.

Table 5 – Key Prudential Indicators

	Actual 2018/19 £m	Original Approved Limits 2019/20 £m	Revised Approved Limits 2019/20 £m	Actual Total Liabilities Borrowing + PFI/ leases 2019/20 Maximum £m
Approved Indicator – Authorised Limit	191.814	326.023	227.776	193.159
Approved Indicator – Operational Boundary	191.814	310.498	194.756	193.159
Financing costs as a percentage of net revenue expenditure	4.07%	2.10%	2.10%	2.02%

27. At 31st March 2020 the total liabilities were £193.159m which is below both the approved Authorised Limit and the approved Operational Boundary. The Operational Boundary is the point at which we expect borrowing to be, but it can be lower or higher. Borrowing cannot exceed the Authorised Limit.

28. A further four prudential indicators are detailed in **Appendix 1**.

Economic Background for 2019/20

29. A summary of the general economic conditions that have prevailed through 2019/20 provided by Link Asset Services, the Council's treasury management advisors is attached at **Appendix 2**.

Summary of the Treasury Management Strategy agreed for 2019/20

30. The revised Prudential Indicators anticipated that during 2019/20 the Council would need to borrow £11.366m to finance part of its capital programme.

31. The Annual Investment Strategy stated that the use of specified (usually less than 1 year) and non-specified (usually more than 1 year) investments would be carefully balanced to ensure that the Council has appropriate liquidity for its operational needs. In the normal course of the Council's business it is expected that both specified and non-specified investments will be utilised for the control of liquidity as both categories allow for short term investments.

32. Longer term instruments (greater than one year from inception to repayment) will only be used where the Council's liquidity requirements are safeguarded. An estimate of long term investments (over 1 year) were included in the report on the Prudential Indicators update these were as follows £50m for 2019/20 and £50m for 2020/21. No other investments of over 1 year duration have been made during 2019/20.

Treasury Management Activity during 2019/20

Debt Position

33. **Borrowing** – this increased during 2019/20 by £2.500m in total

	PWLB			Market Loans (incl. other Local Authorities)			Total
	Amount £m	Length of Loan	Interest Rate %	Amount £m	Length of Loan	Interest Rate %	£m
New Loans Taken							
	5.000	50 years	1.69%				
	5.000	50 years	1.69%				
				2.000	1 year	1.02%	
				3.000	1 year	1.02%	
				5.000	1 year	0.83%	
				5.000	3 months	0.70%	
				5.000	2 years	0.87%	
				5.000	9 months	0.80%	
				5.000	5 months	0.80%	
				5.000	1 year	1.00%	
							45.000
Loans Repaid							
				(5.000)	2 years	0.80%	
				(5.000)	1 year	0.70%	
				(5.000)	10 months	0.80%	
				(3.500)	1 year	1.00%	
				(5.000)	1 year	1.05%	
				(5.000)	1 year	1.15%	
				(4.000)	1 year	1.00%	
				(5.000)	1 year	1.10%	
				(5.000)	3 months	0.70%	
							(42.500)
Total New Borrowing	10.000			(7.500)			2.500

34. The new net borrowing of £2.500m was taken for various lengths of time at various interest rates as shown above.
35. **Summary of Debt Transactions** –The consolidated rate of interest decreased from 3.22% to 2.72% due to the above transactions.

Investment Position

36. **Investment Policy** – the Council's investment policy for 2019/20 is governed by the DCLG Guidance which has been implemented in the annual investment strategy for 2019/20 approved by Council on 21 February 2019.
37. The investment activity during the year conformed to the approved Strategy and the Council had no liquidity difficulties.
38. Investments held by the Council consist of temporary surplus balances, capital receipts and other funds. Cash balances are invested on a daily basis to maximise the benefit of temporary surplus funds. These include investments in Money Market Funds, the Government's Debt Management Office and bank short term notice accounts. A total of 79 investments were made in the period 1 April 2019 to 31 March 2020 totalling c£146m these were for short periods of up to 100 days and

earned interest of £195k on an average balance of £27.354m which equated to an annual average interest rate of 0.70%

39. The Council also has longer term investments which consist of the property funds and the returns are shown below in **Table 6**.

Table 6 – Longer Term 6 months to 5 years - Property Funds

	Original Budget 2019/20	Revised Budget 2019/20	Actual 2019/20
Daily average level of Investments	£29.999m	£29.999m	£29.999m
Average Rate of Return on Investment (gross)	3.57%	3.57%	3.44%
Interest Earned (Gross)	£1.072m	£1.072m	£1.033m

Performance and Risk Benchmarking

40. A regulatory development is the consideration and approval of security and liquidity benchmarks. Yield benchmarks are currently widely used to assess investment performance, and these are shown in **Table 9**. Discrete security and liquidity benchmarks are relatively new requirements to the member reporting. These were first set in the Treasury Strategy report of the 25th February 2010.

41. The following reports the current position against the benchmarks originally approved.

42. Security – The Council’s maximum security risk benchmarks for the current portfolio of investments, when compared to historic default tables was set as follows:

0.077% historic risk of default when compared to the whole portfolio

43. **Table 7** shows that there has been a fluctuation in the historic levels of default over the year although still well below the benchmark. This is mainly due to some longer term investments actually being made for shorter terms i.e. up to six months rather than 1 year as these investments were better value than longer term investments and were also a better fit with how the council was expecting to utilise investments. It also shows more emphasis being placed on counterparties with a higher credit rating.

44. The investment portfolio was maintained within this overall benchmark during this year as shown in **Table 7**.

Table 7

Maximum	Benchmark 2019/20	Actual June 2019	Actual October 2019	Actual January 2020	Actual March 2020
Year 1	0.077%	0.002%	0.002%	0.001%	0.006%

45. The counterparties that we use are all high rated therefore our actual risk of default based on the ratings attached to counterparties is virtually nil.
46. Liquidity – In respect of this area the Council set liquidity facilities/benchmark to maintain
- (a) Bank Overdraft £0.100M
 - (b) Liquid short term deposits of at least £3.000M available within a weeks’ notice.
 - (c) Weighted Average Life benchmark is expected to be 146 days with a maximum of 1year.
47. Liquidity arrangements have been adequate for the year to date as shown in **Table 8.**

Table 8

	Benchmark	Actual June 2019	Actual October 2019	Actual January 2020	Actual March 2020
Weighted Average life	146 days to 1 year	11 days	12 days	8 days	84 days

48. The figures are for the whole portfolio of cash flow investments deposited with Money Market funds on a call basis (i.e. can be drawn on without notice) as well as call accounts that include a certain amount of notice required to recall the funds.
49. Yield - In respect of this area performance indicators relating to interest rates for borrowing and investments were set with reference to comparative interest rates. For borrowing, the indicator is the average rate paid during the year compared with the previous year. Investment rates are compared with a representative set of comparative rates.

Table 9 – Performance Compared With Indicators

Borrowing	Average overall rate paid compared to previous years	2018/19 3.22%	2019/20 2.72%
Investments		DBC 2018/19	DBC 2019/20
Short term	Cash flow investment rate returned against comparative average rate	0.68%	0.69%
Long term	Capital investment rate returned against comparative average rates	0.71%	0.72%
Comparative rates used to compare DBC performance: -			
Comparative Rates		Short Term Investments	Long Term Investments
Overnight Bid Rate Overnight		0.54%	-
London Interbank Bid Rate 7 day		0.53%	-
London Interbank Bid Rate 1 month		0.56%	-
London Interbank Bid rate 3 months		0.63%	-
London Interbank Bid rate 6 months		-	0.70%
London Interbank Bid rate 12 months		-	0.80%
Average External Comparators		0.57%	0.75%

50. As can be seen from the table, the actual investment rate achieved for short term investments exceeds the average of comparative rates whilst the longer term rate is roughly comparable with the comparator.

Risk

51. The Council's treasury management activities are regulated by a variety of professional codes, statutes and guidance:-
- (a) The Local Government Act 2003(the Act), which provides the powers to borrow and invest as well as providing controls and limits on this activity.
 - (b) The Act permits the Secretary of State to set limits either on the Council or nationally on all local authorities restricting the amount of borrowing which may be undertaken (although no restrictions were made in 2017/18).
 - (c) Statutory Instrument (SI) 3146 2003, as amended, develops the controls and powers within the Act.
 - (d) The SI requires the Council to undertake any borrowing activity with regard to the CIPFA Prudential Code for Capital Finance in Local Authorities.
 - (e) The SI also requires the Council to operate the overall treasury function with regard to the CIPFA code of Practice for Treasury Management in Public Services.

- (f) Under the Act the Department for Communities and Local Government has issued Investment Guidance to structure and regulate the Council's investment activities.
- (g) Under section 238(2) of the Local Government and Public Involvement in Health Act 2007 the Secretary of State has taken powers to issue guidance on accounting practices. Guidance on Minimum Revenue Provision was issued under this section on 8 November 2007.

52. The Council's Treasury Management function has complied with all of the relevant statutory and regulatory requirements, which limit the levels of risk associated with its treasury management activities. In particular its adoption and implementation of both the Prudential Code and the code of Practice for Treasury Management means both that its capital expenditure is prudent, affordable and sustainable and its treasury practices demonstrate a low risk approach.

53. Officers of the Council are aware of the risks of passive management of the treasury portfolio and, with the support of Capita Asset Services, the Council's advisers, have proactively managed the debt and investments over the year.

Treasury Management Budget

54. There are three main elements within the Treasury Management Budget :-

- (a) Long Term capital investments including Property Funds which earns interest, this comprises of the Council's revenue and capital balances, unused capital receipts, reserves and provisions.
- (b) Cash flow interest earned – since becoming a unitary council in 1997, the authority has consistently had positive cash flow. Unlike long term capital investments it does not represent any particular sum but it is the consequence of many different influences such as receipts of grants, the relationship between debtors and creditors, cashing of cheques and payments to suppliers.
- (c) Debt servicing costs – This is the principal and interest costs on the Council's long term debt to finance the capital programme.

Table 10 Changes to the Treasury Management Budget 2019/20

	£m	£m
Original Treasury Management Budget		0.425
Debt		
Add increased interest payable on debt	0.083	
Less further savings on MRP	(0.109)	
Less reduced annual premium on rescheduled debt	(0.163)	(0.189)
Investments		
Less increased investment income including property funds etc		(0.092)
Other Costs		
Add increased brokerage charges		0.013
Outturn Treasury Management Budget 2019/20		0.157

55. The majority of the savings relate to a reduction in the annual premium on rescheduled debt some of which has been passported to HRA, although this has been offset by a reduction to the HRA of the interest payable on debt. There has also been an increase in the interest due on investments.

Conclusion

56. The Council's treasury management activity during 2019/20 has been carried out in accordance with Council Policy and within legal limits. Financing costs have been reduced during the year and a saving of £0.268m achieved from the original MTFP.

Outcome of Consultation

57. No formal consultation has been undertaken regarding this report.

APPENDIX 1

Additional Prudential Indicators not reported in the body of the report

		2018/19 Actual	2019/20 Approved Indicator	2019/20 Outturn
1	Upper limits on fixed interest rates (<i>against maximum position</i>)	83%	100%	79%
2	Upper limits on variable interest rates (<i>against maximum position</i>)	17%	40%	21%
3	Maturity structure of fixed rate borrowing (<i>against maximum position</i>)			
	Under 12 months	17%	30%	19%
	12 months to 2 years	3%	40%	5%
	2 years to 5 years	10%	60%	9%
	5 years to 10 years	5%	80%	8%
	10 years and above	65%	100%	59%
4	Maximum Principal funds invested greater than 364 days	£30m	£50m	£50m

The Economy and Interest Rates

UK. Brexit. The main issue in 2019 was the repeated battles in the House of Commons to agree on one way forward for the UK over the issue of Brexit. This resulted in the resignation of Theresa May as the leader of the Conservative minority Government and the election of Boris Johnson as the new leader, on a platform of taking the UK out of the EU on 31 October 2019. The House of Commons duly frustrated that renewed effort and so a general election in December settled the matter once and for all by a decisive victory for the Conservative Party: that then enabled the UK to leave the EU on 31 January 2020. However, this still leaves much uncertainty as to whether there will be a reasonable trade deal achieved by the target deadline of the end of 2020. It is also unclear as to whether the coronavirus outbreak may yet impact on this deadline; however, the second and third rounds of negotiations have already had to be cancelled due to the virus.

Economic growth in 2019 has been very volatile with quarter 1 unexpectedly strong at 0.5%, quarter 2 dire at -0.2%, quarter 3 bouncing back up to +0.5% and quarter 4 flat at 0.0%, +1.1% y/y. 2020 started with optimistic business surveys pointing to an upswing in growth after the ending of political uncertainty as a result of the decisive result of the general election in December settled the Brexit issue. However, the three monthly GDP statistics in January were disappointing, being stuck at 0.0% growth. Since then, the whole world has changed as a result of the **coronavirus outbreak**. It now looks likely that the closedown of whole sections of the economy will result in a fall in GDP of at least 15% in quarter two. What is uncertain, however, is the extent of the damage that will be done to businesses by the end of the lock down period, when the end of the lock down will occur, whether there could be a second wave of the outbreak, how soon a vaccine will be created and then how quickly it can be administered to the population. This leaves huge uncertainties as to how quickly the economy will recover.

After the Monetary Policy Committee raised **Bank Rate** from 0.5% to 0.75% in August 2018, Brexit uncertainty caused the MPC to sit on its hands and to do nothing until March 2020; at this point it was abundantly clear that the coronavirus outbreak posed a huge threat to the economy of the UK. Two emergency cuts in Bank Rate from 0.75% occurred in March, first to 0.25% and then to 0.10%. These cuts were accompanied by an increase in **quantitative easing (QE)**, essentially the purchases of gilts (mainly) by the Bank of England of £200bn. The Government and the Bank were also very concerned to stop people losing their jobs during this lock down period. Accordingly, the Government introduced various schemes to subsidise both employed and self-employed jobs for three months while the country is locked down. It also put in place a raft of other measures to help businesses access loans from their banks, (with the Government providing guarantees to the banks against losses), to tide them over the lock down period when some firms may have little or no income. However, at the time of writing, this leaves open a question as to whether some firms will be solvent, even if they take out such loans, and some may also choose to close as there is, and will be, insufficient demand for their services. At the time of writing, this is a rapidly evolving situation so there may be further measures to come from the Bank and the Government in April and beyond. The measures to support jobs and businesses already taken by the Government will result in a huge increase in the annual budget deficit in 2020/21 from 2%, to nearly 11%. The ratio of debt to GDP is also likely to increase from 80% to around 105%. In the Budget in March, the Government also announced a large increase in spending on infrastructure; this will also help the economy to recover once the lock down is ended. Provided the coronavirus outbreak is brought under control relatively swiftly, and the lock down is eased, then it is hoped that there would be a sharp recovery, but one that would take a prolonged time to fully recover previous lost momentum.

Inflation has posed little concern for the MPC during the last year, being mainly between 1.5 – 2.0%. It is also not going to be an issue for the near future as the world economy will be heading into a recession which is already causing a glut in the supply of oil which has fallen sharply in price. Other prices will also be under downward pressure while wage inflation has also been on a downward path over the last half year and is likely to continue that trend in the current environment. While inflation could even turn negative in the Eurozone, this is currently not likely in the UK.

Employment had been growing healthily through the last year but it is obviously heading for a big hit in March – April 2020. The good news over the last year is that wage inflation has been significantly higher than CPI inflation which means that consumer real spending power had been increasing and so will have provided support to GDP growth. However, while people cannot leave their homes to do non-food shopping, retail sales will also take a big hit.

USA. Growth in quarter 1 of 2019 was strong at 3.1% but growth fell back to 2.0% in quarter 2 and 2.1% in quarters 3 and 4. The slowdown in economic growth resulted in the Fed cutting rates from 2.25-2.50% by 0.25% in each of July, September and October. Once coronavirus started to impact the US in a big way, the Fed took decisive action by cutting rates twice by 0.50%, and then 1.00%, in March, all the way down to 0.00 – 0.25%. Near the end of March, Congress agreed a \$2trn stimulus package (worth about 10% of GDP) and new lending facilities announced by the Fed which could channel up to \$6trn in temporary financing to consumers and firms over the coming months. Nearly half of the first figure is made up of permanent fiscal transfers to households and firms, including cash payments of \$1,200 to individuals.

The loans for small businesses, which convert into grants if firms use them to maintain their payroll, will cost \$367bn and 100% of the cost of lost wages for four months will also be covered. In addition there will be \$500bn of funding from the Treasury's Exchange Stabilization Fund which will provide loans for hard-hit industries, including \$50bn for airlines.

However, all this will not stop the US falling into a sharp recession in quarter 2 of 2020; some estimates are that growth could fall by as much as 40%. The first two weeks in March of initial jobless claims have already hit a total of 10 million and look headed for a total of 15 million by the end of March.

EUROZONE. The annual rate of GDP growth has been steadily falling, from 1.8% in 2018 to only 0.9% y/y in quarter 4 in 2019. The European Central Bank (ECB) ended its programme of quantitative easing purchases of debt in December 2018, which meant that the central banks in the US, UK and EU had all ended the phase of post financial crisis expansion of liquidity supporting world financial markets by purchases of debt. However, the downturn in EZ growth, together with inflation falling well under the upper limit of its target range of 0 to 2%, (but it aims to keep it near to 2%), prompted the ECB to take new measures to stimulate growth. At its March 2019 meeting it announced a third round of TLTROs; this provided banks with cheap two year maturity borrowing every three months from September 2019 until March 2021. However, since then, the downturn in EZ and world growth has gathered momentum so at its meeting in September 2019, it cut its deposit rate further into negative territory, from -0.4% to -0.5% and announced a resumption of quantitative easing purchases of debt to start in November at €20bn per month, a relatively small amount, plus more TLTRO measures. Once coronavirus started having a major impact in Europe, the ECB took action in March 2020 to expand its QE operations and other measures to help promote expansion of credit and economic growth. What is currently missing is a coordinated EU response of fiscal action by all national governments to protect jobs, support businesses directly and promote economic growth by expanding government expenditure on e.g. infrastructure; action is therefore likely to be patchy.

CHINA. Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium-term risks have also been increasing. The major feature of 2019 was the trade war with the US. However, this has been eclipsed by being the first country to be hit by the coronavirus outbreak; this resulted in a lock down of the country and a major contraction of economic activity in February-March 2020. While it appears that China has put a lid on the virus by the end of March, these are still early days to be confident and it is clear that the economy is going to take some time to recover its previous rate of growth. Ongoing economic issues remain, in needing to make major progress to eliminate excess industrial capacity and to switch investment from property construction and infrastructure to consumer goods production. It also needs to address the level of non-performing loans in the banking and credit systems.

JAPAN has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy. It appears to have missed much of the domestic impact from coronavirus in 2019-20 but the virus is at an early stage there.

WORLD GROWTH. The trade war between the US and China on tariffs was a major concern to financial markets and was depressing worldwide growth during 2019, as any downturn in China would spill over into impacting countries supplying raw materials to China. Concerns were particularly focused on the synchronised general weakening of growth in the major economies of the world. These concerns resulted in government bond yields in the developed world falling significantly during 2019. In 2020, coronavirus is the big issue which is going to sweep around the world and have a major impact in causing a world recession in growth in 2020.

Glossary of Terms

Capital Financing Requirement (CFR)	This is the Councils underlying need to borrow which can be traced back to the Councils Balance Sheet and the value of the Councils assets which have yet to be paid for.
Minimum Revenue Provision (MRP)	Monies set aside from the revenue budget to repay accumulated debt.
Call	Investments that can be returned without a period of notice
Counterparty	Institutions, Banks etc. that with make investments or take out loans with.
Specified Investments	Investments in Banks and Building Societies with a high credit rating for periods of less than 1 year
Non-Specified Investments	Investments in un rated Building Societies and any investments in Banks and Building Societies for more than 1 year.
Operational Liquidity	Working Cash flow
Authorised Limit	Maximum amount of borrowing that could be taken in total.
Operational Boundary	The expected amount of borrowing assumed in total.
PWLB	Public Works Loan Board. The Governments lending body to Local Authorities
Discount	Amount payable by the PWLB when loans are repaid if the current loan rate is less than the rate borne by the original debt
Yield Curve	Is a graph that shows the relationship between the interest rate paid and length of time to repayment of a loan.
Gilts	Government Borrowing Bonds
Spreads	The difference between the highest rate of interest and the lowest rate of interest earned/charged on any one particular maturity period i.e. 1 year, 2 year 5 year etc.
LIBID	London Interbank Bid Rate. The average rate at which a bank is willing to borrow from another bank.
LIBOR	London Interbank Offer Rate. The average rate at which a bank is willing to lend to another bank. LIBOR is always higher than the corresponding bid rate and the difference between the two rates is known as the spread.

This page is intentionally left blank

**CABINET
13 OCTOBER 2020**

REGULATION OF INVESTIGATORY POWERS

**Responsible Cabinet Member - Councillor Charles Johnson
Resources Portfolio**

Responsible Director - Paul Wildsmith, Managing Director

SUMMARY REPORT

Purpose of the Report

1. The purpose of this report is to inform and update Members about issues relevant to the use of the Regulation of Investigatory Powers Act 2000 and developments that have taken place since the last report to Cabinet in March 2020.

Summary

2. The Regulation of Investigatory Powers Act 2000 ("RIPA") enables local authorities to carry out certain types of surveillance activity, as long as specified procedures are followed. The information obtained as a result of surveillance operations can be relied upon in court proceedings providing RIPA is complied with.
3. The Investigatory Powers Act 2016 ("IPA") is the main legislation governing the acquisition of communications data. The information obtained as a result of these acquisitions can also be relied upon in court proceedings providing IPA is complied with.
4. This report updates members on issues relevant to this area of work and gives details of RIPA directed surveillance applications and IPA communications data applications that have been authorised since the last report to Cabinet.

Recommendation

5. It is recommended that Members:-
 - (a) Note the developments that have taken place since March 2020.
 - (b) Receive further reports on the Council's use of RIPA and IPA and other associated issues.

Reasons

6. The recommendations are supported by the following reasons:-
- (a) In order to ensure that the Council complies with the legal obligations under RIPA, IPA and national guidance.
 - (b) To help in giving transparency about the use of RIPA and IPA in this Council.

Paul Wildsmith
Managing Director

Background Papers

No background papers were used in the preparation of this report

Luke Swinhoe: Extension x5490

S17 Crime and Disorder	The appropriate use of and oversight of RIPA and IPA powers will enable the Council to provide evidence to support appropriate prosecutions and tackle crime.
Health and Wellbeing	There are no specific implications for Health and Wellbeing
Carbon Impact and Climate Change	There are no issues which this report needs to address
Diversity	The policy treats all groups equally.
Wards Affected	All wards
Groups Affected	All groups equally
Budget and Policy Framework	This does not represent a change to the Council's budget and policy framework.
Key Decision	This is not a key decision
Urgent Decision	This is not an urgent decision
One Darlington: Perfectly Placed	The appropriate use of powers is a legislative requirement.
Efficiency	Clarity about the lawful use of RIPA and IPA will help in the efficient use of the powers.
Impact on Looked After Children and Care Leavers	This report has no impact on Looked After Children or Care Leavers

MAIN REPORT

Information and Analysis

Inspection by the Investigatory Powers Commissioner's Office

7. The Investigatory Powers Commissioner's Office has statutory responsibility for oversight of the use of surveillance powers by the intelligence agencies, police forces and local authorities. Carrying out independent inspections of the use of surveillance by public bodies is an important aspect of this work.
8. On the 14 August 2020 this Council had its first inspection by the IPCO (our last inspection having taken place in October 2016 by the Office of Surveillance Commissioner – the predecessor organisation to the IPCO). Because of the coronavirus pandemic the inspection was carried out remotely. It included a review of the RIPA Policy and all relevant documentation (which had been supplied in advance of the inspection).
9. No significant issues of concern were identified. The Inspector subsequently advised that 'In conclusion, whilst there has been little use of the powers of late, your Council has the requisite policies, training and internal governance arrangements in place and overseen by an experienced Senior Responsible Officer and RIPA Coordinating Officer, to suggest that if they are used in future, the levels of compliance should be of a continuing good standard.'
10. A number of comments and observations were made by the Inspector. These included:
 - (a) RIPA Policy – this should be adopted annually – even if there is no change to the policy. This will help in demonstrating that it is regularly reviewed.
 - (b) Comments on the current RIPA Policy (adopted in January 2019):
 - (i) Provide clarification about what is meant by collateral intrusion (note – this is where surveillance could capture information about a third party who is not the target).
 - (ii) Delete reference to urgent actions.
 - (iii) Put in more detail about retention, review and delegation.
 - (iv) Review and expand the information about social media and surveillance.
 - (v) Update the section on lawful business practice.
 - (vi) Review the section on non RIPA surveillance and authorisation forms.
 - (vii) Include the Director of Children and Adult Services as an Authorising Officer
 - (viii) Include information and guidance about what is done with the product (i.e. photos, recordings, logs) of any surveillance exercise. This should cover storage, access and destruction issues.

- (c) The RIPA authorisation forms – these have not been updated by the Home Office for some time. The forms predate the Protection of Freedoms Act and reference earlier Codes of Practice. It was suggested that we could update our forms rather than await and Home Office updates. Expiry dates to be included, with retention at least until the following RIPA inspection.
 - (d) The Inspector was pleased with the work done on staff training and on highlighting issues concerning RIPA. It was observed that bi annual reports to Cabinet (the current practice) was sufficient.
11. We will be addressing the issues raised and a further report to Cabinet will come forward in the new year including a revised RIPA Policy for members to consider, as well as an indication of how we have addressed the other matters raised during the inspection.
 12. We were advised that the next periodic inspection by the Investigatory Powers Commissioner's Office will take place in 3 years.

Training - Update

13. Mandatory training sessions were held on 22 September and 8 October 2020 for staff in service areas that use or may need to consider using RIPA. The training was delivered by the Principal Lawyer (Litigation).
14. In addition, training sessions were held for all of the designated Authorising Officers on the 18 September 2020 and members of the Chief Officers Executive and Chief Officers Board received refresher RIPA training on 24 September 2020. This training was delivered by the Assistant Director, Law and Governance.

Bi-Annual Report

Directed Surveillance Authorisations

15. There have been no authorisations granted since the last Cabinet Report.

Communications Data Authorisations

16. There have been no authorisations granted since the last Cabinet Report.

**CABINET
13 OCTOBER 2020**

SCHEDULE OF TRANSACTIONS

**Responsible Cabinet Member – Councillor Charles Johnson
Resources Portfolio**

**Responsible Director – Ian Williams
Director of Economic Growth and Neighbourhood Services**

SUMMARY REPORT

Purpose of the Report

1. To consider and to seek approval of the terms negotiated in respect of the Schedule of Transactions as set out below.

TRANSACTION	PURPOSE OF TRANSACTION	MINUTE REF
Acquisition of 130 High Northgate	Acquisition in connection with Darlington Rail Heritage Quarter	C94(6)(d)/Jan 2020

Summary

2. The purchase of this property is part of Northgate area initiative and helps improve the area which is part of the Railway Heritage Quarter. It will be managed and maintained by the Council's Housing Services Team and let to someone in housing need. It is necessary for Cabinet to approve terms negotiated by the Director of Economic Growth and Neighbourhood Services on behalf of the Council to enable contractually binding contracts to be completed. **Appendix 1** details the terms negotiated for consideration and approval.

Recommendation

3. It is recommended that the schedule be approved, and the transactions completed on the terms and conditions detailed therein.

Reasons

4. Terms negotiated require approval by Cabinet before binding itself contractually to a transaction.

**Ian Williams
Director of Economic Growth and Neighbourhood Services**

Background Papers

No background papers were used in the preparation of this report.

Guy Metcalfe : Extension 6725

S17 Crime and Disorder	This report has no implications for Crime & Disorder
Health and Wellbeing	There are no issues relating to Health & Wellbeing which this report needs to address
Carbon Impact and Climate Change	There are no impacts
Diversity	There are no issues relating to Diversity which this report needs to address
Wards Affected	The impact of the report on any individual Ward is considered to be minimal
Groups Affected	The impact of the report on any Group is considered to be minimal
Budget and Policy Framework	This report does not represent a change to the budget and policy framework
Key Decision	This is not a key decision
Urgent Decision	This is not an urgent decision
One Darlington: Perfectly Placed	This report does not adversely impact on the Strategy
Efficiency	The terms set out in the Schedule of Transactions appended to this report are considered to be in the Council's best interest and ensure the Council's business is conducted efficiently
Impact on Looked After Children and Care Leavers	There are no issues in relation to Looked After Children and Care Leavers

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank