



**DARLINGTON**

Borough Council

# Cabinet Agenda

5.00 pm

Tuesday, 5 October 2021

Council Chamber, Town Hall, Darlington DL1 5QT

**Members and Members of the Public are welcome to attend this Meeting.**

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, 7 September 2021. (Pages 5 - 12)
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. Key Decisions:-
  - (a) Implementation of the Domestic Abuse Act 2021 –  
Report of the Group Director of People.  
(Pages 13 - 18)
  - (b) Draft Climate Change Action Plan – Report of the Chief Executive.  
(Pages 19 - 66)

- (c) Annual Procurement Plan Update – Report of the Group Director of Operations.  
(Pages 67 - 80)
- 8. Land at Faverdale – Former St Modwen Land Development Strategy –  
Report of the Chief Executive.  
(Pages 81 - 86)
- 9. Land at Faverdale / Burtree Garden Village Feasibility Work –  
Report of the Chief Executive.  
(Pages 87 - 98)
- 10. Treasury Management Annual and Outturn Prudential Indicators 2020/2021 –  
Report of the Group Director of Operations.  
(Pages 99 - 120)
- 11. Membership Changes - To consider any Membership Changes to Other Bodies to which  
Cabinet appoints.
- 12. 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.
- 13. Questions.

#### **EXCLUSION OF THE PUBLIC AND PRESS**

- 14. 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, 27 September 2021**

**Town Hall**  
**Darlington.**

#### **Membership**

Councillors Clarke, Dulston, Durham, Keir, Marshall, K Nicholson, Mrs H Scott and Tostevin

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, Operations 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](mailto:Lynne.Wood@darlington.gov.uk) or telephone 01325 405803).

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**DECISIONS SHOULD NOT BE IMPLEMENTED BEFORE  
MONDAY 20 SEPTEMBER 2021**

**CABINET**

Tuesday, 7 September 2021

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

**INVITEES** – Councillors Curry, Harker, Snedker and Tait

**C31 INTRODUCTIONS/ATTENDANCE AT MEETING.**

The Leader welcomed Councillor Durham to his first meeting as Cabinet Member with the Resources Portfolio and informed Members that Councillor Tostevin had been appointed to the Adults Portfolio.

**C32 DECLARATIONS OF INTEREST.**

There were no declarations of interest reported at the meeting.

**C33 TO HEAR RELEVANT REPRESENTATION (FROM MEMBERS AND THE GENERAL PUBLIC) ON ITEMS ON THIS CABINET AGENDA.**

No representations were made by Members or members of the public in attendance at the meeting.

**C34 TO APPROVE THE MINUTES OF MEETING OF THIS CABINET HELD ON TUESDAY, 6 JULY 2021.**

**RESOLVED** – That the Minutes be confirmed as a correct record.

**REASON** – They represent an accurate record of the meeting.

**C35 MATTERS REFERRED TO CABINET**

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

**C36 ISSUES ARISING FROM SCRUTINY COMMITTEE**

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

**C37 KEY DECISIONS:-**

**(1) SCHOOL TERM DATES 2023/24**

The Cabinet Member with the Children and Young People Portfolio introduced the report of the Group Director of People (previously circulated) requesting that consideration be given to setting school term date arrangements (also previously circulated) for Darlington

maintained schools for the Academic Year 2023/24 and to publishing those arrangements by the end of September 2021.

The submitted report stated that following consultation with officers from Local Authorities across the North East and Yorkshire regions, a preferred term date model for the Academic Year 2023/24 was drafted; 42 schools within Darlington, including academies and free schools, and their respective Governing Bodies, had been consulted on the proposed school term dates; from the 33 responses that had been received to that consultation, 31 schools had expressed their preference for the dates in the model calendar; and outlined the additional comments that had been received from three of the schools.

Particular reference was made to the recommendation from the Department for Education, and agreed by Darlington Head Teachers, that the term dates for future years would be set by the Governing Bodies with Local Authorities suggesting a calendar, co-ordinating the consultation exercise and publishing the agreed results.

Reference was made at the meeting to the imbalance of the two half terms around the Autumn half term holidays and the reason for this.

**RESOLVED** – That the proposed school term dates for Darlington maintained schools for the Academic Year 2023/24, as detailed at Appendix 1 to the submitted report, be agreed for publication.

**REASON** - The draft dates are the ones preferred by the majority of schools and Governing Bodies that responded to the consultation, which ended on 2 July 2021.

## **(2) INTRODUCTION OF A CIVIL FINANCIAL PENALTY POLICY - MINIMUM ENERGY EFFICIENCY STANDARDS**

The Cabinet Member with the Stronger Communities Portfolio introduced the report of the Group Director of Services (previously circulated) requesting that consideration be given to utilising powers to be able to issue notices of intention and to impose Civil Penalties where energy efficiency standards fall short of requirements and landlords do not take steps to improve the standards of domestic rented properties.

The submitted report stated that the Council had a statutory duty to enforce the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 (as amended in 2016 and 2019). The regulations were designed to assist Councils to tackle the least energy efficient properties, namely those rated F or G on their Energy Performance Certificate (EPC); established a minimum EPC of Band E for domestic private rented properties, affecting new tenancies and renewals since 1 April 2018; and now allowed local authorities to issue a Notice of the intention to impose a Civil Penalty of up to a maximum of £5,000. The aim of the policy was to improve standards of domestic rented properties.

It was reported that to enable the Council to introduce the powers, there was a requirement to publish a Civil (Financial) Penalty Policy. Utilising best practice from other Local Authorities, including guidance from the Department for Business, Energy and Industrial Strategy (BEIS), the Civil (Financial) Penalty Policy, as appended to the submitted report, was developed.

**RESOLVED** – That the Civil (Financial) Penalty Policy, as detailed at Appendix 1 to the submitted report, be approved and implemented, to allow notices of intention and civil penalties to be imposed where landlords fail to meet or improve the energy efficiency standards of Private Rented Properties to the required standard.

**REASON** - To improve the standards of domestic private rented properties, ensuring homes are of a certain standard, they are more energy efficient and this supports fuel poverty, bringing down energy bills and reducing carbon emissions.

### **C38 PLAYING PITCH AND FACILITIES STRATEGY**

The Cabinet Member with the Health and Housing Portfolio presented the report of the Group Director of Services (previously circulated) presenting the updated Playing Pitch and Built Facility Strategy (also previously circulated) for approval.

The submitted report stated that the Playing Pitch and Built Facility Strategy was updated on a periodic basis to reflect actions taken, new guidance and the future direction of travel to ensure the Council, Partners and other parties were best placed to improve facilities across the Borough; the updated strategy gave consideration to both indoor and outdoor sports facilities (including playing pitches); it set out the strategic direction and site-specific priorities for the future delivery of sports facilities across the Borough until 2031; and that it would remain a valid document for the period 2021/25, when the next review would be undertaken.

It was reported that the existing strategy had successfully driven significant improvement and investment in the sporting infrastructure across the Borough; the vision and drivers for the new strategy remained the same; the updated strategy considered the adequacy of existing provision to meet current and projected future need; and set strategic and site-specific priorities for a range of facilities. References were also made to the methodology for undertaking the review; financial implications; and the consultation undertaken.

In presenting the report the Cabinet Member with the Health and Housing Portfolio made reference to the recommendations from the Communities and Local Services Scrutiny Committee, as detailed in the submitted report, and stated that the Strategy had been updated to include explicit information in respect of disabled sports provision in Darlington, however, it had not been possible to take on board the other two recommendations due to one being outside the scope of the Strategy and due to the tight restrictions relating to the use of the Covid funding.

A Member in attendance at the meeting made reference to the possibility of making funding available for the maintenance and improvement of a playing pitch at North Road. The Cabinet Member with the Health and Housing Portfolio responded thereon.

**RESOLVED** – That the Playing Pitch and Built Facility Strategy, as detailed at the appendix to the submitted report, be approved.

**REASONS** – (a) To inform the Local Plan and to deliver the requirements of the National Planning Policy Framework.

(b) To ensure ongoing sustainability of the facility stock, ensuring that facilities are effectively managed and maintained and that best uses are made of existing resources.

(c) To drive participation in sport and leisure within the Borough.

### **C39 REGULATORY OF INVESTIGATORY POWERS**

The Cabinet Member with the Resources Portfolio introduced the report of the Group Director of Operations (previously circulated) updating Members on issues relevant to the use of the Regulation of Investigatory Powers Act (RIPA) 2000 and developments that have taken place since the last report to Cabinet in March 2021 (Minute C112/Mar/21 refers).

The submitted report stated that the RIPA 2000 enabled local authorities to carry out certain types of surveillance activity as long as specified procedures were followed; the Investigatory Powers Act 2016 (IPA) was the main legislation governing the acquisition of communications data; the information obtained could be relied upon in court proceedings providing RIPA and IPA was complied with; and that no RIPA directed surveillance applications or IPA communications data applications had been authorised since the last report to Cabinet.

Particular references were made in the submitted report to the updating of the RIPA Authorisation forms; the Covert Human Intelligence Sources (Criminal Conduct) Act 2021, which had received Royal Assent in March 2021; the recent newsletter from the Investigatory Powers Commissioner advising that the use of social media as a surveillance tool in the context of child protection matters, would not fall within the RIPA framework; and to the creation of an application form to cover surveillance that fell outside of RIPA.

**RESOLVED** – (a) That the developments that have taken place since March 2021, as detailed in the submitted report, be noted.

(b) That further reports on the use of RIPA, IPA and other associated issues, be submitted to future meetings of Cabinet.

**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.

### **C40 INVESTMENT FUND UPDATE**

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

The submitted report stated that in November 2016 the Council established an investment fund to be used for innovative investment opportunities beyond the traditional Treasury Management Strategy, in order to achieve greater returns, given the low return on investments. The fund provision of £50m had a commitment against it of £37.64m leaving a balance of £12.36m uncommitted; returns on joint ventures were anticipated to generate



over £6M in profit to assist the Medium Term Financial Plan; the fund was currently being used on seven schemes; and whilst the COVID-19 pandemic had had an impact on a couple of the joint venture schemes, in regard to timescales being pushed back, they were now back on track and sales were buoyant.

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

**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.

#### **C41 PROJECT POSITION STATEMENT AND CAPITAL PROGRAMME MONITORING - QUARTER ONE 2021/22**

The Cabinet Member with the Resources Portfolio introduced the report of the Group Director of Operations and the Group Director of Services (previously circulated) providing a summary of the latest Capital resource and commitment position, to inform monitoring of the affordability and funding of the Council's capital programme; an update on the current status of all construction projects currently being undertaken by the Council; and requesting that consideration be given to a number of changes to the programme.

The submitted report stated that the projected outturn of the current Capital Programme was £268.833m against an approved programme of £269.715m; the investment was delivering a wide range of improvements to the Council's assets and services; the programme, including commitments, remained affordable within the Medium Term Financial Plan (MTFP) for 2021/22 to 2024/25; the Council had 45 live projects, with an overall projected outturn value of £134.570m, the majority of which were running to time, cost and quality expectations, but were being monitored given the current pressures on resources in the construction sector nationally; and that the projects were managed either by the Council's in-house management team, a Framework Partner or by Consultants source via an open/OJEU tender process.

Particular references were made at the meeting to the reasons for the delay in the refurbishment of the Crown Street Library; when the Rise Carr SEND project would be completed as the landscaping work was still on-going; and the delays caused to the Allington Way project by the market shortage in bricklayers. The Cabinet Members with the Resources and the Local Services Portfolios responded thereon.

**RESOLVED** - (a) That the status position on construction projects, as detailed in the submitted report, be noted.

(b) That the projected capital expenditure and resources, as detailed in the submitted report, be noted.

(c) That the review and final outturn of the scheme, as detailed in paragraph 19 of the submitted report, be noted.

(d) That the adjustments to resources, as detailed in paragraph 24 of the submitted report, be approved.

**REASONS** - (a) To inform Cabinet of the current status of construction projects.

(b) To make Cabinet aware of the latest financial position of the Council.

(c) To maintain effective management of resources.

#### **C42 COMPLAINTS, COMPLIMENTS AND COMMENTS ANNUAL REPORTS 2020/21**

The Cabinet Member with the Resources Portfolio introduced the report of the Chief Executive, Group Director of Operations, Group Director of People and the Group Director of Services (previously circulated) providing Cabinet with the 2020/21 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 2020/21 a total number of 628 complaints had been received, a decrease from 838 in 2019/20; 309 compliments had been received, an increase from 292 in 2019/20; and 178 comments had been received, an increase from 168 in 2019/20.

**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, all as appended the submitted report, be noted.

(b) That the further recommendations as detailed in the Adult Social Care, Children Social Care and Corporate 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.

#### **C43 REVIEW OF OUTCOME OF COMPLAINTS MADE TO OMBUDSMAN**

The Cabinet Member with the Resources Portfolio introduced the report of the Chief Executive, Group Director of Operations, Group Director of People and the Group Director of Services (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) during 2020/21 and providing Members with the LGSCO's Annual Review Letter (also previously circulated).

The submitted report stated that during the 2020/21 the Council received two upheld Maladministration Injustice decisions from the LGSCO, compared to six in 2019/20 and that organisational learning identified as a result of those complaints should ensure that there

was no re-occurrence.

It was reported that although the LGSCO recorded their satisfaction with the Council's compliance rate in relation to their recommendations they had raised concern in respect of the delay in implementing their recommendations in two cases. As a result, the Council would consider how it might make improvements to reduce delays in the remedy process.

The Cabinet Member with the Health and Housing Portfolio reported at the meeting that as a result of the Complaint to the HO work was underway to review the terms and conditions in the Council's tenancy agreement.

**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.

**C44 SCHEDULE OF TRANSACTIONS**

The Cabinet Member with the Resources Portfolio introduced the report of the Chief Executive (previously circulated) requesting that consideration be given to the Schedule of Transactions (also previously circulated).

**RESOLVED** – That the Schedule of Transactions, as detailed in the submitted report, be approved, and the transactions be completed on the terms and conditions detailed therein.

**REASONS** – The terms negotiated require approval by Cabinet before binding itself contractually to a transaction.

**C45 MEMBERSHIP CHANGES - TO CONSIDER ANY MEMBERSHIP CHANGES TO OTHER BODIES TO WHICH CABINET APPOINTS.**

There were no membership changes reported at the meeting.

**DECISIONS DATED –  
FRIDAY 10 SEPTEMBER 2021**

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**CABINET**  
**5 OCTOBER 2021**

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## **IMPLEMENTATION OF THE DOMESTIC ABUSE ACT 2021**

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**Responsible Cabinet Member**  
**Councillor Jonathan Dulston, Stronger Communities Portfolio**

**Responsible Director**  
**James Stroyan, Group Director of People**

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### **SUMMARY REPORT**

#### **Purpose of the Report**

1. The purpose of this report is update members about the Domestic Abuse Act 2021 and the work that is in progress to ensure that we are ready to discharge our new responsibilities and for delegations to be agreed to enable decisions to be made within required timescales.

#### **Summary**

2. The Domestic Abuse Act 2021 received Royal Assent and was enacted on 29 April 2021. The Act provides a statutory definition of domestic abuse and sets out a range of initiatives to further improve the approach to supporting victims of domestic abuse. The Act introduces a range of new duties for local authorities including addressing areas such as safe accommodation provision and support for victims and prioritisation of domestic abuse victims within homelessness applications. A key element of the requirements for Local Authorities outlined within the Act is to develop a Domestic Abuse Strategy, which is informed by the completion of a needs assessment, to effectively discharge the statutory requirements of the Act.
3. The Government provided the Council with a “New Burdens” grant of £222,365 to support the implementation of the Act’s new requirements. The Government has provided no further funding after 2021/22 and has indicated that any additional funding is subject to the outcome of the forthcoming Comprehensive Spending Review.
4. Under the Act Darlington Borough Council is deemed to be a “Tier One” Authority and will be required to develop and deliver the strategy and report back annually to the Government. The Act also sets out the requirement to publish statutory guidance. At time of writing, the Statutory Guidance was subject to consultation which formally closed on 14 September 2021. Once finalised, the guidance and associated regulations must be followed by the Council.

5. The Domestic Abuse Strategy is required to be published before 5 January 2022. We are also required to publish the draft Domestic Abuse Strategy for a period of 10 weeks and we must therefore do so by the 26 October 2021. The draft strategy is being worked on and will be ready by this date. We will be consulting on the draft strategy, more information about this is set out in paragraph 19. Due to the timescale the finalisation of the strategy will need to be made under delegated powers.

### **Recommendations**

6. It is recommended that Cabinet :-
  - (a) Note the new responsibilities of the Council arising from the Domestic Abuse Act 2021;
  - (b) Delegate to the Group Director of People, in consultation with the Cabinet Member for Stronger Communities the production and publication of the draft and final Domestic Abuse Strategy (2021-2024) and the associated Expenditure Plan and decisions taken thereunder.

### **Reasons**

7. The recommendations are supported by the following reasons :-
  - (a) To enable the Council to effectively develop the Darlington Domestic Abuse Strategy (2021-2024) and associated Expenditure Plan.
  - (b) To ensure that the key objectives of the Domestic Abuse Act 2021 are met, and victims of domestic abuse and their children are supported within the Borough of Darlington.
  - (c) To enable the Council to comply with statutory timescales and make decisions arising from the new duties in a timely way.

**James Stroyan,  
Group Director of People**

### **Background Papers**

- (i) Domestic Abuse Act 2021
- (ii) RRR Consultancy Paper 2021

Sukhdev Dosanjh : Extension 5651

S17 Crime and Disorder	The Domestic Abuse Strategy (2021- 2024) and associated expenditure plan will reference the new responsibilities placed on the Criminal Justice System and in particular changes to Family Court proceedings. This will ensure that the authority effectively discharges its responsibilities (in a multi -agency framework) regarding the prevention of crime and disorder within the Borough.
Health and Wellbeing	The Strategy will directly impact on the health and wellbeing of local communities within Darlington as the objectives of the Act are to ensure that robust services are in place to provide support for victims of domestic abuse and their children.
Carbon Impact and Climate Change	The final Domestic Abuse Strategy (2021-2024) will assess and address Carbon impact of service provision and seek to minimise impact on climate change.
Diversity	The Domestic Abuse Act 2021 and associated statutory guidance requires all local authorities and their partners to comply with the Public Sector Equality Duty (PSED) under S.149 of the Equality Act 2010. Victims and their children with relevant protected characteristics as per the Equality Act must be able to access the support that they need.
Wards Affected	The strategy will affect all wards.
Groups Affected	The strategy will affect all groups within the Community.
Budget and Policy Framework	This decision whilst does not represent a change to the budget set out in the MTFP, the new Domestic Abuse strategy does represent a change the policy framework.
Key Decision	The report does represent a key decision as the final Domestic Abuse Strategy (2021-24) and associated Expenditure Plan is likely to result in the Borough Council incurring significant expenditure on domestic abuse services and will also impact on local communities within the Borough of Darlington.
Urgent Decision	This report does not represent an Urgent Decision.
Council Plan	The Domestic Abuse Strategy (2021- 2024) will address the key priorities in the Council Plan with particular reference to supporting the most vulnerable in the Borough and working with partners through DASVEG.
Efficiency	The Expenditure Plan will ensure that the commissioning of any new services or extension of existing services demonstrate a value for money approach.
Impact on Looked After Children and Care Leavers	The Strategy and associated expenditure plan will positively impact on Looked After Children and Care Leavers through the introduction of prevention, early intervention and support services.

## MAIN REPORT

### Background information

8. The Domestic Abuse Act 2021 introduces a range of new duties and requirements for local authorities. In summary, the duties relate to safe accommodation strategic planning, safe accommodation provision and support for victims (by way of sanctuary schemes) and prioritisation of domestic abuse victims within homelessness applications. The Act for the first time provides a statutory definition of domestic abuse in order that it is clearly understood and actively challenged across all statutory agencies and the wider public. This definition has an emphasis of not just physical abuse but also emotional, coercive, controlling and economic abuse.
9. The provisions set out in the Act are wide ranging and address other areas. They also include those that relate to the Criminal Justice System such as placing the Domestic Violence Disclosure Scheme (“Clare’s Law”) on a statutory footing, stopping vexatious family proceedings (prohibits offenders from cross-examining their victims in person), strengthening measures to tackle perpetrators through the provision of Domestic Abuse Protection Notice and Domestic Abuse Protection Order. These measures will prevent perpetrators from contacting their victims along with the requirement to seek mental health support and change behaviours.

### Information and Analysis

10. The Government has reported that for the year ending March 2020, it is estimated that 2.3 million adults aged 16 to 74 years experienced domestic abuse in the last year (or 1.6 million women and 750,000 men). Further that nationally the cost of domestic abuse is estimated to be £66bn for victims for the year ending March 2017.
11. Darlington’s Domestic Abuse Strategy (2021- 24) will be based on a robust needs assessment to ensure that existing services provision and the development of new programmes are targeted appropriately and are compliant with the new Act’s requirements.

### Financial Implications

12. The Council has been allocated £222,365 “new burdens” funding to implement the requirements of the Domestic Abuse Act 2021 for the financial year 2021/22. This funding allocation is to support the delivery of the new duty to provide domestic abuse support in safe accommodation within the Borough of Darlington. This includes the cost of commissioned services and the associated cost of delivering the new functions under the duty. It is the Council’s understanding that the allocation is not ringfenced and that any unspent grant can be carried forward into the next financial year.
13. Further funding to implement the objectives set out in the Domestic Abuse Act 2021 will be dependent upon the outcome of the forthcoming Comprehensive Spending Review. In the event that no additional funding is allocated by the Government, this will present a pressure on the budget going forward as the Council will have a statutory duty to provide services. It is difficult at this stage to quantify the pressure. Decisions regarding how the



New Burdens Fund will be allocated will take into account future budgetary requirements and agree actions to be taken to mitigate any pressure from within existing budgets.

### **Legal Implications**

14. Part 4 (sections 57-60) of the Domestic Abuse Act 2021 introduces a new statutory duty on local authorities in England, placing a clear responsibility on local areas to provide support to victims of domestic abuse and their children in refuges and other safe accommodation including: specialist safe accommodation; dispersed accommodation; sanctuary schemes; and move-on or second stage accommodation.
15. Tier 1 authorities such as Darlington Borough Council will be required either to establish a Domestic Abuse Local Partnership Board or use existing collaborative arrangements. Darlington Borough Council and Durham County Council along with Durham Police and are members of the multi- agency Domestic Abuse and Sexual Violence Executive Group (DASVEG). DASVEG will act as the Local Partnership Board and support Darlington Borough Council in developing and monitoring Darlington's Domestic Abuse Strategy to effectively tackle domestic abuse based on a robust assessment of need.
16. The Act also sets out the requirement for the introduction of statutory guidance. This guidance was subject to consultation which closed on 14 September 2021 and at time of writing, final guidance is awaited. The guidance will be supported by the Domestic Abuse (Local Authority Strategies). Once finalised and published, the Domestic Abuse Guidance and associated regulations must be complied with in conjunction with the requirements of the Act.
17. Part 2 of the Domestic Abuse (Local Authority Strategies and Annual Reports) Regulations 2021 states that the relevant local authority must first publish a Domestic Abuse Strategy before 5 January 2022. It further states that the Council must publish a draft of the strategy at least 10 weeks before the date on which the Council intends to publish the strategy.

### **Procurement Advice**

18. Procurement have been consulted and are satisfied that direct awards will be an appropriate method of commissioning services in this instance. All appropriate actions will be undertaken to ensure compliant processes in line with the Public Contract Regulations 2015 and Darlington Borough Council's Contract Procedure Rules.

### **Consultation**

19. The draft Domestic Abuse Strategy (2021-24) will be the subject to consultation which will open on 26 October 2021 and close on 17 December 2021. The consultation process will include the portfolio lead and all relevant scrutiny committees. The strategy will also include the outcome of a robust and impartial consultation in support of co-production and understanding the experiences of victims and their children.

### **Equalities considerations**

20. Broad consultation was undertaken with the community to ensure the needs of all groups including those with protected characteristics were fully considered.

**CABINET  
5 OCTOBER 2021**

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## **DRAFT CLIMATE CHANGE ACTION PLAN**

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

**Responsible Officer - Ian Williams, Chief Executive**

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### **SUMMARY REPORT**

#### **Purpose of the Report**

1. To seek Cabinet approval of the Climate Change Action Plan and approach to a carbon budget.

#### **Summary**

2. The Climate Change Action Plan is the supporting document to the Climate Change Strategy, approved by Cabinet in July 2020.
3. Lead officers have produced plans for their own departments. This plan is the result of their combined efforts.
4. The actions in the plan have been arranged according to which of the Strategy Principles they most align to. Within each section, actions have been divided into ongoing, short-term (1-3 years), medium-term (3-5 years) and long-term (5+ years).
5. Each action also has an indication of its current status and whether funding is currently available and under which portfolio each action sits.
6. The Action Plan is designed to be a rolling, organic plan. It will be continually reviewed to allow us to respond to new technologies, new understanding and government initiatives as they arise. Milestones will be developed year by year to enable robust reporting to Full Council every six months. An annual report will also be produced.
7. Three potential trajectories have been calculated, based on 20%, 25% and 30% reductions in emissions over successive 5-year periods. The 30% trajectory would give us an approximate 76% reduction in emissions by 2035 compared to our baseline of 2010.
8. Residual emissions will need to be offset; an action to develop an offset plan is included in the action plan.

## **Recommendations**

9. It is recommended that: -
- (a) Cabinet approves the adoption of the attached Climate Change Action Plan (**Appendix 1**);
  - (b) Cabinet approves the adoption of the 30% emissions reduction every 5 years trajectory;
  - (c) Cabinet notes the annual report 2020/21 (**Appendix 2**).

## **Reasons**

10. The recommendations are supported by the following reason: with increasing public pressure to act on climate change, we run the risk of significant damage to our reputation if we do not deliver on our stated commitment to dealing with the Council's contribution to climate change.

**Ian Williams**  
**Chief Executive**

## **Background Papers**

- (i) The Climate Change Action Plan is attached at Appendix 1.
- (ii) The annual report 2020/21 is attached at Appendix 2 for information.

Margaret Enstone : Ext: 6229  
EC

S17 Crime and Disorder	There is no expected impact on Crime and Disorder in Darlington.
Health and Well Being	According to the WHO, climate change is the greatest threat to global health in the 21st century. This strategy sets out how we will approach reducing carbon and adapting our services, to ensure that the Council can continue to support and provide services to Darlington's residents.
Carbon Impact and Climate Change	The Council has recognised the need to consider the carbon impact of the decisions it makes. This action plan sets out the actions we will take to reduce our carbon emissions and adapt our services to the unavoidable effects of climate change.
Diversity	Climate change affects everyone, but it has a disproportionate impact on areas of deprivation. This action plan covers how the Council will address its own carbon emissions and resilience, giving us the ability to demonstrate through good practice what other people can do themselves.
Wards Affected	This action plan covers how the Council will address its own carbon emissions and resilience. It will not affect any particular ward.
Groups Affected	This action plan covers how the Council will address its own carbon emissions and resilience. It will not affect any particular groups.
Budget and Policy Framework	This decision does not represent a change to the budget and policy framework.
Key Decision	Yes.
Urgent Decision	This is not an Urgent Decision.
Council Plan	<p><b>Growing Darlington's Economy:</b> through the strategy we will be supporting skills development and encouraging innovation in dealing with the impact of climate change. We will include consideration of climate change impacts in our decision making, our capital programme and all policies and programmes.</p> <p><b>Maximise the potential of our young people:</b> activity under this action plan will include supporting schools in their climate change education.</p> <p><b>Supporting the most vulnerable in the borough:</b> climate change has been shown to be a threat to health. The action plan is one way of supporting the Council's work on improving public health. Adapting to the impacts of climate change and becoming more resilient will allow us to continue to deliver vital services to our residents.</p> <p><b>Working with communities to maximise their potential:</b> we will be suggesting actions for residents and businesses which will support communities to be safer and more resilient. We will also be using our influence to inspire people to reduce their own carbon footprint and increase their resilience. One</p>

	of the ways we can do this will be to encourage people to travel actively.
Efficiency	<p>The action plan sets out a different way of doing things. This does not necessarily mean more. Once actions have been examined and costed, there may ultimately be budgetary implications in the short term as we invest to save. However, we are expecting that continued actions to improve efficiency will save money.</p> <p>Some actions might require employing staff to manage particular projects</p>
Impact on Looked After Children and Care Leavers	This report does not directly impact on Looked After Children or Care Leavers

## MAIN REPORT

### Information and Analysis

11. In July 2019, Members passed a motion committing the Council to reach net zero carbon emissions by 2050. The following July 2020, Cabinet adopted the Climate Change Strategy. The strategy set out the baseline of the Council’s carbon emissions and identified four principles, which underpin the key actions and intervention measures required to meet this commitment.
12. Lead officers were tasked with producing plans for their own departments. Brought together, these form an action plan for the whole Council. The actions in the plan have been arranged according to which of the Strategy Principles they most align to. Within each section, actions have been divided into ongoing, short-term (1-3 years), medium-term (3-5 years) and long-term (5+ years). Each action also has an indication of its current status and whether funding is currently available and under which portfolio each action sits.
13. The Action Plan is designed to be a rolling, organic plan. It will be continually reviewed to allow us to respond to new technologies, new understanding, and government initiatives as they arise. Milestones will be developed year by year to enable robust reporting to Full Council every six months. An annual report will also be produced.
14. Activity has been continuing during the development of the Action Plan and the relevant actions have been marked as completed or underway, for example:
  - (a) A salary sacrifice scheme for staff to lease electric vehicles has been set up.
  - (b) Guidance notes for councillors have been produced and distributed.
  - (c) High efficacy LED lighting and variable light levels continues to be applied.
  - (d) Upgrades to controls to improve space heating.

- (e) A compulsory training module has been developed for all staff, completion statistics are as follows:

Module	Completion rate on Academy 10	Completion Rate Hard Copy	Total
Climate Change	71%	2%	52%

We are reporting our emissions using both location-based and market-based data.

- (f) location-based – this reflects the average emissions intensity of our actual energy consumption.
- (g) market-based – this reflects emissions from the zero-carbon electricity tariff that we have purposefully chosen.
15. Three potential trajectories have been calculated, based on 20%, 25% and 30% reductions in emissions over successive 5-year periods.
  16. The Government recently published its target of 78% reduction in emissions by 2035 compared to 1990 levels.
  17. The 30% trajectory would give us an approximate 76% reduction in emissions by 2035 compared to our baseline of 2010. The residual emissions will need to be offset; an action to develop an offset plan is included in the action plan.
  18. As we obtain better data for some of the areas we are not currently reporting (waste, supply chain) we will revisit the trajectory to determine if it needs to be adjusted.
  19. We are considering the establishment of a medium-term non-financial carbon budget for departments to help us meet our carbon reduction target. More work is needed to be done to establish a mechanism for fair distribution of the carbon budget across directorates.

### Financial Implications

20. The action plan sets out our planned approach to meeting our climate change commitment. However, some of these actions will need feasibility studies to determine which are our best options and what the anticipated costs are likely to be.
21. £100,000 has already been agreed in the MTFP for 2020/21, for projects that will help us meet our net zero target.
22. Where we need to invest in technology or staff, we will take advantage of grant funding as it becomes available and will utilise spend to save initiatives. If additional funding is necessary we will seek further Cabinet approval.
23. We expect to see financial savings through better ways of working and efficiencies in our building management.

### **Legal Implications**

24. There are no legal implications, but with increasing public pressure to take action on the threat of climate change, a strategy demonstrates how we will deliver on the motion commitments and may protect the Council from future legal challenge.

### **HR Implications**

25. The action plan does not affect the terms and conditions of any staff or change their duties.

### **Estates & Property Advice**

26. The action plan does not affect the Council's land holdings or involve a lease, or license or any transfer or purchase of land.

### **Procurement Advice**

27. The action plan does not involve any purchase over £100k.

### **Consultation**

28. This action plan relates to reducing the Council's carbon emissions and increasing its resilience to the impacts of climate change. No public consultation has been carried out.

### **Equalities considerations**

29. Climate change affects everyone, but it has a disproportionate impact on areas of deprivation. By ensuring that the Council is resilient to the effects of climate change, we ensure that we will be able to continue providing services to all residents.



**DRAFT Climate Change Action Plan**

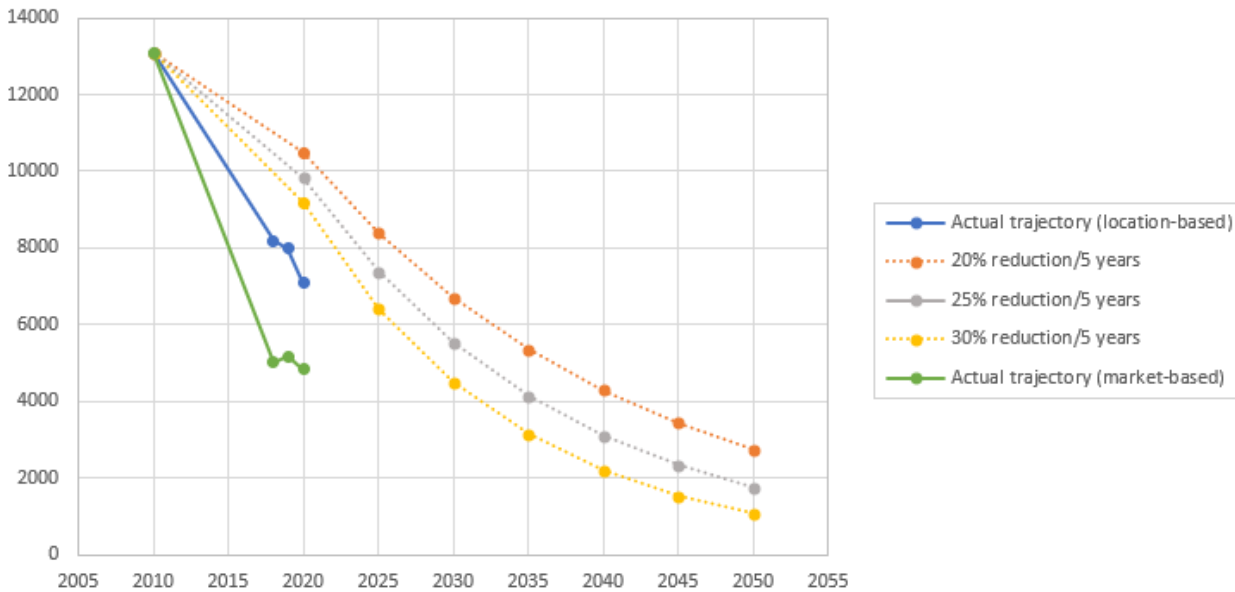
In July 2019 Darlington Borough Council declared a climate emergency, recognising that urgent action is needed to ensure a safe and prosperous future for us all.

A high level strategy was produced and published in July 2020, setting out the challenge facing us and the principles by which we will approach our response. This document is the supporting action plan. It sets out actions over and above our “business as usual” activities that are already delivering savings. The action plan also touches on actions that appear in other plans such as the Tree and Woodland Strategy but the intention is not to duplicate those strategies and plans here.

Our climate emergency declaration commits the Council to reducing its carbon emissions to net zero by 2050. That is our end date and we will be making every effort to reach net zero at the earliest possible date. We will be examining how we might develop a medium-term carbon plan, allocating a carbon budget to each directorate. More work is needed to determine how we can do that fairly, given that the bulk of our emissions (as currently reported) is from heating.

The graph below shows the trajectories, drawn from our baseline of 2010, for three potential percentage reduction targets.

2050 trajectory of DBC emissions reduction based on % reduction every five years on current energy usage(location-based)



At present our emissions are below any of the potential trajectories and we are therefore doing better than any of these possible trajectories. However, the Climate Change Strategy sets out the current scope of our ambition and explains that there are a number of areas where we currently do not have sufficient data to include emissions in our target, although we aim to include them. As the data becomes more comprehensive, our reported emissions will inevitably rise.

We are reporting our emissions in two ways:

- (a) location-based – this reflects the average emissions intensity of our actual energy consumption
- (b) market-based - this reflects emissions from the zero-carbon electricity tariff that we have purposefully chosen.

The difference between the end point at 2050 and zero is where we will need to offset our emissions. We will make every effort to reduce this gap, but there will inevitably be some residual emissions that we will not be able to remove completely. The plan below includes an action to develop our offsetting strategy.

The Climate Change Strategy and this Plan build on achievements already realised by our teams, including upgrades to streetlights and lighting in council buildings. However, there is still much to do if we are to reach our targets and every new project will need to understand the capital and revenue implications of achieving net carbon zero. This includes understanding that carbon savings may occur over time and the future cost of not taking action now.

We are including adaptation actions to ensure that we are resilient to the climate change that we are already seeing and will continue to see from historic emissions. Mitigation and adaptation are two sides of the same coin and we must take action on both.

The action plan needs to be flexible to adapt and respond to new technologies, new understanding and government initiatives and so this will be an organic document. We will take advantage of all funding opportunities open to us and have successfully bid for funds from the first round of the Public Sector Decarbonisation Scheme, the Green Homes Grant Local Authority Delivery scheme and Heat Network Delivery Unit.

Actions have been divided into ongoing, short-term (1-3 years), medium-term (3-5 years) and long-term (5+ years). We have also indicated the current status of each action and whether or not funding is already in place. For the majority of actions, it is unlikely that using savings from energy efficiency measures will be enough to fund future activity and investment will be needed.

Milestones will be developed year by year to enable robust reporting to Full Council every six months and an annual report will be produced.

This action plan is designed to help the Council reach its own carbon emissions target. The Council is directly responsible for around 2-5% of the Borough's emissions. We recognise our role as leaders and the importance of engaging with residents and businesses in Darlington. However, we also believe we have a responsibility to put our own house in order. We will be using our own experiences to feed into wider engagement work and will ensure that everyone has the tools they need to take their own actions.

**PRINCIPLE 1: REDUCE ENERGY CONSUMPTION**

Our work to improve the energy efficiency of our estate is not new but we will continue to take advantage of new technologies and proactively seek innovative solutions to improve this area of work further. We will explore new ways of heating and cooling our buildings, to reduce the need for fossil fuels and we will continue to make improvements to our council housing to help our tenants lower their bills and enjoy their homes.

An energy efficiency programme will be developed and rolled out across our estate with low cost technologies such as LED lighting across the corporate estate, including external lighting to parks, as well as included in new developments, to reduce energy use. We will also explore methods of capturing waste heat from energy use in our buildings.

Changes to national planning regulations will impose energy efficiency targets on developers and require homes from 2025 to produce at least 75% fewer carbon emissions as well as be zero carbon ready, so no further retrofit is required for future technologies. At the end of 2021, interim legislation will be introduced which will require all new homes to produce 31% fewer emissions. We can show leadership in this area when we build new council houses. We continue to work with vulnerable residents through the Warm Homes Fund and our partners, CAB, to provide energy advice.

Any new measures we install must be maintained at the recommended schedules to ensure they deliver the savings predicted over their lifetime. Additional budget may be needed to ensure any additional maintenance cycles and upgrades are manageable, but this can be offset by expected long-term operational savings.

There is likely to be a national shortage of skills and resources available to deliver a programme of this scale, particularly when seen alongside similar ambition and demand from other local authorities and business and we will work with the universities and the local enterprise partnership to help address this.

The choices we make impact on our carbon footprint. By working with our utility providers we can benefit from low and zero carbon solutions to our energy and water needs. We will also be ensuring that staff understand the impact it will have on them, on the job they do and the council as a whole. And we also must ensure that staff are supported to take action.

**Overall Objective: Darlington Borough Council uses less energy resulting in fewer emissions**

*ONGOING ACTIONS*

	<b>Actions</b>	<b>Owner</b>	<b>Measure of success</b>	<b>Status</b>	<b>Funding/Resources available</b>	<b>Portfolio</b>
	<b>Streetlighting and signs</b>					
E1	Continue to specify high efficacy LED luminaires for highways and Section 38/278 lighting schemes	Streetlighting	Reduced consumption	Underway	Yes	Local Services

	<b>Actions</b>	<b>Owner</b>	<b>Measure of success</b>	<b>Status</b>	<b>Funding/Resources available</b>	<b>Portfolio</b>
E2	Continue to apply variable light levels to street lighting luminaires throughout the late evening/night time where appropriate	Streetlighting	Reduced consumption	Underway	Yes	Local Services
E3	Replace less efficient/unswitched sign lanterns with new LED/switched sign lanterns.	Streetlighting	figures available via the street lighting asset register	Already achievable/confirmed can proceed	Yes	Local Services
<b>Corporate buildings</b>						
E4	Undertake a rationalisation of the office portfolio to reflect the reduced occupancy levels following the COVID-19 pandemic and the numbers of staff working from home	Corporate Landlord	Reduced consumption	Some knowledge of opportunity, has potential to deliver	Yes	Resources
E5	Discourage use of supplementary electric heaters and fans	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility	No	Resources
<b>Staff skills and support</b>						
E6	Develop an online training programme to develop the knowledge and skills of our staff	Sustainability & Climate Change Officer	Training programme is developed and on the training system	Completed	Yes	Resources
E7	Ensure staff training is part of the essential skills training for all staff through Academy 10.	Sustainability & Climate Change Officer	Number of staff who have completed the training	Completed	Yes	Resources
E8	Develop a Toolbox Talk for staff not able to access Academy 10	Sustainability & Climate Change Officer	Toolbox Talk developed	Completed	Yes	Resources
E9	Develop climate champions network.	Sustainability & Climate Change Officer	Network is developed and there are representatives across all services	Underway	Yes	Resources
E10	Add training to induction pack	Sustainability & Climate Change Officer	Induction pack updated	Already achievable/confirmed	Yes	Resources

	<b>Actions</b>	<b>Owner</b>	<b>Measure of success</b>	<b>Status</b>	<b>Funding/Resources available</b>	<b>Portfolio</b>
				irmed can proceed		
E11	Regular hints & tips are disseminated to all staff	Sustainability & Climate Change Officer	Internal communications plan is developed	Already achievable/confirmed can proceed	Yes	Resources
E12	Explore feasibility of the JUMP programme to encourage sustainable behaviours.	Sustainability & Climate Change Officer	Feasibility study complete	Minimal knowledge, needs feasibility	Yes	Resources
E13	Regular open invitation briefing sessions held	Sustainability & Climate Change Lead Officer	Quarterly open sessions delivered	Already achievable/confirmed can proceed	Yes	Resources
<b>Planning</b>						
E14	Include a request in planning applications for expected carbon impact of developments.	Development Management	Preapplication checklist amended to incorporate.	Already achievable/confirmed can proceed	Yes	Economy
E15	Provide pre-application advice as part of the planning application process	Development Management	Preapplication checklist amended to incorporate	Already achievable/confirmed can proceed	Yes	Economy
			Sustainability & Climate Change Lead Officer added to consultee list	Completed		
E16	Ensure new build developments achieve Building Research Establishment Environmental Assessment Method (BREEAM) Very Good/Outstanding or equivalent	Development Management	Preapplication checklist amended to incorporate	Already achievable/confirmed can proceed	Yes	Economy
			Secondary check of full application to ensure addressed	Already achievable/confirmed can proceed	Yes	

School buildings						
E17	Consider materials and technologies used in upgrades to school premises to assist move towards carbon net zero	Skills and Employability	Assessment of impacts taken for works and decisions taken accordingly	Some knowledge of opportunity, has potential to deliver	Some – identified works greater than available budget	Children & Young People

*SHORT TERM ACTIONS (1-3 YEARS)*

	Actions	Owner	Measure of success	Status	2021/22	2022/23	2023/24	Funding/ Resources available	Portfolio
Global initiatives									
E18	Develop a mechanism for allocating a carbon budget to each portfolio area	Sustainability & Climate Change Lead Officer	Reduced consumption	Minimal knowledge, needs feasibility	March 2022			Yes	Economy
E19	Commitment to saving energy from building's users with support from an appointed energy champion	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility	March 2022			Yes	Resources
E20	Enable power saving settings for computers and associated equipment	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility	March 2022			Yes	Resources
E21	Review and minimise simultaneous operation of heating and cooling systems	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility		March 2023		No	Resources
E22	Review how building fabric air tightness could be improved through sealing, draught stripping and closing off unused ventilation openings	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility		March 2023		No	Resources

	Actions	Owner	Measure of success	Status	2021/22	2022/23	2023/24	Funding/ Resources available	Portfolio
E23	Consider introducing and improving loft insulation	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility		March 2023		No	Resources
E24	Review hot water wastage	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility			March 2024	No	Resources
E25	Review temperature setpoints (1° C reduction could save 8-10% gas consumption)	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility	March 2022			No	Resources
<b>Central House</b>									
E26	Boiler renewal for more efficient demand management including controls for optimisation of building occupancy. Capital released and scheme progressing	Corporate Landlord	Reduced consumption	Underway	March 2022			Yes	Resources
E27	Review 24/7 day time controls onto electric HWS Cylinders	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility		March 2023		Yes	Resources
E28	Replace any remaining T8 and T12 luminaires with LED	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility			March 2024	No	Resources

<b>Central House Annexe</b>									
E29	Consider fitting secondary glazing and under glaze sky lights where appropriate	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility			March 2024	No	Resources
E30	Replace any remaining T8 and T12 luminaires with LED	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility			March 2024	No	Resources
<b>Crown St Library</b>									
E31	Review 24/7 day time controls onto electric HWS Cylinders	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility			March 2023	No	Local Services
E32	Clean windows and roof lights to maximise daylight entering the building and reduce the need for artificial lighting	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility	March 2022			No	Local Services
E33	Consider fitting secondary glazing and under glaze sky lights where appropriate	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility			March 2024	No	Local Services
E34	Consider introducing or improving wall insulation (internal lining) to solid single skin structures	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility			March 2024	No	Local Services



Dolphin Centre									
E35	Review overall air conditioning strategy and utilisation	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility		March 2023		No	Health & Housing
E36	Consider variable speed drives for fans, pumps and compressors	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility			March 2024	No	Health & Housing
E37	Review BMS installation and submetering monitoring	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility		March 2023		No	Health & Housing
E38	Consider with chefs and kitchen managers implementing a training programme and monitoring system	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility		March 2023		No	Health & Housing
E39	Focused efficiency plan for kitchens including review of catering equipment capacities and downsize opportunities	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility		March 2023		No	Health & Housing
E40	Assess the correct heat up times for kitchen equipment and implement. It might not be necessary to switch on all equipment at the start of the day	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility		March 2023		No	Health & Housing

E41	Consider fitting secondary glazing and under glaze sky lights where appropriate	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility			March 2024	No	Health & Housing
E42	Consider how the pool complex air tightness can be improved and sealed better	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility			March 2024	No	Health & Housing
E43	Review condition or fabric for measures to improve energy performance ie building pressure tests for air tightness and thermography tests for insulation continuity	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility			March 2024	No	Health & Housing
E44	Consider installing humidity control to pool hall ventilation	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility			March 2024	No	Health & Housing
E45	Review pool air and water temperatures	Corporate Landlord	Reduced consumption	Underway	March 2022			No	Health & Housing
E46	Review use of pool covers	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility		March 2023		No	Health & Housing

E47	Consider replacing any legacy sodium based lighting with LED	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility			March 2024	No	Health & Housing
<b>Hippodrome</b>									
E48	Focused efficiency plan for kitchens including review of catering equipment capacities and downsize opportunities	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility			March 2023	No	Local Services
E49	Introduce expandable entrance collars to connect the rear of the delivery vehicles to loading areas to reduce heat losses	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility			March 2024	No	Local Services
E50	Introduce interlocks between heating system and loading bay	Corporate Landlord	Reduced consumption	Tender stage	Sept 2021			Yes	Local Services
E51	Switch off all drinks chiller cabinets when theatre closed	Corporate Landlord	Reduced consumption	Tender stage	Sept 2021			Yes	Local Services
E52	Air source heat pumps to hot water system	Corporate Landlord	Reduced consumption	Tender stage	Sept 2021			Yes	Local Services

E53	Manage lighting in auditorium and discourage its use as a through route to access other areas	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility	March 2022			No	Local Services
<b>Town Hall</b>									
E54	Upgrade to heating zone controls to reduce over and under heating where structure, orientation, and occupation have different characteristics and need.	Corporate Landlord	Reduced consumption	Underway	March 2022			Yes	Resources
E55	Consider introducing or improving wall insulation (internal lining) to solid single skin structures	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility			March 2024	No	Resources
E56	Air Source Heat Pumps to Hot Water System	Corporate Landlord	Reduced consumption	Tender Stage	Sept 2021			Yes	Resources
E57	Replace any remaining T8 and T12 luminaires with LED	Corporate Landlord	Reduced consumption	Tender Stage	Sept 2021			Yes	Resources
E58	Provision of additional PV	Corporate Landlord	Reduced consumption	Tender Stage	Sept 2021			Yes	Resources

<b>School buildings</b>									
E59	Lobby Government to set the standard for schools' design at net carbon zero and provide adequate funding to meet this requirement.	Skills and Employability	Opportunities to lobby government taken	Already achievable/confirmed can proceed	March 2022			Yes	Children & Young People
E60	Use energy efficiency and waste management training for PFI schools as a case study to disseminate to all schools	Skills and Employability	Case study complete	Already achievable/confirmed can proceed	March 2022			Yes	Children & Young People
<b>New build</b>									
E61	Ensure that the prioritisation of carbon reduction is maintained throughout the design and build process.	Capital Projects		Some knowledge of opportunity, has potential to deliver	March 2022			No	Economy
E62	Ensure new corporate buildings reflect and deliver the processes within the climate change strategy.	Capital Projects		Some knowledge of opportunity, has potential to deliver	March 2022			No	Economy
E63	Reduce use of brick and blockwork in designs for our house building and increase the use of more sustainable processes and materials	Capital Projects	Increased % of sustainable materials used	Some knowledge of opportunity, has potential to deliver			March 2024	No	Economy
E64	Require and analyse whole life costing during the building design process.	Capital Projects	Whole life costing produced	Minimal knowledge, needs feasibility			March 2024	No	Economy
E65	Investigate the implementation of a set carbon intensity parameters for construction of new council buildings (e.g. KgCO <sub>2</sub> e/m <sup>2</sup> )	Capital Projects	Provides reliable data to measure and set targets against	Minimal knowledge, needs feasibility		Dec 2022		No	Economy
E66	Join UK Green Building Council and Submit scheme details during the design phase for audit by 3rd party	Capital Projects	No. schemes audited	Already achievable/confirmed can proceed	March 2022			Yes	Economy

*MEDIUM TERM ACTIONS (3-5 YEARS)*

	<b>Actions</b>	<b>Owner</b>	<b>Measure of success</b>	<b>Status</b>	<b>Funding/Resources available</b>	<b>Portfolio</b>
<b>Global initiatives</b>						
E67	Insulate all pipework, valves and fittings throughout	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility	No	Resources
E68	Review opportunities for solar panels	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility	No	Resources
E69	Review combined heat and power opportunity	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility	No	Resources
E70	Review solar water heating	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility	No	Resources
E71	Upgrade to heating zone controls to reduce over and under heating where structure, orientation, and occupation have different characteristics and need.	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility	No	Resources
<b>Head of Steam</b>						
E72	Major refurbishment scheme to be undertaken	Capital Projects	Improved building efficiency	Already achievable/confirmed can proceed	Yes	Local Services
<b>Housing</b>						
E73	Improve heat efficiency of existing Council houses, looking at renewable energy sources	Housing	Reduced bills for tenants	Minimal knowledge, needs feasibility	Yes	Health & Housing

	<b>Actions</b>	<b>Owner</b>	<b>Measure of success</b>	<b>Status</b>	<b>Funding/Resources available</b>	<b>Portfolio</b>
E74	Work with tenants to ensure their energy usage is efficient	Housing	Reduced bills for tenants	Some knowledge of opportunity, has potential to deliver	Yes	Health & Housing
E75	We design and build net carbon zero buildings.	Housing	Carbon assessments carried out early during the design stage to highlight areas which can be improved	Some knowledge of opportunity, has potential to deliver	Yes	Health & Housing
E76	Enforce private rented and non-domestic Minimum Energy Efficiency Standards regulations	Private Sector Housing	EPC register profile	Some knowledge of opportunity, has potential to deliver	Capacity issues	Health & Housing
E77	Houses that are currently designed but pre-construction are reviewed to ensure the principles in this strategy are applied.	Capital Projects	Reviews complete	Some knowledge of opportunity, has potential to deliver	No, potential capacity issues	Health & Housing

**LONG TERM ACTIONS (5+ YEARS)**

	<b>Actions</b>	<b>Owner</b>	<b>Measure of success</b>	<b>Status</b>	<b>Funding/Resources available</b>	<b>Portfolio</b>
<b>Global initiatives</b>						
E78	Introduce draught lobbies to reduce unwanted air infiltration	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility	No	Resources

	<b>Actions</b>	<b>Owner</b>	<b>Measure of success</b>	<b>Status</b>	<b>Funding/Resources available</b>	<b>Portfolio</b>
E79	Review building lighting strategies with particular focus to luminaires, control systems and daylighting provision. Install occupancy sensor controls to lighting in all rooms, wc's and corridors. Setting time delays to minimum practical levels	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility	No	Resources
<b>Central House</b>						
E80	Consider fitting secondary glazing and under glaze sky lights where appropriate	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility	No	Resources
<b>Central House Annexe</b>						
E81	Consider replacing or improving glazing	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility	No	Resources
<b>Town Hall</b>						
E82	Consider replacing or improving glazing (single glazed integral windows)	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility	No	Resources
E83	Consider introducing or improving insulation of flat roofs	Corporate Landlord	Reduced consumption	Minimal knowledge, needs feasibility	No	Resources
<b>Housing</b>						
E84	Review the energy efficiency of Council Housing Stock to identify technologies to improve the EPC rating of existing housing stock to Band C or above.	Housing	Reduced bills for tenants via reduced consumption Reduction in energy use	Known government target but systems to deliver not yet established	No	Health & Housing



	<b>Actions</b>	<b>Owner</b>	<b>Measure of success</b>	<b>Status</b>	<b>Funding/Resources available</b>	<b>Portfolio</b>
E85	EPC rating of 'B' to be achieved for all new build housing delivered directly by DBC or its partners	Housing	Reduced bills for tenants via reduced consumption Reduction in energy use	Known government target but systems to deliver not yet established	No	Health & Housing
E86	Consider the technologies used in New Builds to achieve carbon net zero and adapt same technologies into planned programmes.	Housing	Renewal programme in line with New build specifications for Energy efficiency	Some knowledge of opportunity, has potential to deliver	No	Health & Housing
E87	Whole dwelling assessment for every property in Darlington	Housing	Number of assessments completed	Blue sky	No	Health & Housing

**PRINCIPLE 2: REDUCE DEMAND FOR FOSSIL FUELS**

Finding alternative sources of energy is vital to achieving our target. As the electricity grid becomes cleaner, we will need to be looking to switch from gas to electricity, where we can. We have already chosen a zero carbon tariff for our electricity supply, but as prices continue to rise, we should reduce our reliance on grid electricity.

Staff transport does not form the greatest portion of the Council's carbon footprint, although transport is a significant portion of the Borough's emissions. It is still, therefore, an important area to address. Through actions in this sphere, we can influence behaviours beyond the organisational boundary.

The Council's fleet needs to deliver a wide range of services, such as refuse collection to street cleaning, from buildings services to highway maintenance. Low emission version of some of these vehicles are still extremely expensive so we need to ensure that our transition plan is robust and forward looking.

**Overall objective: Reduce reliance on fossil fuels to meet the Council's climate change ambitions**

*ONGOING ACTIONS*

	<b>Actions</b>	<b>Owner</b>	<b>Measure of success</b>	<b>Status</b>	<b>Funding/Resources available</b>	<b>Portfolio</b>
<b>Council fleet</b>						
F1	Review of fleet by Energy Savings Trust	Waste & Transport Services	Report received	Already achievable/confirmed can proceed	Yes	Local Services
F2	Identify infrastructure needs for fleet transition	Waste & Transport Services	Infrastructure plan developed	Some knowledge of opportunity, has potential to deliver	No	Local Services
F3	Identify sources of funding for fleet transition	Waste & Transport Services	Funding plan produced	Some knowledge of opportunity, has potential to deliver	No	Local Services
F4	Develop a fleet transition plan	Waste & Transport Services	Plan produced	Some knowledge of opportunity, has potential to deliver	No	Local Services
<b>Utilities</b>						
F5	Proactively manage utility purchasing	Corporate Landlord	Portfolio reviewed to ensure we are on the most appropriate tariff.	Already achievable/confirmed can proceed	Yes	Resources

	Actions	Owner	Measure of success	Status	Funding/Resources available	Portfolio
<b>New build</b>						
F6	Incorporate district heating schemes into developments.	Development Management	Preapplication checklist amended to incorporate	Completed		Economy
			Secondary check of full application to ensure addressed	Minimal knowledge, needs feasibility	yes	
<b>Influencing transport providers</b>						
F7	Use our influence to encourage taxi drivers to switch off engines when stationary and move to electric vehicles	Licensing	Information is disseminated to all taxi drivers	Underway	Capacity issues	Stronger Communities
F8	Use our influence to encourage bus companies to switch off engines and upgrade their fleets where appropriate	Transport Planning	Information is disseminated to drivers Bus companies have produced fleet transition plans	Some knowledge of opportunity, has potential to deliver	Capacity issues	Local Services

*SHORT-TERM ACTIONS (1-3 YEARS)*

	Actions	Owner	Measure of success	Status	Funding/Resources available	2021/22	2022/23	2023/24	Portfolio
<b>Town Hall</b>									
F9	Renew the boilers at the Town Hall	Corporate Landlord	New boilers will be more efficient and use less energy	Completed					Resources
<b>Staff travel</b>									

	Actions	Owner	Measure of success	Status	Funding/ Resources available	2021/22	2022/23	2023/24	Portfolio
F10	Review the corporate business travel policy for agile working	HR	Policy is reviewed and recommendations produced	Underway. Potential to reduce staff commutes and carbon. Electric car Mileage rate has been introduced	Yes	March 2022			Resources
F11	Ensure appropriate mechanisms are in place to gather data and to oversee and if necessary, enforce the travel policy	HR/Audit	Current mechanisms reviewed and recommendations made	Some knowledge of opportunity, has potential to deliver. Managers responsible for monitoring and audits undertaken accordingly	Yes		March 2023		Resources
F12	Introduce salary sacrifice scheme for purchase of low emission cars	HR	Scheme established	Complete					Resources
F13	Have a pool of low emission/hybrid/electric cars for staff to use for work related travel to try and encourage staff members to travel to and from work more sustainably	Transport Planning	Feasibility study of scheme completed	Some knowledge of opportunity, has potential to deliver	No			March 2024	Local Services
F14	Include questions in staff survey to establish travel habits pre, during and post lockdown	Transport Planning	x% staff completed survey	Already achievable/confirmed can proceed	Yes	March 2022			Local Services
F15	Review staff survey and make recommendations	HR/Transport Planning	Recommendations put forward	Already achievable/confirmed can proceed	Yes	March 2022			Resources/Local Services
F16	Promotion of current cycling and walking incentives including staff offers at Halford of discount towards cost of bicycle	HR	Promotion complete	Already achievable/confirmed can proceed	Yes	March 2022			Resources
F17	Include questions in staff survey regarding current and potential cycling incentives schemes	Transport Planning	x% staff completed survey	Already achievable/confirmed can proceed	Yes	March 2022			Local Services

	<b>Actions</b>	<b>Owner</b>	<b>Measure of success</b>	<b>Status</b>	<b>Funding/ Resources available</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Portfolio</b>
F18	Following survey, review cycling incentives currently in place and assess viability of recommendations	Transport Planning	Cycling survey reviewed Viable recommendations accepted	Already achievable/confirmed can proceed	Yes	March 2022			Local Services
F19	Further promotion of cycling and walking incentives	HR/Transport Planning	Promotion complete	Already achievable/confirmed can proceed	Yes	March 2022			Resources/Local Services
F20	Investigate setting up a car club for travel to, from and during work	Transport Planning	Current provision reviewed Recommendations produced	Already achievable/confirmed can proceed	Yes	March 2022			Local Services
F21	Review current arrangement for Arriva travel club	HR	Review complete Recommendations produced	Some knowledge of opportunity, has potential to deliver	Yes		March 2023		Resources
F22	Review Arriva travel ticket offers	HR	Review complete Recommendations produced	Some knowledge of opportunity, has potential to deliver	Yes		March 2023		Resources

**LONG TERM ACTIONS (5+ YEARS)**

	<b>Actions</b>	<b>Owner</b>	<b>Measure of success</b>	<b>Status</b>	<b>Funding/Resources available</b>	<b>Portfolio</b>
F23	Support social housing tenants with assistance for charging electric vehicles at home.	Housing	Requests approved	Some knowledge of opportunity, has potential to deliver	No	Health & Housing

F24	Set up a local energy switching scheme	Housing	Number of residents switching	Some knowledge of opportunity, has potential to deliver	No, would need increased capacity	Health & Housing
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**PRINCIPLE 3: CONTRIBUTE TO A GREENER GRID**

To reach net zero carbon we will need to increase the amount of energy generated from renewable sources. We will need to explore all forms of renewable energy to maximise the benefits for the Council and the Borough's residents and businesses.

**Overall objective: An increase in renewable energy generation**

	Actions	Owner	Measure of success	Status	Funding/Resources available	2021/22	2022/23	2023/24	3-5 years	5+ years	Portfolio
G1	We adopt a presumption in favour of renewables and batteries across our whole estate, integrating these technologies as standard in all capital projects.	Capital Projects	All new projects adopt renewables & batteries	Some knowledge of opportunity, has potential to deliver	No			March 2024	x		Economy
G2	Our building design process takes a whole system approach to low carbon technologies, exploring all options for energy standards, such as Passivhaus standards.	Capital Projects	Feasibility study complete	Minimal knowledge, needs feasibility	No			March 2024	x		Economy

**PRINCIPLE 4: SEQUESTER CARBON**

A strong and healthy natural environment with a variety of habitats, will support our ability to be resilient to climate change and will act as to collect and store carbon from the atmosphere.

Where we can measure the carbon captured by environmental projects we may be able to use them as a carbon offset. A carbon offset is a way to compensate for your emissions by funding an equivalent carbon dioxide saving elsewhere. We aim to reduce our emissions as far as possible so that any offsetting is only required for a very small proportion of our emissions. When considering offsetting projects, we want to secure the widest benefit for Darlington, so we will invest in local projects that also deliver wider social and environmental benefits.

**Overall objective: A strong and healthy natural environment**

*ONGOING ACTIONS*

	<b>Actions</b>	<b>Owner</b>	<b>Measure of success</b>	<b>Status</b>	<b>Funding/Resources available</b>	<b>Portfolio</b>
S1	Explore opportunities for enhancing roadside verges and open space	Countryside Services	Increase in areas enhanced for biodiversity	Already achievable/confirmed can proceed	Some	Local Services
S2	Support Tees Valley Nature Partnership to protect and enhance natural capital	Sustainability and Climate Change Lead Officer	Meetings attended	Underway	Yes	Economy

*SHORT-TERM ACTIONS (1-3 YEARS)*

	<b>Owner</b>	<b>Actions</b>	<b>Measure of success</b>	<b>Status</b>	<b>Funding/Resource s available</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Portfolio</b>
S3	Countryside Services	Plant 20,000 new trees	Number of trees planted	Already achievable/confirmed can proceed	Some/in partnership	March 2022	March 2023	March 2024	Local Services
S4	Sustainability & Climate Change Lead Officer	Develop plan for offsetting emissions, including how it would be funded	Plan produced	Some knowledge of opportunity, has potential to deliver	Yes			March 2024	Economy

**GOVERNANCE**

Governance measures exist to ensure that we deliver our objectives. We will ensure that governance procedures are updated to account for the changing policy landscape.

**Overall objective: The Council's policies and procedures support its climate change ambitions**

*ONGOING ACTIONS*

	<b>Actions</b>	<b>Owner</b>	<b>Measure of success</b>	<b>Status</b>	<b>Funding/Resources available</b>	<b>Portfolio</b>
Go1	Strategy and action plan formally reviewed every three years, with an ongoing watching brief	Sustainability and Climate Change Lead Officer	Formal review carried out	Already achievable/confirmed can proceed	Yes	Economy

*SHORT-TERM ACTIONS (1-3 YEARS)*

	<b>Actions</b>	<b>Owner</b>	<b>Measure of success</b>	<b>Status</b>	<b>Funding/Resources available</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Portfolio</b>
Go2	All cabinet reports, scrutiny reports, plans and policies will include a climate change impact assessment.	Democratic Services	Guidance notes for completion of cabinet papers updated	Completed					Resources
Go3	Ensure that sustainability appraisals include robust questions on climate change	Democratic Services	Sustainability appraisal is updated	Some knowledge of opportunity, has potential to deliver	Yes				Resources



	<b>Actions</b>	<b>Owner</b>	<b>Measure of success</b>	<b>Status</b>	<b>Funding/Resources available</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Portfolio</b>
Go4	Ensure that existing governance arrangements ask for and provide an opportunity to scrutinise both net carbon zero ambitions and adaptation plans	Democratic Services	Guidance notes for Scrutiny Committees members produced and disseminated	Completed					Resources
Go5	Review key policies and provide recommendations for alignment	Democratic Services	Policies reviewed	Some knowledge of opportunity, has potential to deliver	Potential capacity issues			March 2023	Resources
Go6		Democratic Services	Ensure climate change recommendations are incorporated on renewal	Some knowledge of opportunity, has potential to deliver	Potential capacity issues			March 2023	Resources

**PROCUREMENT**

Each year, we spend approximately £120 million in the private and voluntary sector. This spend presents a significant opportunity and responsibility to influence our supply chain. Through our procurement process, we can motivate beyond our corporate boundary.

**Overall objective: We use our purchasing power and influence to deliver climate change benefits**

*SHORT-TERM ACTIONS (1-3 YEARS)*

	<b>Actions</b>	<b>Owner</b>	<b>Measure of success</b>	<b>Status</b>	<b>Funding/Resources available</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Portfolio</b>
P1	Conduct a climate change risk assessment on existing contracts	Procurement	Risk assessment completed	Minimal knowledge, needs feasibility	Capacity issues		March 2023		Resources
P2	Review the current criteria for carbon in the procurement process, including reviewing of the weighting assigned to carbon	Procurement	Review completed Recommendations produced	Minimal knowledge, needs feasibility	Capacity issues		March 2023		Resources
P3	Review the current criteria and encourage school transport drivers to switch off engines when stationary and move to electric vehicles	Procurement	Review completed Recommendations produced	Minimal knowledge, needs feasibility	Capacity issues			March 2024	Resources
P4	Review contract management processes to ensure that we to scrutinise suppliers' carbon performance	All Services	Review completed Recommendations produced	Minimal knowledge, needs feasibility	Capacity issues				Resources

## FINANCING

We are working in a time of increasingly constrained budgets but we must make sure that the resources to invest in the actions we need to take are available to us. We will need to investigate, and be prepared to invest in, all potential solutions and accept that the payback period may be longer than we are used to.

**Overall objective: Resources are available to support the Council's climate change ambitions**

### ONGOING ACTIONS

	Actions	Owner	Measure of success	Status	Funding/Resources available	Portfolio
Fi1	Lobby government for funding to be available, for example, the long-awaited UK Shared Prosperity Fund, and allocated on a fair basis.	Finance	All lobbying opportunities taken	Minimal knowledge, needs feasibility	Potential capacity issues	Resources

### SHORT-TERM ACTIONS (1-3 YEARS)

	Actions	Owner	Measure of success	Status	Funding/Resources available	2021/22	2022/23	2023/24	Portfolio
Fi2	Develop a funding solution to support the Council's climate initiatives to be included as part of the annual MTFP.	Finance	Baseline funding solution methodology agreed	Minimal knowledge, needs feasibility	Potential capacity issues		March 2023		Resources
Fi3	Investigate the practicality of issuing bonds	Finance	Feasibility study complete	Minimal knowledge, needs feasibility	Potential capacity issues		March 2023		Resources
Fi4	Explore risk/scrutiny of using financing from specialist climate/carbon reduction schemes offering interest free loans (i.e. Salix Finance, etc.)	Finance	Feasibility study complete	Minimal knowledge, needs feasibility	Potential capacity issues		March 2023		Resources

	<b>Actions</b>	<b>Owner</b>	<b>Measure of success</b>	<b>Status</b>	<b>Funding/Resources available</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Portfolio</b>
Fi5	Investigate a system to ring-fence (all or proportion of) savings achieved as a direct result of council climate change policies which can be used to support further investment	Finance	Feasibility study complete	Minimal knowledge, needs feasibility	Potential capacity issues	March 2022			Resources
Fi6	Explore legal and practicality of building in environmental goals into relevant procurement and if not achieved supplier to pay a climate rebate which can be retained to fund future climate change actions	Procurement	Feasibility study complete	Minimal knowledge, needs feasibility	Potential capacity issues	March 2022			Resources
Fi7	Explore legal/statutory powers to add a climate levy to schemes/projects	Legal	Feasibility study complete	Minimal knowledge, needs feasibility	Potential capacity issues		March 2023		Resources
Fi8	Use of CIL to fund transport & infrastructure linked to climate change objectives	Finance	Feasibility study complete	Minimal knowledge, needs feasibility	Potential capacity issues			March 2024	Resources
Fi9	Explore opportunity to use existing resources & funding allocated for projects but with bolt-ons for meeting climate change objectives	Finance	Feasibility study complete	Minimal knowledge, needs feasibility	Potential capacity issues		March 2023		Resources
Fi10	Ensure council's investments consider DBC green objectives	Finance	Treasury Management function updated to consider green objectives as criteria for making investments	Minimal knowledge, needs feasibility	Potential capacity issues		March 2023		Resources

## ADAPTATION

The world’s climate is changing. Even if all emissions ceased today, our climate would continue to change as a result of historic emissions and we need to be prepared. The 2015 Paris Agreement of the UN Framework Convention on Climate Change, is a globally binding commitment to reduce emissions and keep the world’s temperature rises below two degrees, and ideally below one and a half degrees. Even so, the world will experience significant impacts; increases in extreme weather, droughts, floods, sea level rise and biodiversity loss, and risks to vulnerable people and populations. As temperature rises continue these impacts will increase. Cutting carbon emissions remains the most cost-effective step that local authorities can take, but adaptation needs to be considered alongside mitigation to ensure that our systems and our services are resilient. We also need to ensure that residents and businesses understand the risks and what they can do about them.

In 2019 Association of Directors of Environment, Economy Planning and Transport (ADEPT) with the Local Adaptation Advisory Panel (LAAP) published [guidance for local authorities](#) on improving resilience to climate change. The actions listed here will ensure that the Council has achieved the guidance's 'initial adaptation level' across the entire organisation.

**Overall objective: The Council, residents and businesses understand the risks of climate change and are working to improve their resilience**

### ONGOING ACTIONS

	Actions	Owner	Measure of success	Status	Funding/Resources available	Portfolio
A1	Identify key contacts in other organisations and to understand shared priorities for climate resilience in key statutory areas	Sustainability & Climate Change Lead Officer	All opportunities to make contact taken	Already achievable/confirmed can proceed	Potential capacity issues	Economy
A2	Collaborative working through local government networks and other key partners to increase efforts to embed adaptation	Sustainability & Climate Change Lead Officer	All opportunities to make contact taken	Underway	Potential capacity issues	Economy
A3	Include adaptation policies in local plans, growth plans and spatial frameworks	Sustainability & Climate Change Lead Officer	Adaptation policies embedded into all plans	Some knowledge of opportunity, has potential to deliver	Potential capacity issues	Economy

	<b>Actions</b>	<b>Owner</b>	<b>Measure of success</b>	<b>Status</b>	<b>Funding/Resources available</b>	<b>Portfolio</b>
A4	Provide basic information on climate change adaptation to businesses online, including local flood risk	Sustainability & Climate Change Lead Officer	Business resilience manual is available on the Council's website and is disseminated through our networks	Completed		Economy
A5	Promote sign up to the Environment Agency's flood warning service	Sustainability & Climate Change Lead Officer	Information is available and is disseminated as indicated in the communications plan	Already achievable/confirmed can proceed	Potential capacity issues	Economy
A6	Raise awareness of relevant climate risks with local businesses through local business groups	Sustainability & Climate Change Lead Officer	Information is available and is disseminated as indicated in the communications plan	Already achievable/confirmed can proceed	Potential capacity issues	Economy
A7	Communicate key benefits to businesses from climate change	Sustainability & Climate Change Lead Officer	Information is available and is disseminated as indicated in the communications plan	Already achievable/confirmed can proceed	Potential capacity issues	Economy
A8	Produce information for residents	Sustainability & Climate Change Lead Officer	Information is available and is disseminated as indicated in the communications plan	Already achievable/confirmed can proceed	Potential capacity issues	Economy

**SHORT-TERM ACTIONS (1-3 YEARS)**

	<b>Actions</b>	<b>Owner</b>	<b>Measure of success</b>	<b>Status</b>	<b>Funding/Resources available</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Portfolio</b>
A9	Appoint a political leader/councillor with responsibility for adaptation	Sustainability & Climate Change Lead Officer	Adaptation champions is appointed	Already achievable/confirmed can proceed	Yes	March 2022			Economy

	<b>Actions</b>	<b>Owner</b>	<b>Measure of success</b>	<b>Status</b>	<b>Funding/Resources available</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Portfolio</b>
A10	Identify officers responsible for adaptation in services and provide support for risk assessing their areas	Sustainability & Climate Change Lead Officer	Robust risk assessment is completed Actions are developed	Already achievable/confirmed can proceed	Potential capacity issues	March 2022			Economy
A11	Conduct a gap analysis of current activity to identify further actions which could be undertaken	Sustainability & Climate Change Lead Officer	Gap analysis complete	Some knowledge of opportunity, has potential to deliver	Potential capacity issues	March 2022			Economy
A12	Integrate adaptation measures in statutory plans, strategies and functions	Sustainability & Climate Change Lead Officer	All plans and strategies include adaptation measures	Some knowledge of opportunity, has potential to deliver	Potential capacity issues			March 2024	Economy
A13	Include weather risks and associated impacts in strategic risk register	Sustainability & Climate Change Lead Officer	Strategic risk register is updated	Already achievable/confirmed can proceed	Potential capacity issues		March 2023		Economy
A14	Include weather risks and associated impacts in corporate risk register	Sustainability & Climate Change Lead Officer	Corporate risk register is updated	Already achievable/confirmed can proceed	Potential capacity issues	March 2022			Economy
A15	Include weather risks and associated impacts in community risk register	Sustainability & Climate Change Lead Officer	Community risk register is updated	Already achievable/confirmed can proceed	Potential capacity issues	March 2022			Economy
A16	Undertake a local climate change risk assessment for most vulnerable services (eg education and social care)	Sustainability & Climate Change Lead Officer	Risk assessment complete	Minimal knowledge, needs feasibility	Potential capacity issues		March 2023		Economy

	<b>Actions</b>	<b>Owner</b>	<b>Measure of success</b>	<b>Status</b>	<b>Funding/Resources available</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Portfolio</b>
A17	Map longer-term decisions and investments across service areas to determine opportunities to build in resilience	Sustainability & Climate Change Lead Officer	Mapping complete	Minimal knowledge, needs feasibility	Potential capacity issues			March 2024	Economy
A18	Embed contractual requirements for climate resilience or adaptation into key contracts and services	Sustainability & Climate Change Lead Officer	Adaptation embedded into all future contracts	Some knowledge of opportunity, has potential to deliver	Potential capacity issues			March 2024	Economy
A19	Identify and understand critical and local infrastructure	Sustainability & Climate Change Lead Officer	Study of local infrastructure complete	Minimal knowledge, needs feasibility	Potential capacity issues	March 2022			Economy
A20	Review the extent to which service delivery depends on critical infrastructure	Sustainability & Climate Change Lead Officer	Study of local infrastructure complete	Minimal knowledge, needs feasibility	Potential capacity issues	March 2022			Economy
A21	Review materials and approaches to highway maintenance	Sustainability & Climate Change Lead Officer	Review complete	Some knowledge of opportunity, has potential to deliver	Potential capacity issues		March 2023		Local Services
A22	Engage with infrastructure providers to understand impact on local authority infrastructure assets and develop plans to reduce risks	Sustainability & Climate Change Lead Officer	All opportunities to make contact taken	Minimal knowledge, needs feasibility	Potential capacity issues			March 2024	Economy
A23	Work across infrastructure providers and agencies to understand interdependent risks	Sustainability & Climate Change Lead Officer	All opportunities to make contact taken	Minimal knowledge, needs feasibility	Potential capacity issues			March 2024	Economy



	<b>Actions</b>	<b>Owner</b>	<b>Measure of success</b>	<b>Status</b>	<b>Funding/Resources available</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Portfolio</b>
A24	Provide an evidence base for developers, to support development of adaptation policies	Sustainability & Climate Change Lead Officer	Evidence for developers produced	Some knowledge of opportunity, has potential to deliver	Potential capacity issues	March 2022			Economy
A25	Ensure new development is located and designed in accordance with sequential and exception tests set out in National Planning Policy Framework	Sustainability & Climate Change Lead Officer	Tests applied	Minimal knowledge, needs feasibility	Potential capacity issues	March 2022			Economy
A26	Prepare local policies on delivery of NPPF Sustainable Drainage Systems policies	Sustainability & Climate Change Lead Officer	Policies prepared	Minimal knowledge, needs feasibility	Potential capacity issues	March 2022			Economy
A27	Require energy, water efficiency and flood resistance and resilience measures in any local authority-enabled development	Sustainability & Climate Change Lead Officer	All local authority developments include resilience measures	Minimal knowledge, needs feasibility	Potential capacity issues	March 2022			Economy
A28	Develop a programme of water, energy retrofit and flood resistance and resilience measures	Sustainability & Climate Change Lead Officer	Programme developed	Minimal knowledge, needs feasibility	Potential capacity issues		March 2023		Economy
A29	Specify requirement of the BREEAM adaptation credit in new build and refurbishments	Sustainability & Climate Change Lead Officer	Feasibility completed	Minimal knowledge, needs feasibility	Potential capacity issues		March 2023		Economy
A30	Specify use of Civil Engineering Environmental Quality Assessment and Award Scheme (CEEQUAL)	Sustainability & Climate Change Lead Officer	Feasibility completed	Minimal knowledge, needs feasibility	Potential capacity issues			March 2024	Economy

	<b>Actions</b>	<b>Owner</b>	<b>Measure of success</b>	<b>Status</b>	<b>Funding/Resources available</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Portfolio</b>
	in Public Realm / Infrastructure projects								
A31	Review current and future flood risk to council buildings and assets	Sustainability & Climate Change Lead Officer	Review complete	Some knowledge of opportunity, has potential to deliver	Potential capacity issues	March 2022			Economy
A32	Embed climate change in local flood risk management strategies	Sustainability & Climate Change Lead Officer	Strategies include climate change	Some knowledge of opportunity, has potential to deliver	Potential capacity issues	March 2022			Economy
A33	Work with local resilience forums to collect and share data on resource impacts of severe weather events	Sustainability & Climate Change Lead Officer	Data shared	Already achievable/confirmed can proceed	Potential capacity issues		March 2023		Economy
A34	Include possible health impacts from weather events and future climate risks in the Joint Strategic Needs Assessment	Sustainability & Climate Change Lead Officer	JSNA updated	Some knowledge of opportunity, has potential to deliver	Potential capacity issues		March 2023		Economy
A35	Use local data on population and health to consider social vulnerability to climate change impacts	Sustainability & Climate Change Lead Officer	Report on social vulnerability produced	Some knowledge of opportunity, has potential to deliver	Potential capacity issues		March 2023		Economy
A36	Include adaptation in health and wellbeing plans	Sustainability & Climate Change Lead Officer	Health and wellbeing plans updated	Some knowledge of opportunity, has potential to deliver	Potential capacity issues		March 2023		Economy
A37	Assess the range of social care assets and key routes used by staff at risk of flooding	Sustainability & Climate Change Lead Officer	Assets and routes mapped against flood risk	Minimal knowledge, needs feasibility	Potential capacity issues		March 2023		Economy
A38	Support commissioners to embed consideration of future climate change into the commissioning processes of care providers	Sustainability & Climate Change Lead Officer	Guidance produced	Some knowledge of opportunity, has potential to deliver	Potential capacity issues		March 2023		Economy

	<b>Actions</b>	<b>Owner</b>	<b>Measure of success</b>	<b>Status</b>	<b>Funding/Resources available</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Portfolio</b>
A39	Assess flood risk of residents (particularly vulnerable adults and children) who have care provided at home	Sustainability & Climate Change Lead Officer	Flood risk mapped	Minimal knowledge, needs feasibility	Potential capacity issues		March 2023		Economy
A40	Develop flexible working arrangements for staff unable to travel to sites due to extreme weather	Sustainability & Climate Change Lead Officer	Flexible working arrangements in place	Already achievable/confirmed can proceed	Potential capacity issues		March 2023		Resources
A41	Implement local responses to the Heatwave Plan for England	Sustainability & Climate Change Lead Officer	Local response implemented	Some knowledge of opportunity, has potential to deliver	Potential capacity issues			March 2024	Economy
A42	Target development of flood risk management schemes into areas of significant flood disadvantage	Sustainability & Climate Change Lead Officer	Flood risk areas mapped	Minimal knowledge, needs feasibility	Potential capacity issues			March 2024	Economy
A43	Identify the most vulnerable groups to climate change risks	Sustainability & Climate Change Lead Officer	Vulnerable groups identified and mapped	Some knowledge of opportunity, has potential to deliver	Potential capacity issues			March 2024	Economy
A44	Ensure processes for development of plans to address climate risk involve those most likely to be affected	Sustainability & Climate Change Lead Officer	Stakeholder mapping completed	Already achievable/confirmed can proceed	Potential capacity issues			March 2024	Economy
A45	Identify critical at-risk businesses and infrastructure	Sustainability & Climate Change Lead Officer	Register produced	Minimal knowledge, needs feasibility	Potential capacity issues			March 2024	Economy
A46	Review Adaptation Reporting Power reports of local organisations to understand key infrastructure issues	Sustainability & Climate Change Lead Officer	Summary report produced	Some knowledge of opportunity, has potential to deliver	Potential capacity issues			March 2024	Economy

	<b>Actions</b>	<b>Owner</b>	<b>Measure of success</b>	<b>Status</b>	<b>Funding/Resources available</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Portfolio</b>
A47	Identify where natural capital assets are within the local area	Sustainability & Climate Change Lead Officer	Natural capital assets mapped	Already achievable/confirmed can proceed	Potential capacity issues		March 2023		Economy
A48	Review local biodiversity action plans and species action plans to develop actions for particular species' vulnerable to future climate	Sustainability & Climate Change Lead Officer	Plans reviewed	Some knowledge of opportunity, has potential to deliver	Potential capacity issues			March 2024	Economy
A49	Use natural capital accounting approaches to monetise benefits of assets and build a shared picture of local value	Sustainability & Climate Change Lead Officer	Mapped assets valued	Minimal knowledge, needs feasibility	Potential capacity issues			March 2024	Economy
A50	Engage key partners such as the Environment Agency, Natural England, neighbouring authorities and Tees Valley Nature Partnership to develop adaptation actions for natural capital	Sustainability & Climate Change Lead Officer	Adaptation actions developed	Already achievable/confirmed can proceed	Potential capacity issues			March 2024	Economy
A51	Ensure biodiversity net-gain proposals in new development are screened to ensure they are suitable under future climate scenarios	Sustainability & Climate Change Lead Officer	Screening protocols with ecologist developed	Minimal knowledge, needs feasibility	Potential capacity issues		March 2023		Economy
A52	Fund and implement a tree planting policy	Sustainability & Climate Change Lead Officer	Tree & woodland strategy published	Completed		March 2022	March 2023		Local Services
A53	Use green infrastructure to providing shading and cooling for buildings or to protect walking and cycling routes	Sustainability & Climate Change Lead Officer	GI included in development plans	Some knowledge of opportunity, has potential to deliver	Potential capacity issues		March 2023		Economy

	<b>Actions</b>	<b>Owner</b>	<b>Measure of success</b>	<b>Status</b>	<b>Funding/Resources available</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Portfolio</b>
A54	Use green infrastructure and other nature-based solutions to provide resilience	Sustainability & Climate Change Lead Officer	GI included in development plans	Some knowledge of opportunity, has potential to deliver	Potential capacity issues			March 2024	Economy
A55	Promote water, energy efficiency and flood resistance and resilience measures	Sustainability & Climate Change Lead Officer	Information is available and is disseminated as indicated in the communications plan	Some knowledge of opportunity, has potential to deliver	Potential capacity issues				Economy
A56	Raise awareness of relevant climate risks with local community groups	Sustainability & Climate Change Lead Officer	Information is available and is disseminated as indicated in the communications plan		Potential capacity issues	March 2022			Economy

*MEDIUM-TERM ACTIONS (3-5 YEARS)*

	<b>Actions</b>	<b>Owner</b>	<b>Measure of success</b>	<b>Status</b>	<b>Funding/Resources available</b>	<b>Portfolio</b>
A57	Use the ADEPT guidance to determine next steps needed to reach 'maturing adaptation' level	Sustainability & Climate Change Lead Officer	Plan for next steps produced	Some knowledge of opportunity, has potential to deliver	Potential capacity issues	Economy

**COMMUNICATIONS**

**Overall objective: Information on actions planned and progress made is disseminated**

*ONGOING ACTIONS*

	<b>Actions</b>	<b>Owner</b>	<b>Measure of success</b>	<b>Status</b>	<b>Funding/Resources available</b>	<b>Portfolio</b>
C1	Internal communications plan developed	Communications Team	Plan developed	Underway	Yes. Capacity issues if ongoing need to communicate Covid messages	Resources
			Staff are encouraged to submit ideas	Already achievable/confirmed can proceed		
			Regular tips are shared	Already achievable/confirmed can proceed		
C2	External communications plan developed	Communications Team	Plan developed	Underway	Yes. Capacity issues if ongoing need to communicate Covid messages	Resources
			Examples of good practice are shared	Already achievable/confirmed can proceed		
			Hints and tips on what to do are shared	Already achievable/confirmed can proceed		

## Climate Change Annual report 2020/21

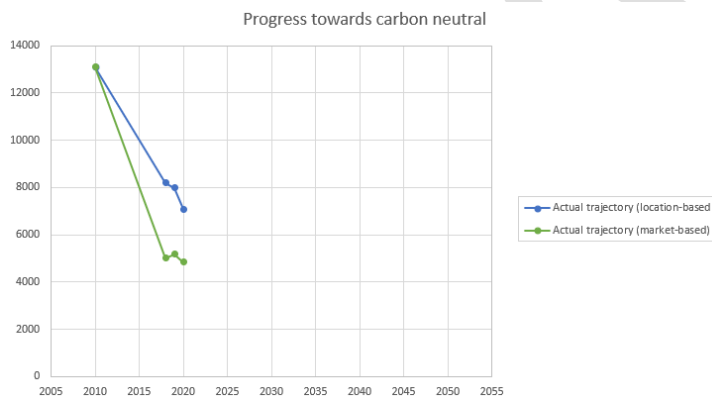
### Introduction

In July 2019 DBC declared a climate emergency and committed to becoming a carbon neutral council by 2050. A dedicated lead officer was appointed in January 2020 and a climate change strategy was approved by Cabinet in July 2020. Regular reporting to Cabinet and Full Council via Cabinet Members is ongoing, but an annual report will be produced each year to highlight progress towards our target.

### Emissions for 2020/21

	2010/11	2018/19	2019/20	2020/21
	t/CO <sub>2</sub>	t/CO <sub>2</sub>	t/CO <sub>2</sub>	t/CO <sub>2</sub>
Streetlighting	3,487	759	596	515
Corporate Estate	7564	5,928	5,907	5,014
Business Travel	2,050	1,509	1,482	1,426
Water	0	0		-
<b>Total</b>	<b>13,101</b>	<b>8,196</b>	<b>7,985</b>	<b>6,955</b>
Total estimated working from home emissions/tCO <sub>2</sub> e				125

Emissions from water supply and waste water are not included because there have been some issues with transferring data onto the system. However, we estimate CO<sub>2</sub> emissions at around 60 tonnes.



By the end of 2020/21 our carbon footprint is 7,080 tonnes CO<sub>2</sub>e using location-based reporting.

Using market-based reporting, which takes account of our zero-carbon electricity tariff, our carbon footprint is 4,835 tonnes CO<sub>2</sub>e

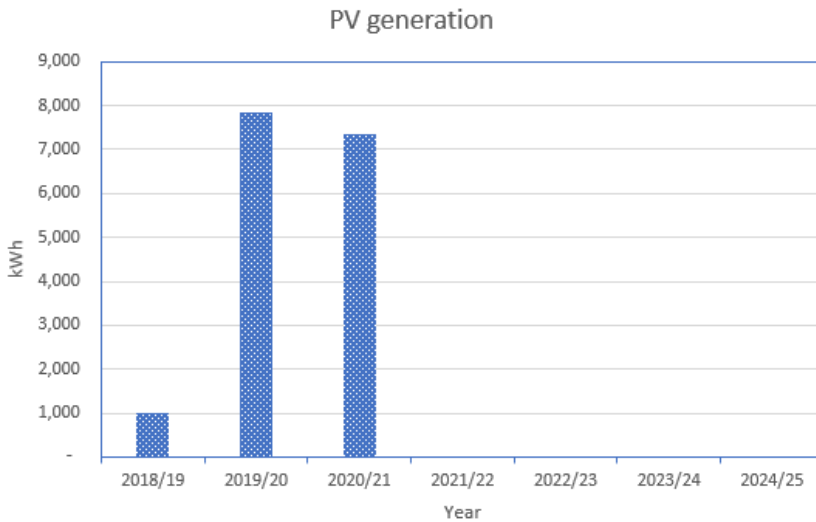
### Homeworking emissions

The first lockdown in March 2020 saw most staff working from home. For some staff that was not feasible and there are some services that need to work from the office. Some staff were also diverted from their substantive jobs to dealing with the emergency needs of a pandemic situation.

The majority of meetings moved online, which has resulted in a drop in travel using staff's own cars. However, our Council fleet continued working as usual, so the difference in emissions from travel is not as great as might have been expected.

Emissions from our buildings are lower, as would be expected from a lockdown situation, but not all buildings were closed. This means that heating was still required over the winter months. For the staff working from home, any emissions directly

related to their use of IT equipment have not been removed but simply displaced. To account for this, we have used a calculation developed by EcoAct.<sup>1</sup> Using this method, the total estimated working from home carbon emissions are 125 tonnes.



In 2020/21, 7,362 kWh of electricity was generated by our solar panels. This is slightly down on the previous year. Generation can never be guaranteed as it is so weather dependent.

## Highlights

A significant piece of work over the year has been to develop a climate change action plan. Lead officers across the authority were tasked with producing plans for their own departments. These plans have been brought together to form an action plan for the whole Council. Actions have been divided into ongoing, short-term (1-3 years), medium-term (3-5 years) and long-term (5+ years).

The Action Plan is designed to be a rolling, organic plan. It will be continually reviewed to allow us to respond to new technologies, new understanding and government initiatives as they arise.

Successful grant applications have been made to the Public Sector Decarbonisation Fund, Green Homes Grant Local Authority Delivery (LAD) scheme 1b and 2. The grants will enable work on the corporate estate and will fund energy efficiency measures to almost 900 properties across Darlington. We were also able, with additional support from the Tees Valley Combined Authority, to successfully apply for funding from BEIS Heat Network Delivery Unit. This grant is funding a feasibility study into a district heat network. Taken together, these grants total more than £2m.

A training module on climate change for staff has been developed and rolled out. Cabinet approved the addition of this training to the compulsory staff training modules. At time of writing, 907 staff with access to the on-line training portal had completed the training (65%).

A revised tree and woodland strategy was published, including a commitment to plant at least 20,000 trees over three years. Almost 10,000 have already been

<sup>1</sup>Ecoact [Homeworking Emissions Whitepaper 2020](#)



planted or are planned. Unfortunately, around 300 whips were subsequently removed by vandals.

A network of climate champions is in place across the Council and we are taking forward their ideas for improving sustainability.

### **Engagement**

Several social media posts, news items and One Darlington articles were published. Feedback received was generally positive.

We have continued to work with local, regional and national partners including our neighbouring authorities, the Tees Valley Combined Authority, the Tees Valley Nature Partnership, Tees University, Association for Public Service Excellence (APSE) and the Department for Environment Food and Rural Affairs (Defra).

### **What comes next?**

With the Action Plan in place and to aid delivery, we will be developing an annual set of milestones. These will help us to improve how we report on our path to net zero. We will be looking at how we can demonstrate our progress in a clear way suitable for all audiences.

We will explore how we can improve our data gathering, particularly around waste disposal and our supply chain. We know that these are vital areas to include if we are truly to be a net zero Council.

We will continue to work collaboratively with partners, looking for all opportunities for exciting and innovative ways of meeting the challenges facing us.

We will step up our engagement with residents, businesses and schools to ensure that we are all equipped to play our part in tackling climate change.

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**CABINET  
5 OCTOBER 2021**

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## **ANNUAL PROCUREMENT PLAN UPDATE**

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**Responsible Cabinet Member – Councillor Scott Durham, Resources Portfolio**

**Responsible Officer – Elizabeth Davison, Group Director of Operations**

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### **SUMMARY REPORT**

#### **Purpose of the Report**

1. To present the Annual Procurement Plan Update to Cabinet for approval. Cabinet are asked to consider and approve the assessment of contracts that are considered to be strategic or non-strategic.
2. To update Cabinet on the outcomes of procurement(s) previously designated as Strategic.
3. To update Cabinet about the decisions taken by the Procurement Board to waive the Contract Procedure Rules.

#### **Recommendation**

4. It is recommended that :-
  - (a) Members approve the assessment of strategic and non-strategic contracts as presented in **Appendix 1** and that:
    - (i) further reports/ updates on the procurement process for those contracts designated as strategic (including decisions made by the Procurement Board) be brought to Cabinet.
    - (ii) the contract award decisions for the contracts designated as non-strategic be delegated to the appropriate Director as listed in the plan at Appendix 1.
    - (iii) the contract award decisions for the contracts designated as strategic, as listed in the plan at Appendix 1, be delegated to the Procurement Board to approve and will be reported back to Cabinet.
  - (b) that Members note the contents of this report in respect of the update of strategic procurements, Procurement Board waiver decisions, and Social Value.

## **Reasons**

5. In respect of strategic/non-strategic contracts, the recommendations are supported by the following reasons: -
  - (a) The Contract Procedure Rules require Cabinet to approve the designation of contracts as strategic and non-strategic and:
  - (b) Contracts designated strategic are of high value and high significance in respect of the impact on residents, Health & Safety and public safety.
  - (c) The contracts designated non-strategic are of a lower value and lower significance in respect of the impact on residents and public safety.
6. In respect of Procurement Board waiver decisions, the recommendations are supported by the following reasons: -
  - (a) In order to comply with the Contract Procedure Rules.
  - (b) To provide Cabinet with information about the decisions made by the Procurement Board.
  - (c) To supplement the reports that are taken to Cabinet about proposed spend over £100,000, that are set out in the Annual Procurement Plan and the in year update to that report.

**Elizabeth Davison**  
**Group Director of Operations**

## **Background Papers**

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

Patrick Saunders: Extension 5493

S17 Crime and Disorder	This decision will not have any direct impact on Crime and Disorder
Health and Well Being	This decision will not have any direct impact on Health and Wellbeing
Carbon Impact and Climate Change	This decision will not have a direct impact on the Council's carbon footprint.
Diversity	This decision will not have any direct impact on Diversity
Wards Affected	This decision will not affect any wards
Groups Affected	This decision will not have an impact on any groups.
Budget and Policy Framework	This report does not recommend changes to the Budget and Policy Framework
Key Decision	Yes
Urgent Decision	No
Council Plan	Strategic oversight of procurement will help in the delivery of the Council's objectives
Efficiency	The production of the update to the Procurement Plan is designed to save Member and Officer time for requesting delegated powers to make contract award decisions.
Impact on Looked After Children and Care Leavers	This report has no direct impact on Looked After Children or Care Leavers

## MAIN REPORT

### Information and Analysis

#### Strategic Contracts

7. Any contract award decision with a value below £100,000 is delegated to officers. Under the Contract Procedure Rules an annual Procurement Plan is produced listing details of all existing and new contracts that are £100,000 or above and which require a tender process.
8. This then allows Cabinet to be advised of the contracts of £100,000 and over and to decide which of those contracts are strategic.
9. For those contracts designated strategic the final contract award decision will be approved by the Procurement Board and will be reported to Cabinet.

#### Assessment of contracts

10. Details of which contracts are designated strategic and which are designated non-strategic are detailed in Appendix 1. The contracts have been assessed against the criteria agreed by Cabinet, the criteria are provided at **Appendix 2** for information. However, Members and Officers may decide to recommend other than what the score suggests. Anything else would be considered non-strategic.

11. Based on the criteria there are no contracts that are designated strategic in the update to the Annual Plan.

#### **Update on Procurements previously designated as Strategic**

12. New Build Housing Project – Neasham Road, a number of individual contracts have been awarded via the Contractors DPS.
13. Flexible Free Entitlement (FFE) and early education - block contract awarded to all providers on tariff rate for 15/ 30 hours early years entitlement- Awarded to all providers on the basis of the DFE grant funding terms.
14. Framework Agreement for Joint Venture Residential Development with Darlington Borough Council. The contract has been award to ESH Homes.

#### **Procurement Board waiver decisions**

15. Under the Contract Procedure Rules, the Procurement Board may waive the Contract Procedure Rules in specific circumstances and is required to report waiver decisions that have been made to Cabinet.
16. The Contract Procedure Rules can only be waived as an exception. The Contract Procedure Rules require the Procurement Board when considering requests for waivers to take into account the following:
  - (a) The contract value and the length of the proposed contract.
  - (b) What steps have been taken to satisfy that the best value duty has been complied with (for instance quotations, market testing).
  - (c) The extent to which there are good reasons why it is not possible to undergo a competitive process (for instance, pressing need or urgency, where further work is required before going to market, where only a short contract extension is needed, or the lack of an available market).
  - (d) Whether the new contract is intended to be a stop gap prior to undergoing a competitive process.
  - (e) The availability of compliant alternatives to direct awards, such as frameworks.
  - (f) Any other reason that is being given by the commissioning area.
17. This report details the circumstances and the reasons why the contract procedure rules have been waived by Procurement Board at **Appendix 3**, during the period to end September 2021.

## **Social Value**

18. For every procurement with a value of over £100,000, procurers must consider the social and economic and environmental aspects of letting these contracts, this must be evidence that an evaluation of the social value implications have been assessed.
19. The procurement board request form has been amended to ensure that this evidence is provided at an early date. Any relevant request over £100,000 which does not feature this information will be returned and not presented to Procurement Board until it is provided.
20. The National TOMS (Themes, Outcomes and Measures) Framework is used to assess the information, this is currently being reviewed with a view to tailoring the requirements to the social value aims prioritised by Darlington. Officers are liaising with the other North East Authorities to ascertain their approach as they are undertaking a similar exercise to Darlington.
21. Procurement officers have met with the procurement leads of other Anchor Institutions within the town with a view to coordinating the approach taken to social value. This will enable us to take a joined-up approach and have a greater and more meaningful impact than if the approach was unique to the Council.
22. The intranet has been updated so that there is a page specifically for Social Value and Local Spend. This contains an explanation as to the meaning of the two terms and will develop to contain a number of guidance documents to ensure that staff understand how to maximise both through their procurement exercises.

## **Outcome of Consultation**

23. No consultation was carried out in preparation of this report.

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Item No	Procurement Board Number	Current Supplier or Contractor	Description of Supply	Contract Term in years	Approx Value per annum	Approx Value of the Contract	Cost	Impact on Residents (1)	Risk - Financial, Health & Safety, Public (2)	Innovative in design, New form of contract, Sustainability (3)	External Monitoring e.g. from funding body (4)	Total	Strategic	Appropriate Director for Delegation	Further Description of goods or services and planned procurement route if known
1	PB2021-00323	Adare	NEPO504 Election and Electoral Print	4	£ 60,000.00	£ 240,000.00	1	3	3	1	1	9	Non-Strategic	Group Director of Operations	Collaborative over threshold Open Tender
2	PB2021-00337	Various	NEPO515 Child and Adult Barristers	4	£ 320,000.00	£ 1,280,000.00	2	3	2	1	1	9	Non-Strategic	Group Director of Operations	Collaborative over threshold Open Tender
3		Mitie	Internal and External Painting to Council Properties and Buildings	5	£ 300,000.00	£ 1,500,000.00	2	3	1	1	1	8	Non-Strategic	Group Director of Services	Open tender
4	PB2021-00361	Royal Mail	1st class, special delivery, recorded/registered	4	£ 30,000.00	£ 120,000.00	1	3	1	1	1	7	Non-Strategic	Group Director of Operations	Direct Award via CCS RM6017 framework
5		Zurich	Insurance provider	5	£ 900,000.00	£ 4,500,000.00	5	1	3	1	1	11	Non-Strategic	Group Director of Operations	Further Competition on the NEPO/YPO DPS
6		ESS	CCTV Maintenance and Repairs	4	£ 50,000.00	£ 200,000.00	1	3	3	1	1	9	Non-Strategic	Group Director of Operations	Open Tender
7		Initial	NEPO424 Washroom Services	4	£ 40,000.00	£ 160,000.00	1	1	1	1	1	5	Non-Strategic	Group Director of Operations	Collaborative over threshold Open Tender
8	PB2020-00274	Bunzl	NEPO417 Janitorial and Facilities	4	£ 40,000.00	£ 160,000.00	1	1	1	1	1	5	Non-Strategic	Group Director of Operations	Collaborative over threshold Open Tender
9		Daisy Communications	Traditional telephony	4	£ 45,000.00	£ 180,000.00	1	1	1	1	1	5	Non-Strategic	Group Director of Operations	Further Competition on the CCS framework
10	PB2021-00327	Eon	Local Authority Delivery Scheme 2 to target 100 properties for the Green Homes Grant Local Delivery Project.	1	£ 677,283.00	£ 677,283.00	1	3	2	1	4	11	Non-Strategic	Group Director of Operations	Direct Award
11			NEPO211 Civil Engineering and Infrastructure Works	4	£ 250,000.00	£ 1,000,000.00	2	1	1	1	1	6	Non-Strategic	Group Director of Services	Collaborative Over Threshold Tender Exercise
12	PB2021-00365	Axiell	Library Management system	6	£ 30,000.00	£ 180,000.00	1	1	1	1	1	5	Non-Strategic	Group Director of Services	Direct Award
13	PB2021-00433	700 Club	Provision of housing related support to single people who are homeless or are at risk of homelessness through the provision of 28 units of hostel accommodation in the Borough of Darlington.	6	£ 174,715.50	£ 1,048,293.00	2	3	2	3	3	13	Non-Strategic	Group Director of People	Direct Award published via VEAT Notice
14	PB2021-00434	TV YMCA	Provision of a Positive Support Pathway for young people experiencing or at risk of homelessness.	6	£ 344,645.00	£ 2,067,870.00	3	3	2	3	3	14	Non-Strategic	Group Director of People	Direct Award published via VEAT Notice
15	PB2021-00435	The Keys Group	Provision of Supported Living for Care Leavers.	6	£ 152,446.33	£ 914,677.98	1	3	2	3	3	12	Non-Strategic	Group Director of People	Direct Award published via VEAT Notice
16	PB2021-00466	Framework	NEPO515 Child and Adult Barristers	1	£ 800,000.00	£ 800,000.00	1	1	1	1	1	5	Non-Strategic	Group Director of Operations	Direct Award to extend the current collaborative Framework
17	P2019/2086/NE	Framework	NEPO512 Translation and Interpreting Service	4	£ 25,000.00	£ 100,000.00	1	1	1	1	1	5	Non-Strategic	Group Director of Operations	Further Competition on the NEPO Framework
18		ESS	CCTV (Closed-Circuit Television) Safer Streets Fund	1	£ 189,000.00	£ 189,000.00	1	5	2	1	1	10	Non-Strategic	Group Director of Services	Direct Award
19		Various Providers	Disabled Adults Residential Framework	1	£ 500,000.00	£ 500,000.00	1	4	2	1	1	9	Non-Strategic	Group Director of People	Direct Award to extend the current Framework
20		Healthwatch Darlington	Healthwatch	4	£ 76,000.00	£ 304,000.00	1	4	1	1	3	10	Non-Strategic	Group Director of People	Direct Award
21		New Contract	Ingenium Parc Drainage Works	1	£ 1,200,000.00	£ 1,200,000.00	2	2	2	1	1	8	Non-Strategic	Group Director of Services	Tender to a minimum of 5 Contractors
22		New Contract	Landscaping and plot remediation work's at Central Park	2	£ 1,500,000.00	£ 3,000,000.00	4	2	2	1	1	10	Non-Strategic	Group Director of Services	Direct Award via the SCAPE Framework

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ASSESSMENT MATRIX FOR STRATEGIC PROCUREMENT					
VALUE		SIGNIFICANCE			
Cost		Impact on Residents (1)	Risk - Financial, Health & Safety, Public (2)	Innovative in design, New form of contract, Sustainability (3)	External Monitoring e.g. from funding body (4)
=> £5,000,000	Automatically considered strategic				
Between £4,000,000 & £4,999,999	5	5	5	5	5
Between £3,000,000 & £3,999,999	4	4	4	4	4
Between £2,000,000 & £2,999,999	3	3	3	3	3
Between £1,000,000 & £1,999,999	2	2	2	2	2
Less than £1,000,000	1	1	1	1	1
Score	0	0	0	0	0
<b>Total Score</b>	<b>0</b>	<b>This procurement is</b>		<b>Non-Strategic</b>	

Each procurement must be reviewed against the matrix above. Any contract with an overall value in excess of £5,000,000 will be considered strategic. For any procurement where the value of the contract falls below £5,000,000 the goods or services to be purchased must be assessed on the value and the significance in relation to the other 4 columns and marked accordingly, where 5 is considered to be high significance and 1 low significance. Once a score has been decided for each column it is put in the relevant cell (c17 - K17) the spreadsheet automatically collates the score and determines if the procurement is strategic or non-strategic. Anything that scores 15 or more considered to be strategic. If however a procurement comes out as non-strategic but officers feel they would still want political support for the decision they can choose to take a report to Cabinet.

Note 1: What is the impact on residents? Is it restricted to one street, or estate or is it much wider than that? Does it affect 2 or more wards?

Note 2: Is there significant financial risk to the authority? Is there a H&S risk e.g. care for vulnerable people? Is there a risk to the public? Reputational risk?

Note 3: Is the authority familiar with the form of contract being entered into? Is the contract innovative in its delivery? Are we changing the service?

Note 4: Are there any specific requirements from external funders that represent a risk to the authority e.g. Pathfinder projects for DFES?

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**PROCUREMENT BOARD DECISIONS TO WAVE CONTRACT PROCEDURE RULES WITH A CONTRACT VALUE OVER £100K  
MARCH 2021 - SEPTEMBER 2021**

Procurement Board Reference Number	Approval Date	Description	Contract Term	Contract Value	Supplier
PB2021-00310	30 March 2021	Direct Award - Next Steps Rough Sleeper Funding - Outreach & Floating Support for high needs clients in accommodation. The current provider is contracted for the Outreach and Support Scheme	3 years	£ 110,385.00	700 Club
PB2021-00313	30 March 2021	Direct Award - The Provision of a Consolidated Advocacy Service for Adults. This service enables the Council to fulfil this statutory duty.	1 year	£ 185,000.00	Darlington Association on Disability
PB2021-00317	30 March 2021	Direct Award - Adult Residential Placement No suitable placements available on the Councils contracted provision to meet the needs.	4 years	£ 155,360.52	Teesdale Lodge Nursing Home
PB2021-00327	13 April 2021	Direct Award - (LAD2) Local Authority Delivery Scheme to target 100 properties for the Green Homes Grant Local Delivery Project. Benchmarking and procurement options have been undertaken with other TV Authorities	8 months	£ 677,288.00	E.ON
PB2021-00340	25 May 2021	Direct Award - Child Education Placement No suitable placements available on the Councils contracted provision to meet the needs.	5 years	£ 369,805.00	Priory Hurworth House
PB2021-00341	25 May 2021	Direct Award - Child Education Placement No suitable placements available on the Councils contracted provision to meet the needs.	6 years	£ 320,515.00	Priory Hurworth House
PB2021-00344	27 April 2021	Direct Award - Enforcement Services Extending the original contract and benchmarking has been carried out.	1 year	£ 137,000.00	Equita Ltd
PB2021-00346	27 April 2021	Direct award - Framework Agreement for the Joint Venture Residential Development. Benchmarking has been undertaken	4 years	£ 50,000,000.00	ESH Homes
PB2021-00349	11 May 2021	Direct Award - Replacement Double Glazed UPVC Windows (Grant Funded LAD1b). No suitable contractors available that could meet the funding requirements	5 months + 1 year	£ 600,000.00	Anglian Group
PB2021-00350	11 May 2021	Direct Award - Child Education Placement No suitable placements available on the Councils contracted provision to meet the needs.	2 years	£ 141,960.00	Embleton View (ALD Group)
PB2021-00364	25 May 2021	Direct Award - Adult Residential Placement No suitable placements available on the Councils contracted provision to meet the needs.	4 years	£ 302,412.00	Hundens Park Care Home

PB2021-00365	25 May 2021	Direct Award - inclusion of EDI functionality in the Library Software The supplier is the current contracted supplier for this service.	5 + 1 years	£ 159,040.00	Axiell
PB2021-00378	22 June 2021	Direct Award - Child Education Placement No suitable placements available on the Councils contracted provision to meet the needs.	60 months	£ 362,355.00	Hartwell School
PB2021-00386	22 June 2021	Direct Award - Adult Residential Placement No suitable placements available on the Councils contracted provision to meet the needs.	4 years	£ 281,556.00	Hundens Park Care Home
PB2021-00387	22 June 2021	Direct Award - Adult Residential Placement No suitable placements available on the Councils contracted provision to meet the needs.	4 years	£ 173,296.67	Bondcare
PB2021-00388	22 June 2021	Direct Award - Safe Families for Children, Safe short overnight hosting stays for children, practical family resources befriending. The service is bespoke and a procurement exercise would risk eroding the strong and established volunteers.	2.5 years	£ 137,500.00	Safe Families for Children
PB2021-00390	22 June 2021	Direct Award - Complex Needs Adults Residential Care Placement No other suitable placements available that meet the needs.	6 months	£ 698,809.44	St. John of God- Sandown Road Residential Home
PB2021-00391	22 June 2021	Direct Award - Financial Crisis Support Service. There is no other suitable providers in the market at this time.	5 years	£ 400,000.00	Citizens Advice Bureau
PB2021-00392	22 June 2021	Direct Award - Community Support Service. There is no other suitable providers in the market at this time.	5 years	£ 650,000.00	Citizens Advice Bureau
PB2021-00393	22 June 2021	Direct Award - Internal and External Decoration including Pre-Paint Repairs to Council Dwellings and Buildings A review of the services is required with a procurement exercise to be carried out.	9 Months	£ 300,000.00	Mitie Property Services
PB2021-00397	22 June 2021	Direct Award - Child Education Placement No suitable placements available on the Councils contracted provision to meet the needs.	5 years	£ 164,287.50	NEAS
PB2021-00404	06 July 2021	Direct Award - Domiciliary Care Placement No suitable placements available on the Councils contracted provision to meet the needs.	4 years	£ 116,428.62	Care Matters
PB2021-00406	16 July 2021	Direct Award - Child Education Placement No suitable placements available on the Councils contracted provision to meet the needs.	9 years	£ 379,080.00	NEAS
PB2021-00408	16 July 2021	Direct Award - Adult Residential Placement No suitable placements available on the Councils contracted provision to meet the needs.	4 years	£ 413,991.60	Hundens park Care Home
PB2021-00409	16 July 2021	Direct Award - Adult Residential Placement No suitable placements available on the Councils contracted provision to meet the needs.	4 years	£ 359,957.87	Teesdale Lodge Nursing Home

PB2021-00411	16 July 2021	Direct Award - Home Care and Support Adult Placement No suitable placements available on the Councils contracted provision to meet the needs.	4 years	£ 133,544.12	Richmond Fellowship
PB2021-00414	16 July 2021	Direct Award - Step down from residential care placement to a foster placement No suitable placements available on the Councils contracted provision to meet the needs.	Two years with option to extend for 2 x 12 months	£ 170,560.00	A1 Foster Care
PB2021-00418	16 July 2021	Direct Award - Child Education Placement No suitable placements available on the Councils contracted provision to meet the needs.	3 years	£ 195,300.00	Embleton View (ALD Group)
PB2021-00419	16 July 2021	Direct Award - Child Education Placement No suitable placements available on the Councils contracted provision to meet the needs.	2 years 1 month	£ 133,477.08	Clervaux Garden School
PB2021-00420	16 July 2021	Direct Award - Child Education Placement No suitable placements available on the Councils contracted provision to meet the needs.	4 years	£ 336,290.02	North East Centre for Autism
PB2021-00421	16 July 2021	Direct Award - Child Education Placement No suitable placements available on the Councils contracted provision to meet the needs.	4 years	£ 206,788.00	North East Centre for Autism
PB2021-00422	16 July 2021	Direct Award - Child Education Placement No suitable placements available on the Councils contracted provision to meet the needs.	6 years	£ 246,720.00	North East Centre for Autism
PB2021-00423	16 July 2021	Direct Award - Child Education Placement No suitable placements available on the Councils contracted provision to meet the needs.	5 years	£ 377,212.50	Embleton View (ALD Group)
PB2021-00425	16 July 2021	Direct Award - Child Education Placement No suitable placements available on the Councils contracted provision to meet the needs.	3 years 7 months	£ 233,275.00	Embleton View (ALD Group)
PB2021-00426	16 July 2021	Direct Award - Child Education Placement No suitable placements available on the Councils contracted provision to meet the needs.	4 years	£ 273,000.00	Embleton View (ALD Group)
PB2021-00427	16 July 2021	Direct Award - Child Education Placement No suitable placements available on the Councils contracted provision to meet the needs.	3 years 5 months	£ 188,343.75	Embleton View (ALD Group)
PB2021-00428	16 July 2021	Direct Award - Child Education Placement No suitable placements available on the Councils contracted provision to meet the needs.	2 years 8 months	£ 194,405.33	Embleton View (ALD Group)
PB2021-00429	16 July 2021	Direct Award - Child Education Placement No suitable placements available on the Councils contracted provision to meet the needs.	6 years 11 months	£ 524,248.75	Hartwell School
PB2021-00430	16 July 2021	Direct Award - Child Education Placement No suitable placements available on the Councils contracted provision to meet the needs.	4 years 2 months	£ 273,887.50	Hartwell School

PB2021-00431	16 July 2021	Direct Award - Child Education Placement No suitable placements available on the Councils contracted provision to meet the needs.	10 years	£ 755,150.00	Thornhill School
PB2021-00447	03 August 2021	Direct Award - Child Education Placement No suitable placements available on the Councils contracted provision to meet the needs.	3 years	£ 217,413.00	Witherslack Group
PB2021-00454	17 August 2021	Direct Award - Child Education Placement No suitable placements available on the Councils contracted provision to meet the needs.	2 years 11 months	£ 191,350.83	Clervaux Garden School
PB2021-00455	17 August 2021	Direct Award - Child Education Placement No suitable placements available on the Councils contracted provision to meet the needs.	4 years 11 months	£ 344,446.90	Clervaux Garden School
PB2021-00457	17 August 2021	Direct Award - Adult Residential Placement No suitable placements available on the Councils contracted provision to meet the needs.	Unknown	£ 111,048.40	Middleton Hall
PB2021-00460	17 August 2021	Direct Award - Child Education Placement No suitable placements available on the Councils contracted provision to meet the needs.	3 years	£ 114,936.00	North East Centre for Autism
PB2021-00464	31 August 2021	Direct Award - Child Placement No suitable placements available on the Councils contracted provision to meet the needs.	34 weeks	£ 319,750.00	Durham County Council
PB2021-00465	31 August 2021	Direct Award - Child Education Placement No suitable placements available on the Councils contracted provision to meet the needs.	2 years	£ 161,616.00	Embleton View (ALD Group)
PB2021-00473	14 September 2021	Direct Award - Child Education Placement No suitable placements available on the Councils contracted provision to meet the needs.	6 years 9 months	£ 137,250.33	Percy Hedley
PB2021-00476	14 September 2021	Direct Award - Child Residential Placement No suitable placements available on the Councils contracted provision to meet the needs.	1 year	£ 466,812.84	BDT Care Solutions Ltd
PB2021-00478	14 September 2021	Direct Award for Specialist piling foundation system for Sherbourne Close new build scheme. No other suitable available Contractors to carryout out the specialist works in the required timescales.	12 weeks	£ 110,000.00	Roger Bullivant Ltd
PB2021-00480	14 September 2021	Direct Award for the Supply only of LED Sign Lanterns Benchmarking has been undertaken	6 months	£ 111,000.00	Simmons signs
PB2021-00482	14 September 2021	Direct Award - Safer Streets Funding CCTV project for Cameras. This is to be added to the existing contract for the new cameras	6 months	£ 189,000.00	Electronic Security Solutions
PB2021-00483	14 September 2021	Direct Award - Adult Residential Placement No suitable placements available on the Councils contracted provision to meet the needs.	4 years	£ 166,480.92	St. Helens care Home



**CABINET  
5 OCTOBER 2021**

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**LAND AT FAVERDALE – FORMER ST MODWEN LAND  
DEVELOPMENT STRATEGY**

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

**Responsible Director – Ian Williams, Chief Executive**

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**SUMMARY REPORT**

**Purpose of the Report**

1. The purpose of this report is to obtain approval to seek Expressions of Interest for a preferred developer for the 29.95 Ha (74 acres) of land shown hatched on the plan at **Appendix 1** to the east of Faverdale East Business Park (FEBP), for employment use. A report will be submitted back to Cabinet with recommendations once expressions of interest have been received and analysed.

**Summary**

2. The land is in the ownership of the Council and is allocated for employment uses. The Council owns land at FEBP which is considered suitable to provide two potential access points to the site. It also adjoins the Burtree Garden Village site to the North.
3. It is proposed that the Council will seek Expressions of Interest with a view to selecting a Preferred Developer. Scheme proposals will be requested together with indicative land values. Options for the proposals will include plans for the Council to retain circa 18 acres to satisfy potential enquiries from businesses looking to develop in Darlington, so that turn-key sites are available.

**Recommendations**

4. It is recommended that:
  - (a) Cabinet agrees to the marketing of the land to seek Expressions of Interest.
  - (b) Delegated Authority is given to the Chief Executive to negotiate provisional disposal terms with the final terms being reported to a future meeting of Cabinet.

## Reasons

5. The recommendations are supported by the following reasons:
- (a) To promote new development and Economic Growth.
  - (b) To facilitate future expansion of FEBP and ensure the availability of development land for employment related uses.

**Ian Williams**  
**Chief Executive**

## Background Papers

No background papers were used in the preparation of this report

Jenny Dixon : Ext 6320

S17 Crime and Disorder	The report has no implications for crime and disorder
Health and Well Being	The report has no implications for health and well being
Carbon Impact and Climate Change	There is potential for any new Building to be easily accessible by sustainable transport modes which will help ensure the carbon footprint of the development is acceptable.
Diversity	No implications
Wards Affected	Brinkburn and Faverdale
Groups Affected	All
Budget and Policy Framework	The resolutions in this report will not make changes to the Budget and Policy framework.
Key Decision	No
Urgent Decision	No
Council Plan	Supports the Council Plan by bringing jobs potentially to Darlington, and facilitating development
Efficiency	The workload resulting from the recommendations in this report assumes resources at existing levels.

## MAIN REPORT

### Information and Analysis

6. The Council acquired 74 acres of land to the east of FEBP in 2020 from St Modwen, shown hatched on the plan at Appendix 1 (min C125/Mar/2020 refers). The land is bounded by the Honeypot Lane travellers' site to the south, the Bishop Auckland Branch railway line to the east and Argos and the proposed Burtree Garden Village site to the north and comprises some 50 acres or so of agricultural/grazing land with the remainder being the remaining floor slab of the former Rolling Stock works surrounded by scrub covered embankments.
7. The site is the subject of a planning approval for B1(c), B2 and B8 uses, subject to a Section 106 Agreement and planning conditions. This was obtained by St Modwen in anticipation of trying to secure a development for Amazon however once Amazon went to their current site on the eastern side of town the Section 106 Agreement process was not completed and the planning permission has not been issued.
8. It is considered that bio-diversity issues could prevent development on part of the site although potential developers will need to take a view on whether the cost of remediation and mitigation would be outweighed by potential development value, however it is envisaged that as a minimum circa 50 acres of land would be "green field" and suitable for development for employment use, subject to planning permission.
9. Since 2014 the Council has sold plots of land on the adjacent Faverdale East Business Park to: Davies Transport, Subsea Innovation, JTM Plumbing Supplies and Allinson Transport, all for their own businesses due to outgrowing existing premises in Darlington. Currently the Council is in discussion with 3 further prospective purchasers for approximately 7 acres of land after which we will only have one serviced site remaining, part of which will be required for an access to the St Modwen Land.
10. The Business Growth and Investment Team receive regular enquiries for development land for owner occupation and since the start of 2021 have received 5 substantive enquiries for land for business re-location/development in the Faverdale area. In all cases, close proximity to the A1(M) was cited as a key requirement, alongside close proximity to key customers, eg Aldi and Lidl Regional Distribution Centres. Until we can make more serviced sites available these enquiries will need to be directed elsewhere.
11. It is proposed that the site is marketed, and Expressions of Interest requested on the following basis:
  - (a) The preferred developer provides a Masterplan option to fund and open the site with strategic infrastructure and services ready for development by the developer.
  - (b) The preferred developer would fund and undertake all surveys and preliminary development work. It is envisaged a period of exclusivity would be required.
  - (c) The preferred developer would provide a Development Appraisal showing the costs and gross residual land value/capital receipt.

- (d) In lieu of the above works and upon completion of the strategic infrastructure and services, the developer is granted an area of land to bring forward for development, on terms to be agreed.
  - (e) The developer would identify circa 18 acres of land to be retained by the Council, ready to bring forward for development by interested parties, on the basis that the developer had provided strategic infrastructure.
12. Once a preferred developer has been provisionally identified, a report will be submitted back to Cabinet for consideration of any options and terms.

### **Legal Implications**

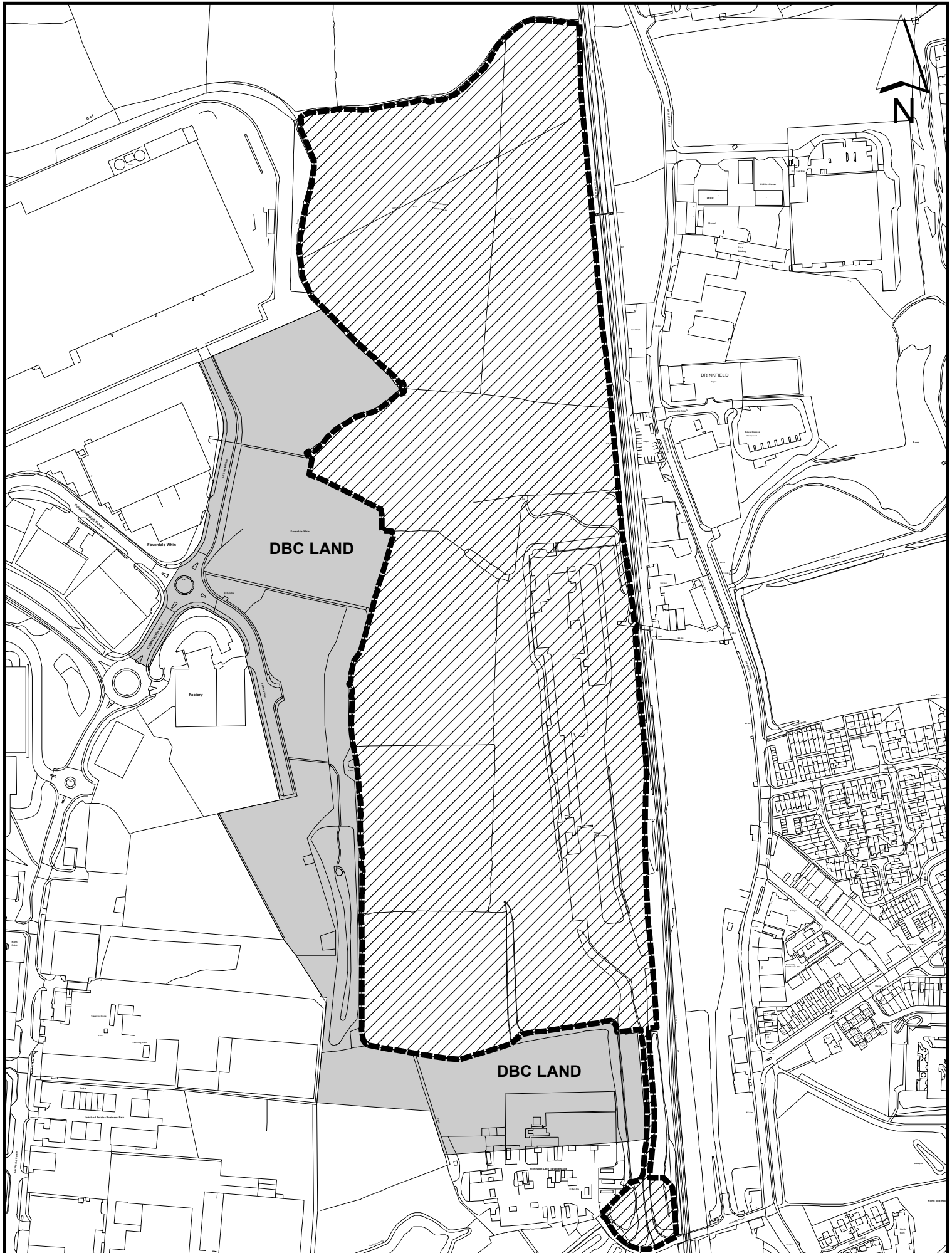
13. As this proposal concerns the sale of land, the Council must ensure that it complies with S.123 of the Local Government Act 1972. Save for the above there are no legal implications arising from the proposal in this report at this stage, though legal implications may arise following title investigations.

### **Planning Comment**

14. The site in question is allocated for employment related uses subject to the grant of detailed planning permission.

### **Finance Comment**

15. The acquisition of land was forwarded funded from the Capital Investment Fund and was to be repaid from future capital receipts. The actual value of capital receipts will not be known until after submission of developer expressions of interest.



DARLINGTON BOROUGH COUNCIL  
 ECONOMIC GROWTH GROUP,  
 ESTATES & PROPERTY TEAM,  
 TOWN HALL, FEETHAMS,  
 DARLINGTON  
 Co. DURHAM, DL1 5QT

Project Title: **APPENDIX 1 - LAND ADJACENT TO F.E.B.P, DARLINGTON**  
 Drawing Title: **LIGHT SHADED AREA = DBC OWNED LAND**

Scale: **1 : 5000** Ref: **AT A4**  
 Date: **21/02/20** Area:  
 Drawn: **RMH** **74.25 Acres**

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**CABINET**  
**5 OCTOBER 2021**

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**LAND AT FAVERDALE / BURTREE GARDEN VILLAGE**  
**FEASIBILITY WORK**

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

**Responsible Director – Ian Williams, Chief Executive**

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**SUMMARY REPORT**

**Purpose of the Report**

1. The purpose of this report is to seek approval for feasibility funding to engage the services of Esh Homes Limited to help facilitate an early planning application for the Council owned land shown on the attached plan at **Appendix 1** and incur the associated costs.

**Summary**

2. At the meeting of Cabinet on 11 July 2017, the Council's land, circa 27 Ha (67 acres) as shown on Appendix 1, was declared surplus to requirements. Work is ongoing to bring this site forward for development and it is envisaged a detailed report will be prepared for Cabinet once the feasibility work has been completed.
3. The Council land forms part of the Burtree Garden Village. Since July 2017, several actions have been completed including the development of a Masterplan Visioning Document and the agreement of a Design Code for the overall development. Burtree Garden Village forms an important part of the Council's Local Plan which is currently progressing through Examination in Public.
4. The intention is for a Joint Venture company to be formed to develop the Council owned land, as shown on the plan at **Appendix 2** and further proposals about this will be brought to Cabinet in due course. To facilitate this development there are several surveys and pieces of feasibility work that will be required to be carried out on the land. The feasibility works will be procured by Esh Homes Limited and the Council in compliance with the Council's procurement procedures.
5. The schedule forming the feasibility work are set out in **Appendix 3** to be considered in Part III of the report.

## **Recommendations**

6. It is recommended that Cabinet:
  - (a) Approves the costs identified in Appendix 3 of the report and authorises the release of the funding necessary to appoint Esh Homes Ltd and for the Council to undertake the feasibility work required to submit a planning application. The costs to be funded from the Council's Investment Fund.
  - (b) The Assistant Director – Law and Governance be authorised to execute the necessary documents to facilitate future development.

## **Reasons**

7. The recommendations are supported by the following reasons: -
  - (a) To provide a site capable of contributing to the delivery of new Housing and other affordable/social homes to satisfy the Borough's housing need.
  - (b) To achieve a capital receipt for the Council and increased Council Tax receipts from new homes.

**Ian Williams**  
**Chief Executive**

## **Background Papers**

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

Jane Sutcliffe Ext 5746



S17 Crime and Disorder	The report has no implications for crime and disorder
Health and Well Being	The report has no implications for health and well being
Carbon Impact and Climate Change	There is potential for any new Building to be easily accessible by sustainable transport modes which will help ensure the carbon footprint of the development is acceptable.
Diversity	No implications
Wards Affected	Brinkburn and Faverdale
Groups Affected	All
Budget and Policy Framework	The resolutions in this report will not make changes to the Budget and Policy framework.
Key Decision	No
Urgent Decision	No
Council Plan	This will help support facilitating development and economic growth for Darlington
Efficiency	The workload resulting from the recommendations in this report assumes resources at existing levels.

## MAIN REPORT

### Information and Analysis

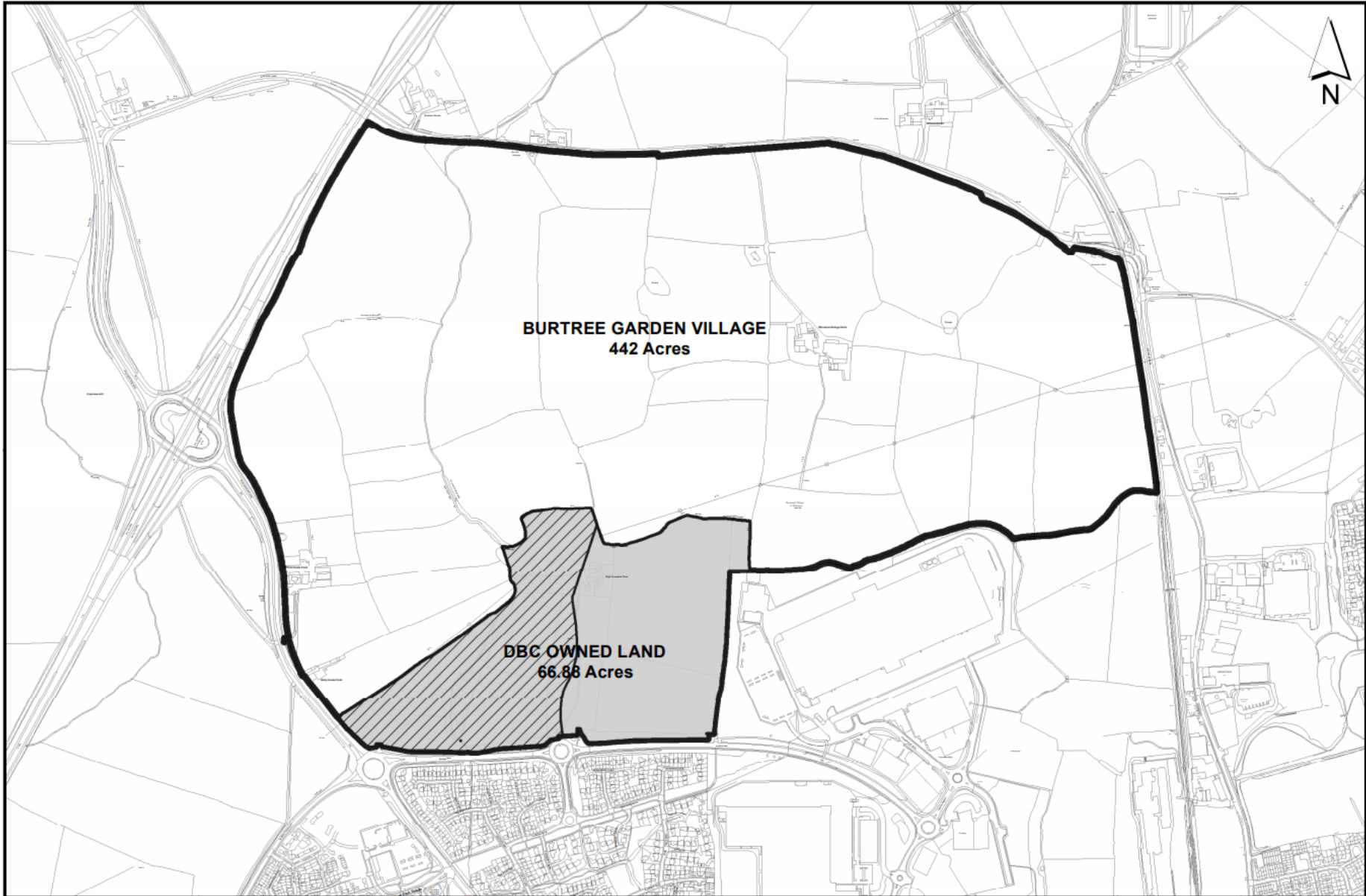
8. The Council's land amounting to approximately 27 HA (67 acres) as shown at Appendix 1 currently forms part of the wider Burtree Garden Village proposals that are currently being considered as part of the Local Plan process.
9. As part of the Burtree Garden Village development discussions are ongoing between the Council and Homes England (who own adjoining land) to finalise a planning application for the site. Homes England are planning to submit a planning application (expected January 2022) which will include part of the Council's land that Esh/JV would develop as shown at Appendix 2.
10. It is proposed that Esh Homes Limited be appointed to undertake feasibility work in respect of the Council's land for the proposed residential development as part of the first phase of Burtree Garden Village.
11. Subject to planning, the draft scheme as outlined at Appendix 2 would provide approximately 188 new homes. Currently comprising of:
  - (a) 76 detached homes
  - (b) 82 semi-detached homes
  - (c) 30 terrace homes

### **Finance Implications**

12. It is proposed that the feasibility works to be undertaken by Esh Homes Limited and the Council as set out in Appendix 3 are to be funded from the Council's Investment Fund and repaid from future capital receipts as the site is developed.

### **Procurement Implications**

13. All procurement activity will be undertaken in accordance with DBC's Contract Procedure Rules and the Public Contract Regulations.



DARLINGTON BOROUGH COUNCIL  
ECONOMIC GROWTH GROUP  
ESTATES AND PROPERTY  
ROOM, 406 TOWN HALL,  
FEETHAMS, DARLINGTON,  
Co. DURHAM, DL1 5QT

Project Title: **BURTREE GARDEN VILLAGE = Entire Thick Black Line Area 442 Acres**  
Drawing Title: **DBC OWNED LAND (Shaded) - ESH J.V DEVELOPMENT (Hatched)**

Scale: **1:10000**  
Date: **17/06/21**  
Drawn: **RMH**

Ref: **AT A4**  
Area:

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

Document is Restricted

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**CABINET**  
**5 OCTOBER 2021**

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**TREASURY MANAGEMENT ANNUAL REPORT AND OUTTURN**  
**PRUDENTIAL INDICATORS 2020/21**

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**Responsible Cabinet Member –**  
**Councillor Scott Durham, Resources Portfolio**

**Responsible Director –**  
**Elizabeth Davison, Group Director of Operations**

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**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 by regulations issued under the Local Government Act 2003 to produce an annual treasury management review that covers treasury activity for 2020/21. The report also seeks approval of the Prudential Indicators results for 2020/21 in accordance with the Prudential Code.

**Summary**

2. The financial year 2020/21 was an unprecedented year with regard to treasury management due to the ongoing Covid-19 pandemic. Cost of borrowing remained low throughout 2020/21 and due to the Covid-19 pandemic the cost of shorter term borrowing is anticipated to remain low for a number of years in the future. However, as Members are aware due to the recent low returns for cash investments new ways to improve investment returns are continually being sought.
3. During 2020/21 the Council complied with its legislative and regulatory requirements. The borrowing need (**Table 1**) was only increased for capital purposes.
4. At 31 March 2021 the Council's external debt was £161.531m which is £20.130m less than the previous year; this reduction relates to not re-borrowing for matured debt due to an increase in the level of monies received by the Council. The average interest rate for borrowing increased from 2.60% in 2019/20 to 2.76% in 2020/21. Investments totalled £59.399m at 31 March 2021 (£56.799m at 31 March 2020) earning interest of 0.60% on short term cash investments and 2.33% on Property Fund units net of costs.
5. Financing costs have been reduced during the year and a saving of £0.265m has been achieved from the original MTFP due to reduced interest on debt.

## **Recommendations**

6. It is recommended that:
  - (a) The outturn 2020/21 Prudential Indicators within this report and those in **Appendix 1** be noted.
  - (b) The Treasury Management Annual Report for 2020/21 be noted.
  - (c) This report to be forwarded to Council, in order for the 2020/21 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.

**Elizabeth Davison**  
**Group Director of Operations**

## **Background Papers**

- (i) Accounting Records
- (ii) Annual Investment Strategy 2020/21
- (iii) Prudential Indicators and Treasury Management Strategy Report 2020/21

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 and climate change
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
Council Plan	The proposals in the report support delivery of the Council Plan 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	This report has no impact on Looked After Children or Care Leavers

## MAIN REPORT

### Information and Analysis

8. This report summarises:
  - (a) Capital expenditure and financing for 2020/21;
  - (b) The Council's overall borrowing need;
  - (c) Treasury position at 31st March 2021;
  - (d) Prudential indicators and compliance issues;
  - (e) The economic background for 2020/21;
  - (f) A summary of the Treasury Management Strategy agreed for 2020/21;
  - (g) Treasury Management activity during 2020/21;
  - (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 2020/21

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) If insufficient financing is available, 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 £8.254m less than planned, mostly down to reduced activity in the HRA resulting from the Covid-19 pandemic (and lockdown) which restricted access to social housing properties. 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 £2.198m higher than initially anticipated.

**Table 1 – Capital Expenditure and Financing**

	2019/20	2020/21		
	Outturn £m	Revised Estimate £m	Outturn £m	Variance £m
General Fund Capital Expenditure	23.111	20.130	20.094	(0.036)
HRA Capital Expenditure	11.963	14.900	6.434	(8.466)
Loans to Joint Ventures etc	7.865	3.253	3.501	0.248
<b>Total Capital Expenditure</b>	<b>42.939</b>	<b>38.283</b>	<b>30.029</b>	<b>(8.254)</b>
Resourced by:				
Capital Receipts GF	2.348	0.963	2.538	1.575
Capital receipts Housing	1.432	0.303	0.684	0.381
JV Loans Repaid	0.000	6.485	6.200	(0.285)
Capital Grants	16.705	14.917	11.717	(3.200)
Capital Contributions	0.162	0.000	0.029	0.029
Revenue Contributions - GF	0.956	0.000	0.145	0.145
Revenue Contributions - HRA	7.411	14.597	5.750	(8.847)
Self-Financing - GF	0.000	0.250	0.000	(0.250)
<b>Total Resources</b>	<b>29.014</b>	<b>37.515</b>	<b>27.063</b>	<b>(10.452)</b>
<b>Borrowing needed to finance expenditure</b>	<b>13.925</b>	<b>0.768</b>	<b>2.966</b>	<b>2.198</b>

**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 2020/21 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 Public Works Loan Board (PWLb), or the money markets) or utilising temporary cash resources within the Council.
15. The Council's (non HRA) underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision (MRP), to reduce the CFR. This is effectively a repayment of the non-Housing Revenue Account borrowing need, (there is no statutory requirement to reduce the HRA CFR). This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

16. The total CFR can be reduced each year through a Voluntary Revenue Provision (VRP) or by the application of additional capital financing resources (such as unapplied capital receipts).
17. The Council's CFR for the year is shown in Table 2 and represents a key prudential indicator. The CFR outturn for 2020/21 is £220.685m which is £2.368m higher than approved due to the increased borrowing need required to finance the additional capital expenditure in 2020/21.
18. No MRP repayments were made on the General Fund debt in line with the report to Council on 23 February 2017.

**Table 2 - Capital Financing Requirement**

	2019/20	2020/21		
	Outturn £m	Approved Indicator £m	31 March Actual £m	Variance £m
Opening Balance	207.347	219.488	219.488	0.000
Add Capital Expenditure financed by borrowing	13.925	0.768	2.966	2.198
Less MRP/VRP Housing	(0.629)	(0.799)	(0.629)	0.170
Less MRP/VRP PFI	(1.155)	(1.140)	(1.140)	0.000
Closing balance	<b>219.488</b>	<b>218.317</b>	<b>220.685</b>	<b>2.368</b>

**Treasury Position at 31 March 2021**

19. Whilst the measure of the Council's underlying need to borrow is the CFR, the Group Director of Operations 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).
20. The Council's treasury management debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through member reporting and through officer activity detailed in the Council's Treasury Management Practices.
21. The Council's total debt outstanding at 31 March 2021 was £161.531m. In addition to this, a liability of £10.358m relating to the PFI scheme and Finance Leases brings the total to £171.889m. The Council's revised CFR position was estimated to be £218.317m, however,

the actual out turn position was £220.685m. When comparing this to our actual borrowing of £171.889m this meant that the Council was “under borrowed” by £48.796m. 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.

22. The treasury position at 31 March 2021, including investments compared with the previous year is shown in table 3 below.

**Table 3 – Summary of Borrowing and Investments**

Treasury Position	31 March 2020		31 March 2021	
	Principal £m	Average Rate %	Principal £m	Net Annualised Average Rate %
General Debt - Fixed Rate Debt, Market and Public Works Loan Board (PWLB)	156.661	2.97%	136.531	2.98%
Property Fund Borrowing	25.000	1.41%	25.000	1.42%
<b>Total Debt</b>	<b>181.661</b>	<b>2.60%</b>	<b>161.531</b>	<b>2.76%</b>
Cashflow Investments up to 6 months	21.800	0.91%	19.400	0.09%
Capital Investments over 6 months	5.000	1.05%	10.000	0.96%
Property Fund Investment - net of costs	29.999	2.20%	29.999	2.33%
<b>Total Investments</b>	<b>56.799</b>		<b>59.399</b>	
<b>Net borrowing position</b>	<b>124.862</b>		<b>102.132</b>	

### Prudential Indicators and Compliance Issues

23. Some prudential indicators provide an overview while others are specific limits on treasury activity. These indicators are shown below:

- (a) **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 (2019/20) plus the estimates of any additional capital financing requirement for the current (2020/21) 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 2020/21. 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 2020 Actual £m	31 March 2021 Approved Indicator £m	31 March 2021 Actual £m
<b>Gross Borrowing Position</b>	<b>181.661</b>	<b>188.760</b>	<b>161.531</b>
<b>PFI and Finance Lease Liability</b>	<b>11.498</b>	<b>10.358</b>	<b>10.358</b>
<b>CFR Excluding PFI &amp; leases</b>	<b>207.991</b>	<b>207.959</b>	<b>210.327</b>
<b>CFR</b>	<b>219.489</b>	<b>218.317</b>	<b>220.685</b>

- (b) **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.
- (c) **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.
- (d) **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 risen from the previous year due to an increase in the Financing costs outturn.

**Table 5 – Key Prudential Indicators**

	Actual 2019/20 £m	Original Approved Limits 2020/21 £m	Revised Approved Limits 2020/21 £m	Actual Total Liabilities Borrowing + PFI/ leases 2020/21 Maximum £m
<b>Approved Indicator – Authorised Limit</b>	<b>193.159</b>	<b>237.342</b>	<b>229.233</b>	<b>171.889</b>
<b>Approved Indicator – Operational Boundary</b>	<b>193.159</b>	<b>197.118</b>	<b>188.018</b>	<b>171.889</b>
<b>Financing costs as a percentage of net revenue expenditure</b>	<b>2.02%</b>	<b>2.37%</b>	<b>2.55%</b>	<b>2.39%</b>

24. At 31 March 2021 the total liabilities were £171.889m 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.

25. A further four prudential indicators are detailed in Appendix 1.



## **Economic Background for 2020/21**

26. A summary of the general economic conditions that have prevailed through 2020/21 provided by Link Asset Services, the Council's treasury management advisors, is attached at **Appendix 2**.

## **Summary of the Treasury Management Strategy agreed for 2020/21**

27. The revised Prudential Indicators anticipated that during 2020/21 the Council would need to borrow £0.768m to finance part of its capital programme, whereas the actual outturn figure was £2.966m.
28. 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.
29. 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 2020/21.

## **Treasury Management Activity during 2020/21**

### **Borrowing Strategy**

30. This reduced during 2020/21 by £20.130m in total. During the year and mainly due to the ongoing Covid-19 pandemic, the Council has received approximately £70m in additional grant funding from the government which has aided cashflow and allowed the Council to have a more flexible approach to its borrowing strategy.
31. During 2020/21, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the CFR), was not fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were very low and minimising counterparty risk on placing investments also needed to be considered.
32. A cost of carry remained during the year on any new long-term borrowing that was not immediately used to finance capital expenditure, as it would have caused a temporary increase in cash balances; this would have incurred a revenue cost – the difference between (higher) borrowing costs and (lower) investment returns.
33. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years (see table 6 below). However, this was kept under review to avoid incurring higher borrowing costs in the future when this authority may not be able

to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.

**Table 6 – net borrowing**

	Market Loans (incl. other Local Authorities)			Total
	Amount £m	Length of Loan	Interest Rate %	£m
New Loans Taken				
	2.000	1 year	0.90%	
	3.000	1 year	0.90%	
	5.000	1 year	0.90%	
	5.000	1 year	0.20%	
				15.000
Loans Repaid				
	(5.000)	2 years	1.45%	
	(5.000)	22 months	1.40%	
	(2.000)	1 year	1.02%	
	(3.000)	1 year	1.02%	
	(5.000)	1 year	0.83%	
	(5.000)	9 months	0.80%	
	(5.000)	5 months	0.80%	
	(5.000)	1 year	1.00%	
				(35.000)
Total New Borrowing	(20.000)			(20.000)

34. The additional funding was utilised to not replace maturing short term loans.

35. **Summary of Debt Transactions** –The consolidated rate of interest still increased from 2.60% to 2.76% due to the above transactions as the majority of the debt repaid was at a lower interest rate than the longer term debt still held.

### Investment Position

36. **Investment Policy** – the Council’s investment policy for 2020/21 is governed by the MHCLG Guidance which has been implemented in the annual investment strategy for 2020/21 approved by Council on 20 February 2020.
37. The investment activity during the year conformed to the approved Strategy and the Council had no liquidity difficulties.
38. Investment returns which had been low during 2019/20, plunged during 2020/21 to near zero or even into negative territory. Most local authority lending managed to avoid negative rates and one feature of the year was the growth of inter local authority lending. The expectation for interest rates within the treasury management strategy for 2020/21

was that Bank Rate would continue at the start of the year at 0.75 % before rising to end 2022/23 at 1.25%. This forecast was invalidated by the Covid-19 pandemic bursting onto the scene in March 2020 which caused the Monetary Policy Committee to cut Bank Rate in March, first to 0.25% and then to 0.10%, in order to counter the hugely negative impact of the national lockdown on large swathes of the economy.

39. The Bank of England and the Government also introduced new programmes of supplying the banking system and the economy with massive amounts of cheap credit so that banks could help cash-starved businesses to survive the lockdown. The Government also supplied huge amounts of finance to local authorities to pass on to businesses. This meant that for most of the year there was much more liquidity in financial markets than there was demand to borrow, with the consequent effect that investment earnings rates plummeted.
40. While the Council has taken a cautious approach to investing, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the financial crisis. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.
41. Investment balances have been kept to a minimum through the agreed strategy of using reserves and balances to support internal borrowing, rather than borrowing externally from the financial markets. External borrowing would have incurred an additional cost, due to the differential between borrowing and investment rates. Such an approach has also provided benefits in terms of reducing counterparty risk exposure, by having fewer investments placed in the financial markets.
42. 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. Short term investments of up to a year earned interest of £175k on an average balance of £29.088m which equated to an annual average interest rate of 0.60%.
43. The Council also has longer term investments which consist of the property funds and the returns are shown below in **Table7**.

**Table 7 – Longer Term 6 months to 5 years - Property Funds**

	<b>Original Budget 2020/21</b>	<b>Actual 2020/21</b>
Daily average level of Investments	<b>£29.999m</b>	<b>£29.999m</b>
Interest earned (gross)	<b>£1.061m</b>	<b>£1.054m</b>
Average Rate of Return on Investment Interest earned (gross)	<b>3.54%</b>	<b>3.51%</b>
Average Rate of Return on Investment (net of costs)	<b>2.31%</b>	<b>2.33%</b>

**Performance and Risk Benchmarking**

- 44. A regulatory development is the consideration and approval of security and liquidity benchmarks. Yield benchmarks are currently widely used to assess investment performance.
- 45. The following reports the current position against the benchmarks originally approved.
- 46. 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**

- 47. **Table 8** 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.
- 48. The investment portfolio was maintained within this overall benchmark during this year as shown in Table 8.

**Table 8**

<b>Maximum</b>	<b>Benchmark 2020/21</b>	<b>Actual June 2020</b>	<b>Actual October 2020</b>	<b>Actual January 2021</b>	<b>Actual March 2021</b>
Year 1	0.077%	0.009%	0.005%	0.003%	0.013%

- 49. 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.
- 50. 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 week’s notice.
- (c) Weighted Average Life benchmark is expected to be 146 days with a maximum of 1 year.

51. Liquidity arrangements have been adequate for the year to date as shown in **Table 9**.

**Table 9**

	<b>Benchmark</b>	<b>Actual June 2020</b>	<b>Actual October 2020</b>	<b>Actual January 2021</b>	<b>Actual March 2021</b>
<b>Weighted Average life</b>	<b>146 days to 1 year</b>	<b>113 days</b>	<b>62 days</b>	<b>30days</b>	<b>90 days</b>

52. 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.
53. 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.

**Risk**

54. 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.

55. 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.
56. Officers of the Council are aware of the risks of passive management of the treasury portfolio and, with the support of Link Asset Services, the Council's advisers, have proactively managed the debt and investments over the year.

### Treasury Management Budget

57. 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 – 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 2020/21

	£m	£m
<b>Original Treasury Management Budget</b>		<b>0.895</b>
<b>Debt</b>		
Reduced interest payable on debt	<b>(0.150)</b>	
Further savings on MRP due to increased departmental borrowing	<b>(0.176)</b>	<b>(0.326)</b>
<b>Investments</b>		
Increased investment income including property funds etc		<b>(0.403)</b>
Transfer to IFRS 9 reserve		<b>0.500</b>
<b>Other Costs</b>		
Less reduced brokerage charges		<b>(0.036)</b>
<b>Outturn Treasury Management Budget 2020/21</b>		<b>0.630</b>

58. The savings relate to a reduction in the interest payable on debt due to the cost of short term borrowing and reduced debt levels as well as increased departmental borrowing. There has also been an increase in the interest received on investments due to the cashflow levels, this has been offset by a transfer to a reserve to mitigate the potential realisation of IFRS 9 whereby the Council might need to show any capital loss of its investments through fair value in its single entity accounts unless the Government extends the end date.

### **Conclusion**

59. The Council's treasury management activity during 2020/21 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 £0.265m achieved from the original MTFP.

### **Outcome of Consultation**

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

**Additional Prudential Indicators not reported in the body of the report**

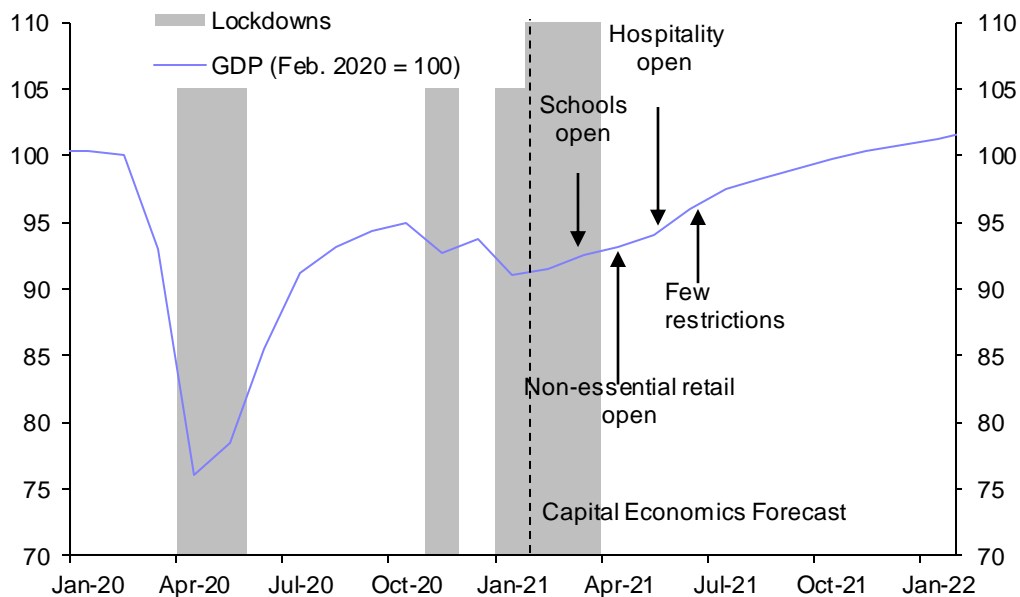
		<b>2019/20 Actual</b>	<b>2020/21 Approved Indicator</b>	<b>2020/21 Outturn</b>
<b>1</b>	<b>limits on fixed interest rates</b>	<b>79%</b>	<b>100%</b>	<b>88%</b>
<b>2</b>	<b>limits on variable interest rates</b>	<b>21%</b>	<b>40%</b>	<b>12%</b>
<b>3</b>	<b>Maturity structure of fixed interest rate borrowing (upper Limit)</b>			
	Under 12 months	<b>21%</b>	<b>40%</b>	<b>12%</b>
	12 months to 2 years	<b>27%</b>	<b>50%</b>	<b>22%</b>
	2 years to 5 years	<b>38%</b>	<b>60%</b>	<b>25%</b>
	5 years to 10 years	<b>45%</b>	<b>90%</b>	<b>35%</b>
	10 years and above	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>4</b>	<b>Maximum Principal funds invested greater than 364 days</b>	<b>£50m</b>	<b>£50m</b>	<b>£50m</b>



## The Economy and Interest Rates

### UK. Coronavirus

1. The financial year 2020/21 will go down in history as being the year of the pandemic. The first national lockdown in late March 2020 did huge damage to an economy that was unprepared for such an eventuality. This caused an economic downturn that exceeded the one caused by the financial crisis of 2008/09. A short second lockdown in November did relatively little damage but by the time of the third lockdown in January 2021, businesses and individuals had become more resilient in adapting to working in new ways during a three month lockdown so much less damage than was caused than in the first one. The advent of vaccines starting in November 2020, were a game changer. The way in which the UK and US have led the world in implementing a fast programme of vaccination which promises to lead to a return to something approaching normal life during the second half of 2021, has been instrumental in speeding economic recovery and the reopening of the economy. In addition, the household saving rate has been exceptionally high since the first lockdown in March 2020 and so there is plenty of pent-up demand and purchasing power stored up for services in the still-depressed sectors like restaurants, travel and hotels as soon as they reopen. It is therefore expected that the UK economy could recover its pre-pandemic level of economic activity during quarter 1 of 2022.



2. Both the Government and the Bank of England took rapid action in March 2020 at the height of the crisis to provide support to financial markets to ensure their proper functioning, and to support the economy and to protect jobs.
3. The **Monetary Policy Committee** cut Bank Rate from 0.75% to 0.25% and then to 0.10% in March 2020 and embarked on a £200bn programme of quantitative easing QE (purchase of gilts so as to reduce borrowing costs throughout the economy by lowering gilt yields). The MPC increased then QE by £100bn in June and by £150bn in November to a total of £895bn. While Bank Rate remained unchanged for the rest of the year, financial markets were concerned that the MPC could cut Bank Rate to a negative rate; this was firmly discounted at the February 2021 MPC meeting when it was established that commercial

banks would be unable to implement negative rates for at least six months – by which time the economy was expected to be making a strong recovery and negative rates would no longer be needed.

### **Average inflation targeting**

4. This was the major change adopted by the Bank of England in terms of implementing its inflation target of 2%. The key addition to the Bank's forward guidance in August was a new phrase in the policy statement, namely that "it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and **achieving the 2% target sustainably**". That seems designed to say, in effect, that even if inflation rises to 2% in a couple of years' time, do not expect any action from the MPC to raise Bank Rate – until they can clearly see that level of inflation is going to be persistently above target if it takes no action to raise Bank Rate. This sets a high bar for raising Bank Rate and no increase is expected by March 2024, and possibly for as long as five years. Inflation has been well under 2% during 2020/21; it is expected to briefly peak at just over 2% towards the end of 2021, but this is a temporary short lived factor and so not a concern to the MPC.

### **Government support**

5. The Chancellor has implemented repeated rounds of support to businesses by way of cheap loans and other measures, and has protected jobs by paying for workers to be placed on furlough. This support has come at a huge cost in terms of the Government's budget deficit ballooning in 20/21 and 21/22 so that the Debt to GDP ratio reaches around 100%. The Budget on 3rd March 2021 increased fiscal support to the economy and employment during 2021 and 2022 followed by substantial tax rises in the following three years to help to pay the cost for the pandemic. This will help further to strengthen the economic recovery from the pandemic and to return the government's finances to a balanced budget on a current expenditure and income basis in 2025/26. This will stop the Debt to GDP ratio rising further from 100%. An area of concern, though, is that the government's debt is now twice as sensitive to interest rate rises as before the pandemic due to QE operations substituting fixed long-term debt for floating rate debt; there is, therefore, much incentive for the Government to promote Bank Rate staying low e.g. by using fiscal policy in conjunction with the monetary policy action by the Bank of England to keep inflation from rising too high, and / or by amending the Bank's policy mandate to allow for a higher target for inflation.

### **BREXIT**

6. The final agreement on 24 December 2020 eliminated a significant downside risk for the UK economy. The initial agreement only covered trade so there is further work to be done on the services sector where temporary equivalence has been granted in both directions between the UK and EU; that now needs to be formalised on a permanent basis. There was much disruption to trade in January as form filling has proved to be a formidable barrier to trade. This appears to have eased somewhat since then but is an area that needs further work to ease difficulties, which are still acute in some areas.

## USA

7. The US economy did not suffer as much damage as the UK economy due to the pandemic. The Democrats won the presidential election in November 2020 and have control of both Congress and the Senate, although power is more limited in the latter. This enabled the Democrats to pass a \$1.9trn (8.8% of GDP) stimulus package in March on top of the \$900bn fiscal stimulus deal passed by Congress in late December. These, together with the vaccine rollout proceeding swiftly to hit the target of giving a first jab to over half of the population within the President's first 100 days, will promote a rapid easing of restrictions and strong economic recovery during 2021. The Democrats are also planning to pass a \$2trn fiscal stimulus package aimed at renewing infrastructure over the next decade. Although this package is longer-term, if passed, it would also help economic recovery in the near-term.
8. After Chair Jerome Powell spoke on the **Fed's adoption of a flexible average inflation target** in his Jackson Hole speech in late August 2020, the mid-September meeting of the Fed agreed a new inflation target - that *"it would likely be appropriate to maintain the current target range until labour market conditions were judged to be consistent with the Committee's assessments of maximum employment and inflation had risen to 2% and was on track to moderately exceed 2% for some time."* This change was aimed to provide more stimulus for economic growth and higher levels of employment and to avoid the danger of getting caught in a deflationary "trap" like Japan. It is to be noted that inflation has actually been under-shooting the 2% target significantly for most of the last decade, (and this year), so financial markets took note that higher levels of inflation are likely to be in the pipeline; long-term bond yields duly rose after the meeting. There is now some expectation that where the Fed has led in changing its policy towards implementing its inflation and full employment mandate, other major central banks will follow, as indeed the Bank of England has done so already. The Fed expects strong economic growth during 2021 to have only a transitory impact on inflation, which explains why the majority of Fed officials project US interest rates to remain near-zero through to the end of 2023. The key message is still that policy will remain unusually accommodative – with near-zero rates and asset purchases – continuing for several more years. This is likely to result in keeping treasury yields at historically low levels. However, financial markets in 2021 have been concerned that the sheer amount of fiscal stimulus, on top of highly accommodative monetary policy, could be over-kill leading to a rapid elimination of spare capacity in the economy and generating higher inflation much quicker than the Fed expects. They have also been concerned as to how and when the Fed will eventually wind down its programme of monthly QE purchases of treasuries. These concerns have pushed treasury yields sharply up in the US in 2021 and is likely to have also exerted some upward pressure on gilt yields in the UK.

## EU

9. Both the roll out and take up of vaccines has been disappointingly slow in the EU in 2021, at a time when many countries are experiencing a sharp rise in cases which are threatening to overwhelm hospitals in some major countries; this has led to renewed severe restrictions or lockdowns during March. This will inevitably put back economic recovery after the economy had staged a rapid rebound from the first lockdowns in Q3 of 2020 but contracted slightly in Q4 to end 2020 only 4.9% below its pre-pandemic level.

Recovery will now be delayed until Q3 of 2021 and a return to pre-pandemic levels is expected in the second half of 2022.

10. Inflation was well under 2% during 2020/21. **The ECB** did not cut its main rate of -0.5% further into negative territory during 2020/21. It embarked on a major expansion of its QE operations (PEPP) in March 2020 and added further to that in its December 2020 meeting when it also greatly expanded its programme of providing cheap loans to banks. The total PEPP scheme of €1,850bn is providing protection to the sovereign bond yields of weaker countries like Italy. There is, therefore, **unlikely to be a euro crisis** while the ECB is able to maintain this level of support.

### **China**

11. After a concerted effort to get on top of the virus outbreak in Q1 of 2020, economic recovery was strong in the rest of the year; this has enabled China to recover all of the contraction in Q1. Policy makers have both quashed the virus and implemented a programme of monetary and fiscal support that has been particularly effective at stimulating short-term growth.

### **Japan**

12. Three rounds of government fiscal support in 2020 together with Japan's relative success in containing the virus without draconian measures so far, and the roll out of vaccines gathering momentum in 2021, should help to ensure a strong recovery in 2021 and to get back to pre-virus levels by Q3.

### **World growth**

13. World growth was in recession in 2020. Inflation is unlikely to be a problem in most countries for some years due to the creation of excess production capacity and depressed demand caused by the coronavirus crisis.

### **Deglobalisation**

14. Until recent years, world growth has been boosted by increasing globalisation, i.e. countries specialising in producing goods and commodities in which they have an economic advantage and which they then trade with the rest of the world. This has boosted worldwide productivity and growth, and, by lowering costs, has also depressed inflation. However, the rise of China as an economic superpower over the last 30 years, which now accounts for nearly 20% of total world GDP, has unbalanced the world economy. In March 2021, western democracies implemented limited sanctions against a few officials in charge of government policy on the Uighurs in Xinjiang; this led to a much bigger retaliation by China and is likely to mean that the China / EU investment deal then being negotiated, will be torn up. After the pandemic exposed how frail extended supply lines were around the world, both factors are now likely to lead to a sharp retrenchment of economies into two blocs of western democracies v. autocracies. It is, therefore, likely that we are heading into a period where there will be a reversal of world globalisation and a decoupling of western countries from dependence on China to supply products and vice versa. This is likely to reduce world growth rates.

### **Central banks' monetary policy**

15. During the pandemic, the governments of western countries have provided massive fiscal support to their economies which has resulted in a big increase in total government debt in each country. It is therefore very important that bond yields stay low while debt to GDP ratios slowly subside under the impact of economic growth. This provides governments with a good reason to amend the mandates given to central banks to allow higher average levels of inflation than we have generally seen over the last couple of decades. Both the Fed and Bank of England have already changed their policy towards implementing their existing mandates on inflation, (and full employment), to hitting an average level of inflation. Greater emphasis could also be placed on hitting subsidiary targets e.g. full employment before raising rates. Higher average rates of inflation would also help to erode the real value of government debt more quickly.

**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.