



**DARLINGTON**

Borough Council

# Cabinet Agenda

5.00 pm

Tuesday, 11 October 2022

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, 6 September 2022. (Pages 5 - 14)
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:- – There are no Key Decisions to be made at this meeting.
8. Corporate Peer Review Report and Action Plan – Report of the Chief Executive.  
(Pages 15 - 40)
9. Household Support Fund – Report of the Chief Executive.  
(Pages 41 - 48)
10. Treasury Management Annual Report and Outturn Prudential Indicators 2021/22 –

- Report of the Group Director of Operations.  
(Pages 49 - 68)
11. Objections to the Experimental Traffic Regulation Order on Coniscliffe Road –  
Report of the Group Director of Services.  
Pages 69 - 78)
  12. Ingenium Parc – Proposed Development Update – Report of the Chief Executive.  
(Pages 79 - 88)
  13. Schedule of Transactions – Report of the Chief Executive.  
(Pages 89 - 94)
  14. Membership Changes - To consider any Membership Changes to Other Bodies to which  
Cabinet appoints.
  15. 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.
  16. Questions.

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

17. 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.

#### **PART III NOT FOR PUBLICATION**



**Luke Swinhoe**  
**Assistant Director Law and Governance**

**Monday, 3 October 2022**

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

#### **Membership**

Councillors Clarke, Dulston, Durham, Keir, Marshall, K Nicholson, Renton 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 19 SEPTEMBER 2022**

**CABINET**

Tuesday, 6 September 2022

**PRESENT** – Councillors Dulston (Chair), Durham, Keir, Marshall, K Nicholson, Renton and Tostevin

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

**APOLOGIES** – Councillors Clarke and Wright

**ALSO IN ATTENDANCE** – Councillors Heslop, McCollom and Mrs H Scott

**C172 DECLARATIONS OF INTEREST.**

There were no declarations of interest reported at the meeting.

**C173 TO HEAR RELEVANT REPRESENTATION (FROM MEMBERS AND THE GENERAL PUBLIC) ON ITEMS ON THIS CABINET AGENDA.**

In respect of Minute C177(3) below, representations were made by members of the public in attendance at the meeting.

**NOTE:** Representations were heard during consideration of Minute C177(3) itself.

**C174 TO APPROVE THE MINUTES OF THE MEETING OF THIS CABINET HELD ON TUESDAY, 5 JULY 2022.**

Submitted - The Minutes (previously circulated) of the meeting of this Cabinet held on Tuesday 5 July 2022.

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

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

**C175 MATTERS REFERRED TO CABINET**

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

**C176 ISSUES ARISING FROM SCRUTINY COMMITTEE**

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

**C177 KEY DECISIONS:-**

**(1) SCHOOL TERM DATES 2024/25**

The Leader of the Council 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 2024/25 and to publishing those arrangements by the end of September 2021.

The submitted report stated that following the circulation of the consultation papers to schools and governors and consultation with officers from Local Authorities across the North East and Yorkshire regions, a preferred term date model for the Academic Year 2024/25 was drafted; 42 schools within Darlington, including academies and free schools, and their respective Governing Bodies, were consulted on the proposed school term dates; and that 25 responses were received to that consultation, all of which expressed their preference for the dates in the model calendar.

**RESOLVED** – That the proposed school term dates for Darlington maintained schools for the Academic Year 2024/25, 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 1 July 2022.

**(2) BUS SERVICES**

The Cabinet Member with the Local Services Portfolio introduced the report of the Group Director of Services (previously circulated) providing Members with an update on bus services within Darlington; outlining the issues currently being experienced; the work being undertaken to resolve those issues; and requesting that consideration be given to the release of funding to continue supporting Service 16 for a further two years.

The submitted report stated that Covid had been a challenging time for all bus operators as patronage significantly reduced across the Country; bus operators still required financial support from Government to maintain services; the majority of bus services in Darlington and across the Tees Valley were operated on a commercial basis; as the Tees Valley Combined Authority (TVCA) was the Local Transport Authority, it had the associated powers and responsibility for public transport; partnerships had been in place in relation to improving public transport between the Local Authorities and Combined Authority; in the last twelve months a more formal partnership had been developed with TVCA, the local authorities and the operators known as an Enhanced Bus Partnership; and that whilst in its infancy the partnership would invest significantly in infrastructure and other measures to improve public transport in the coming years.

It was reported that the recovery of bus patronage in Darlington was not as strong as other parts of the Tees Valley; recovery of patronage was important as the fares generated supported the network and without those fares there could be an impact on future sustainability of some parts of the network; and that performance issues were impacting the recovery and needed to be addressed.

Particular references were made to the issues impacting on recovery and performance; the

actions that had been developed with Arriva to tackle those issues; and to Service 16, which was the single grant funded bus service operating under contract to the Council.

Concern was expressed at the meeting in respect of the bus services to rural areas of the Borough, in particular within the Hurworth Ward; the shortage of drivers and the current progress being made in terms of training new drivers; and the required subsidisation of Service 16.

Members also highlighted lost services in the North Road Ward; issues with services in the Red Hall and Lingfield Ward; and noted the wider issue of underfunding of the bus network across the country. The retention of the Pink Bus was welcomed. The Cabinet Member with the Local Services Portfolio responded thereon.

**RESOLVED** – (a) That the work being done with, and by bus operators, to improve reliability of bus services in Darlington, as detailed in the submitted report, be noted.

(b) That the use of £56,526 from the English National Concessionary Travel Scheme (ENCTS) budget and the ring-fenced grants for bus services from government to extend the Service 16 contract from October 2022 to September 2024, be approved.

**REASON** - To ensure that communities remain connected and able to access opportunities.

**(3) CONSULTATION ON SKERNINGHAM GARDEN VILLAGE DESIGN CODE SUPPLEMENTARY PLANNING GUIDANCE (SPD)**

The Cabinet Member with the Economy Portfolio introduced the report of the Chief Executive (previously circulated) updating Members on the progress of Skerningham Garden Village Design Code (also previously circulated) and requesting that consideration be given to commencing public consultation on the Design Code.

The submitted report stated that the adopted Darlington Local Plan 2016/36 (Darlington Local Plan) required the Council to progress with the creation and adoption of Supplementary Planning Policy Documents (SPD's) based on Design Codes for both Burtree and Skerningham Garden Communities; the Burtree Garden Village SPD had been adopted in 2022; work had been progressing on the completion of the Skerningham Garden Village Design Code; the Design Code would be formally consulted upon with the aim of adopting the Design Code as an SPD following the consultation feedback; and that once approved as the Council's SPD Policy, it would be used as material consideration in the planning application process, in accordance with the National Planning Policy Framework changes introduced in July 2021 and in particular the National Model Design.

It was reported that the development of the Skerningham Garden Village Design Code has been led independently by DesignNE who had carried out extensive public consultation in the completion of the document; the Design Code process for Skerningham Garden Village had been recognised by the Department of Levelling Up Housing and Communities (DLUHC) as a Second Phase Pathfinder; and the engagement process was a National Pilot which would set an approach to be adopted by other local authorities in England on the development of design codes across the country.

A number of questions were asked and points were made about future development at Skerningham. A number of questions were asked and points were made about the Design Code, including whether further work was needed on it before commencing a consultation. Concern was expressed at the meeting on the application of the 'Traffic Light' system proposed as part of the assessment process, with a request for more information on how the Design Quality Coding Checklist would work, what constitutes a pass or fail and a plea that greater clarity be provided in the Design Code document. How the Council would ensure that the Design Code would be adhered to was raised, and what consideration was being given to the financial perspective. The location of the new football stadium was raised. The Cabinet Member with the Economy Portfolio responded thereon.

**RESOLVED** – (a) That the progress and content of the Skerningham Garden Village Design Code, as appended to the submitted report, be noted.

(b) That the commencement of public consultation on the Skerningham Garden Village Design Code, be approved.

**REASON** - The Council must follow the National Planning Policy Framework (NPPF) and the Inspectors report to convert Skerningham Garden Village Design Code into a Supplementary Planning Policy Document as part of the Darlington Local Plan 2016/36.

**NOTE:** Pursuant to Minute C173 above, Members heard three verbal representations and one written representation from members of the public in consideration of this item.

## **C178 COMPLAINTS, COMPLIMENTS AND COMMENTS ANNUAL REPORTS 2021/22**

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 2021/22 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 2021/22 a total number of 739 complaints had been received, an increase from 628 in 2020/21, but lower than the pre-pandemic levels of 838 in 2019/20 and 825 in 2018/19; 217 compliments had been received, a decrease from 309 in 2020/21, 292 in 2019/20 and 280 in 2018/19; and 127 comments had been received, a decrease from 178 in 2020/21, 168 in 2019/20 and 240 in 2018/19.

**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 Children Social Care, Housing 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 ensure the Council is complying with the Children Act 1989 Representation Procedure (England) Regulations 2006, it complaints, compliments and comments procedures and to improve satisfaction with complaints handling.

#### **C179 COMPLAINTS MADE TO LOCAL GOVERNMENT 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 on the outcome of cases which had been determined by the Local Government and Social Care Ombudsman (LGSCO) and the Housing Ombudsman Service (HOS) since consideration of the report by this Cabinet in December (Minute C77/Dec/21 refers).

The submitted report stated that between 1 April 2021 and 31 March 2022 there had been 16 cases that were subject to decision by the LGSCO and two cases by the HOS; five upheld Maladministration Injustice decisions from the LGSCO and two service failures from the HOS; and that organisational learning identified as a result of those complaints should ensure that there was no re-occurrence.

It was reported that the LGSCO's Annual Review Letter 2022 (also previously circulated), focused on three key statistics and compared the Council's performance against that of other Unitary Councils and stated that although 100 per cent of their recommendations were implemented, the LGSCO did note that there was again delay in implementing their recommendations in two cases and the Council were asked to consider how it would make improvements to reduce delays in the remedy process.

**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 HOS 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.

#### **C180 HOUSING SERVICES ANTI-SOCIAL BEHAVIOUR POLICY**

The Cabinet Member with the Health and Housing Portfolio introduced the report of the Group Director of Operations (previously circulated) requesting that consideration be given to the Housing Services Anti-Social Behaviour Policy 2022/26 (also previously circulated).

The submitted report stated that this Council provided over 5,300 high quality homes for local residents; were committed to ensuring that all tenants enjoyed their right to a safe home and community; and that the Housing Services Anti-Social Behaviour Policy 2022/26 set out how reports of Anti-Social Behaviour (ASB) and hate crime would be dealt with effectively and promptly, taking appropriate, swift, proportionate action, including legal action, when necessary.

Particular references were made to the vision and aims of the policy; the requirements of the

Regulator of Social Housing; enforcement of the policy; performance of the Tenancy Enforcement Officers in 2011/22; and the outcome of the consultation undertaken on the Policy with the Tenants Panel and the Health and Housing Scrutiny Committee.

Discussion ensued on the Housing Services Anti-Social Behaviour Policy 2022/26, with Members welcoming the clarity around unacceptable behaviour. Greater clarification was requested around Public Disorder convictions that were not directly related to the property concerned. Members were also informed of proposals to increase capacity within the Housing Enforcement Team. The Cabinet Member with the Health and Housing Portfolio responded thereon.

**RESOLVED** – (a) That the report be noted.

(b) That the Housing Services Anti-Social Behaviour Policy 2022/26, as appended to the submitted report, be approved.

**REASON** - The Social Housing Regulator's Consumer Standards places a duty on social housing landlords to publish a policy on how they work with relevant partners to prevent and tackle ASB in areas where they own properties.

#### **C181 MUSEUM ACCREDITATION POLICIES**

The Cabinet Member with the Local Services Portfolio introduced the report of the Group Director of Services (previously circulated) requesting that consideration be given to the Head of Steam Forward Plan 2022/24, the Collections Management Framework 2022/27 and Access Policy and Plan 2022/24 (all also previously circulated) ahead of submission to Arts Council England for the re-accreditation of Museum status.

The submitted report stated that the museum was due to submit an Accreditation Return in 2023/24, whilst the museum was undergoing redevelopment, and that the return must include commitments to standards, quality, accessibility and forward planning. To meet those commitments, the following documents were produced, namely:- the Head of Steam Forward Plan 2022/24, which outlined the vision for the museum service for the next two years; the Head of Steam Collections Management Framework 2022/27, which included the museum's policy for developing its collections, its documentation policy and its care and conservation policy; and the Head of Steam Access Policy and Plan 2022/24, which outlined the museum's commitment is to accessibility for all visitors.

**RESOLVED** - That the Head of Steam Forward Plan 2022/24, Head of Steam Collections Management Framework 2022/27 and Head of Steam Access Policy and Plan 2022/24, all as appended to the submitted report, be approved, in preparation for submission to the Arts Council England for Museum Accreditation.

**REASONS** - (a) To prove effective and professional management of Darlington's Museum Service so that the museum remains an accredited museum and entitled to future support from the Arts Council England (Central Government Body).

(b) To be eligible for future funding from external bodies, e.g. Arts Council England, English Heritage and the Heritage Lottery Fund.

(c) To be eligible for future loans from other museums, e.g. The National Railway Museum.

(d) To ensure that the museum remains registered and complies with the standards and ethics as set out by the Museums Association.

#### **C182 RESTORATION OF LOCOMOTION NO 1 REPLICA - RELEASE OF CAPITAL**

The Cabinet Member with the Local Services Portfolio introduced the report of the Group Director of Services (previously circulated) requesting that consideration be given to the release of capital funding for the restoration of the Locomotion No1 Replica.

The submitted report stated that, following the acquisition of the Locomotion No1 Replica from Beamish, the assessment of the condition and the work required to bring it back into full operational order in time for the 2025 bicentenary of the Stockton and Darlington Railway (S&DR) had now been completed; outlined the works required, including the building of a number of chaldron waggons and coaches for people to ride in; and the funding required to enable the works to progress.

Questions were raised at the meeting in relation to the exact costs in terms of the restoration of the Locomotion No. 1 Replica; clarification around what the £0.496m would be used for; and whether there was any scope to recoup monies from activities retrospectively.

**RESOLVED** - That capital of £0.496m, as detailed in the submitted report, to carry out the restoration of the Locomotion No1 Replica and associated chaldron waggons and coach, as detailed in the submitted report, be approved.

**REASON** - To restore the Locomotion No 1 Replica ready for the bicentenary of the Stockton and Darlington Railway (S&DR).

#### **C183 THE TREATMENT OF WAR PENSIONS IN THE CALCULATION OF HOUSING BENEFIT**

The Cabinet Member with the Resources Portfolio introduced the report of the Group Director of Operations (previously circulated) requesting that consideration be given to reconfirming that war pensions should be fully disregarded as income when calculating entitlement to Housing Benefit.

The submitted report stated that legislation allowed discretion for Council's to disregard up to 100 per cent of War Disablement Pensions and War Widow's Pensions in the calculation of Housing Benefit entitlement (referred to as the 'local scheme'); this Council, had fully disregarded war pensions in the calculation of Housing Benefit, since the Social Security Administration Act was introduced in 1992; and outlined the financial and legal implications.

**RESOLVED** – (a) That the contents of the report be noted.

(b) That the war pensions, as defined in paragraph 18 of the submitted report, be fully disregarded as income when calculating entitlement to Housing Benefit.

**REASON** - The Social Security Administration Act 1992 requires the Council to formally

adopt any modification of the Housing Benefit scheme where the whole or part of any war pension is disregarded.

#### **C184 REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)**

The Cabinet Member with the Resources Portfolio introduced the report of the Group Director of Operations (previously circulated) informing and updating Members on issues relevant to the use of the Regulation of Investigatory Powers Act (RIPA) 2000; developments that have taken place since the last report to Cabinet in March 2022 (Minute C115/Mar/22 refers); and requesting that consideration be given to the Regulation of Investigatory Policy (also previously circulated).

The submitted report stated that the RIPA Act 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.

It was reported that Paragraph 4.47 of the Home Office, Covert Surveillance and Property Interference, Revised Code of Practice, August 2018, required each local authority to set the RIPA Policy at least once a year and that a number of minor amendments had been made to the policy since it was last approved in March 2021 (Minute C112/Mar/21 refers).

**RESOLVED** – (a) That the Regulation of Investigatory Powers Policy, as appended to the submitted report, be approved..

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

**REASONS** – (a) As stated in the Home Office Code of Practice, the RIPA should be approved by Members on an annual basis.

(b) In order to ensure that the Council complies with the legal obligations under RIPA, IPA and national guidance.

(c) To help in giving transparency about the use of RIPA and IPA in the Council.

#### **C185 PROJECT POSITION STATEMENT AND CAPITAL PROGRAMME MONITORING 2022/23 - QUARTER 1**

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 £297.497M against an approved programme of £298.262M; 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 2022/23 to 2025/26; the Council had 48 live projects, with an overall projected outturn value of £186.911M, 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.

**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 adjustments to resources, as detailed in paragraph 21 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.

## **C186 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.

It was reported that the fund provision of £50M was being utilised as envisaged to include Joint Venture (JV) vehicles and economic regeneration initiatives; the fund had been used for 14 schemes to date, five of which had been recycled back into the fund; the fund had a commitment against it of £33.48M, leaving a balance of £16.52M uncommitted; returns on joint ventures were anticipated to generate over £6M in pre-tax profit to assist the Medium Term Financial Plan; and that 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.

**C187 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 appendix to 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.

**C188 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 9 SEPTEMBER 2022**

**CABINET**  
**11 OCTOBER 2022**

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## **CORPORATE PEER REVIEW REPORT AND ACTION PLAN**

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**Responsible Cabinet Member -  
Councillor Jonathan Dulston, Leader of the Council**

**Responsible Director -  
Ian Williams – Chief Executive  
(on behalf of Chief Officers Executive)**

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### **SUMMARY REPORT**

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

1. This report provides details of the Corporate Peer Review that was requested by the Council and conducted by the Local Government Association (LGA) in June 2022. A copy of the Peer Review report can be found in **Appendix 1**.
2. The purpose of this Cabinet Report is to seek approval of the action plan that has been developed in response to the recommendations made by the LGA following the Corporate Peer Review.

#### **Summary**

3. Corporate Peer Reviews are seen as good practice within the local government sector and they typically look at 5 main areas;
  - (a) Local priorities and outcomes
  - (b) Organisational and place leadership
  - (c) Governance and culture
  - (d) Financial planning and management
  - (e) Capacity for improvement.
4. The Council invited the LGA to undertake a Peer Review, and in addition to the 5 main areas it requested the team also assesses 'The Council's customer/citizen engagement and how the it interacts with them to see if there are improvements to be made within the context of resources available.'
5. A Council Leader, a Chief Executive, three further senior officers and a programme manager from other organisations formed the independent Peer Review Team and a programme was developed to assess the Council to help it develop and learn as an organisation.
6. In advance of the review the Council produced a position statement that was shared with the Peer Review Team. This self-assessment of the Council and Borough as a whole was used by the team to inform areas of analysis throughout the review.

7. In addition to an organised tour of the borough, during the review week the team interviewed over 120 people across 38 meetings. Interviewees included staff, members and a wide range of external stakeholders.
8. The Council welcomes the Corporate Peer Review report and its recommendations. The report recognises Darlington Borough Council as 'an ambitious organisation with a track record and reputation for the delivery of good quality services and exciting regeneration projects that are transforming the town'. Furthermore it notes the Council has a 'clear and powerful vision focused on driving the economic growth of the Borough' which is a strong fit with the opportunities presented by the Government's levelling up agenda.
9. The report goes on to acknowledge the Council is well led both politically and managerially. It has a proud, enthusiastic and committed workforce, with a positive culture.
10. A key objective of the Corporate Peer Review is to help the Council develop and learn. The team made six recommendations (some of which were already in progress) which are intended to help the Council meet this objective. The recommendations are;
  - (a) **R1** - Develop a strategic framework to ensure that economic growth is linked to tackling the challenges of inequality and deprivation in Darlington.
  - (b) **R2** - Undertake further work to ensure the whole of the organisation understands their role in Council priorities, including making the link between economic growth and improving opportunities for the most vulnerable in the Borough.
  - (c) **R3** - Establish a refreshed strategic partnership for Darlington which can engage all partners in the delivery of the Levelling Up Darlington Plan, including the business community and the community & voluntary sector.
  - (d) **R4** - Further lever the Council's strategic influence in the region.
  - (e) **R5** - Review the assumptions in the MTFP - particularly the reliance on reserves over the medium term - in the light of rising costs, increased demand for social care services and greater economic uncertainty.
  - (f) **R6** - Develop, with partners and local people, a compelling narrative as to how economic growth brings benefits to residents and communities.
11. In response to the key recommendations made by the Peer Review Team, the council has agreed to develop and publish an action plan. The proposed plan is contained within this report.

### **Recommendation**

12. It is recommended that Cabinet:
  - (a) Notes and accepts the LGA Corporate Peer Review report.



- (b) Approves the action plan developed in response to the recommendations in the report.
- (c) Thanks the Peer Review team for their work conducting the review and for the production of a helpful report.

### **Reasons**

13. The recommendations are supported by the following reasons :-

- (a) The council is required to develop an action plan in response to the LGA Corporate Peer Review report.
- (b) The council wishes to develop and learn as an organisation and the recommendations in the report will help to achieve this objective.

**Ian Williams – Chief Executive  
(on behalf of Chief Officers Executive)**

### **Background Papers**

The following background papers were used in the preparation of this report.

- (i) LGA Peer Review Position Statement
- (ii) LGA Peer Review Report
- (iii) Levelling Up Darlington Plan

Neil Bowerbank: Extension 6052

S17 Crime and Disorder	The report proposes the adoption of an action plan that compliments delivery of the Council Plan and the Borough wide Levelling Up Darlington Plan. This in turn will help to address crime and disorder.
Health and Wellbeing	The report proposes the adoption of an action plan that compliments delivery of the Council Plan and the Borough wide Levelling Up Darlington Plan. This in turn will help to address health and wellbeing.
Carbon Impact and Climate Change	The report proposes the adoption of an action plan that compliments delivery of the Council Plan. This in turn will help to address carbon impact and climate change.
Diversity	The report proposes the adoption of an action plan that compliments delivery of the Council Plan and the Borough wide Levelling Up Darlington Plan. This in turn will help to address equality and diversity.
Wards Affected	The proposals in the action plan effects all wards.
Groups Affected	The proposals in the action plan effects all groups within the community.
Budget and Policy Framework	The report does not represent a change to Council's budget or policy framework.
Key Decision	The proposal does not represent a key decision.
Urgent Decision	This is not an urgent item.
Council Plan	This report supports the Council plan by raising awareness of the Council's priorities.
Efficiency	This report does not contain proposals but refers to ongoing initiatives to increase income and reduce costs.
Impact on Looked After Children and Care Leavers	This report has no direct impact on Looked After Children or Care Leavers but supports delivery of the Council Plan.

## MAIN REPORT

### Information and Analysis

14. In advance of the Peer Review taking place the Council committed to developing an action plan in response to recommendations made following the review. The Peer Review Team made 6 key recommendations following their review of the Council and the environment in which it operates. These are:
- (a) **R1** - Develop a strategic framework to ensure that economic growth is linked to tackling the challenges of inequality and deprivation in Darlington
  - (b) **R2** - Undertake further work to ensure the whole of the organisation understands their role in Council priorities, including making the link between economic growth and improving opportunities for the most vulnerable in the Borough
  - (c) **R3** - Establish a refreshed strategic partnership for Darlington which can engage all partners in the delivery of the Levelling Up Darlington Plan, including the business community and the community & voluntary sector
  - (d) **R4** - Further lever the Council's strategic influence in the region
  - (e) **R5** - Review the assumptions in the MTFP - particularly the reliance on reserves over the medium term - in the light of rising costs, increased demand for social care services and greater economic uncertainty
  - (f) **R6** - Develop, with partners and local people, a compelling narrative as to how economic growth brings benefits to residents and communities.
15. Detailed below are the actions proposed by the council in response to the recommendations.

### Corporate Peer Review (2022) Action Plan

16. R1 - Develop a strategic framework to ensure that economic growth is linked to tackling the challenges of inequality and deprivation in Darlington.
- (a) The Council will continue to work with partners to develop and deliver the Levelling Up Darlington (LUD) Action Plan, which is due to launch in the Autumn (2022). It has 3 priority areas:
    - (i) Quality jobs
    - (ii) Access to opportunities for young people
    - (iii) Addressing health inequality.
  - (b) The LUD plan directly supports two of the key priorities within the Council Plan, these being 'Working with communities to maximise their potential' and 'Supporting the most vulnerable in the borough'. A performance framework associated with the LUD plan will be used to monitor its delivery and impact.

17. R2 - Undertake further work to ensure the whole of the organisation understands their role in Council priorities, including making the link between economic growth and improving opportunities for the most vulnerable in the Borough.

- (a) The annual service planning process requires managers to consider how activities within their service areas contribute to the delivery of the priorities within the Council Plan. This requirement will be reaffirmed in advance of the next round of service planning (Q4, 2022-23), with particular attention being given to the 'Working with communities to maximise their potential' and 'Supporting the most vulnerable in the borough' priorities. Performance against the Council plan is reported to Cabinet twice a year, presenting an opportunity to highlight to staff the impact of their collective work.
- (b) An internal communications plan will be developed before the end of the financial year. Its implementation will be rolled out over the subsequent 12 months and will aim to ensure that new staff (via the induction process) and existing staff (via various channels and established mechanisms) have a greater understanding of the Council's main priorities and how their roles help to achieve these priorities. The plan will highlight links between economic growth and improving opportunities for the most vulnerable.
- (c) New members are offered an induction programme, with additional training, briefings and support offered to all members throughout their term in office. Where appropriate, some of the materials produced in line with the internal communications plan can be reused to help members understand the Council's priorities and the roles they can play in helping to achieve them.

18. R3 - Establish a refreshed strategic partnership for Darlington which can engage all partners in the delivery of the Levelling Up Darlington Plan, including the business community and the community & voluntary sector.

- (a) Work to refresh Darlington Partnership commenced prior to the Corporate Peer Review with the creation of the Public Sector Executive Group (PSEG). This consists of senior representatives from local and sub regional public bodies who have the interest and ability to have a significant positive impact in the delivery of a shared vision (Levelling Up Darlington).
- (b) Further work is underway to strengthen engagement with *Inclusion North*, a formalised group of representatives from the Voluntary and Community Sector (VCS), which moving forward will meet regularly throughout the year.
- (c) A newly established overarching 'Stronger Communities Board' (SCB) will have its inaugural meeting in November (2022). Where possible, this will include board level representatives from the public, voluntary and community, and business communities. The SCB will maintain oversight of the Levelling Up Darlington Plan.

19. R4 - Further lever the Council's strategic influence in the region.

- (a) The Council will continue to build on its numerous formal and informal relationships at political and senior officer levels throughout the region in which key decisions can be influenced. Examples include roles within the Tees Valley Combined Authority, the Association of North East Councils (ANEC), and arrangements with various health related organisations and blue light services.
- (b) The Council will continue to explore opportunities at a regional level (and beyond) to strengthen the Borough's position on the world stage as a rail heritage visitor destination in line with the development of the rail heritage quarter.
- (c) The Council will establish and maintain an active role within forthcoming local NHS Integrated Care Board (ICB) to help improve the health of the local population.

20. R5 - Review the assumptions in the Medium Term Financial Plan (MTFP) - particularly the reliance on reserves over the medium term - in the light of rising costs, increased demand for social care services and greater economic uncertainty.

- (a) The MTFP planning timetable typically runs from October to February, but intermittent reviews of the MTFP also occur when there are events that could significantly influence income or costs such as the current cost of living and inflation pressures, including increasing energy bills. The MTFP is a standing item on the weekly Chief Officers Executive and Chief Officers Board meetings, and cabinet members are regularly briefed on developments.
- (b) The current year budget is reviewed by finance officers and budget managers monthly with any issues reported through departmental management teams and chief officers as appropriate. Formal quarterly budget reports, which identify the current budget position, trends and future projections are reported to Cabinet. This allows early identification of issues which may impact on future years MTFP to be considered in advance of the annual MTFP planning cycle.
- (c) Finance staff and budget holders began reviewing and refreshing budgets for the next 4 years of the MTFP over the summer (2022) in advance of the scheduled planning activities between October and February which will involve officers at various levels across the council. The planning activities explore established and innovative approaches for income generation and cost reduction.

21. R6 - Develop, with partners and local people, a compelling narrative as to how economic growth brings benefits to residents and communities.

- (a) Work will commence in October 2022 to develop an economic growth narrative with key stakeholders and an associated action plan with performance measures will be created to ensure the message is clearly communicated to and understood by the target audiences. This narrative will also be used to support R2, 'Undertake further work to ensure the whole of the organisation understands their role in Council priorities'.

- (b) The narrative will be developed in conjunction with partners within the refreshed strategic partnership (see R3) and their endorsement and support will be sought to help amplify the narrative.

**Reviewing delivery against the action plan**

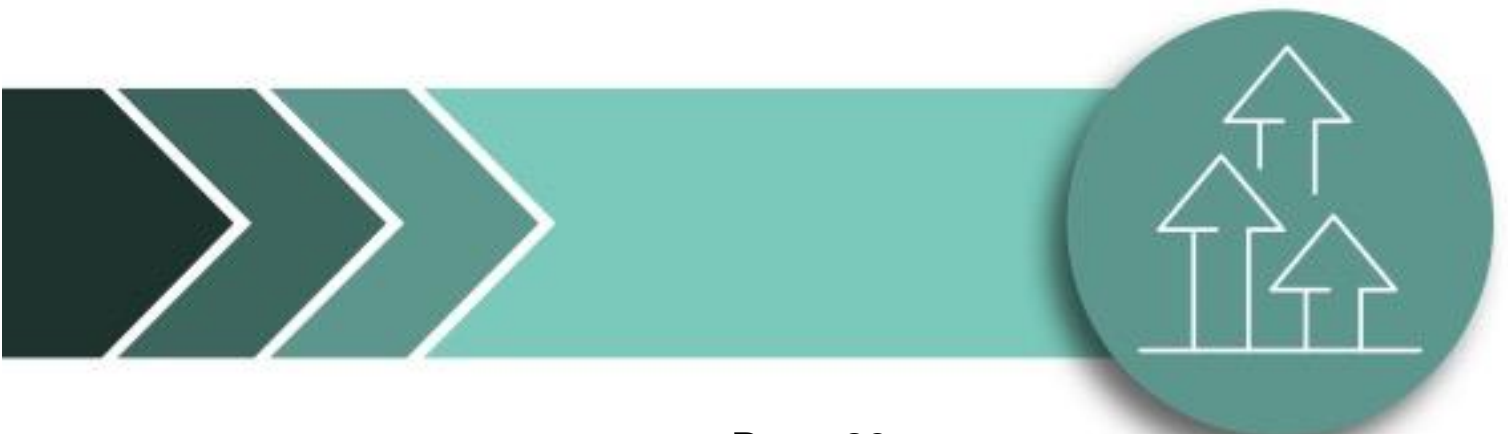
- 22. As agreed with the LGA prior to the review, a representative from the LGA Peer Review Team will meet with the Leader of the Council and Chief Executive approximately 6 months after the review to see how progress against the action plan is going. In advance of this and until the action plan is delivered the Chief Executive will keep the Leader of the Council apprised of progress.


# LGA Corporate Peer Challenge

Darlington Borough Council

20<sup>th</sup> – 23<sup>rd</sup> June 2022

Feedback report





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# 1. Executive summary

Darlington is a borough centred on what remains an attractive market town with a world-famous rail heritage. The changing economic landscape has left significant challenges of inequality and deprivation, but it has its eye firmly fixed on transforming itself into a dynamic and exciting place with a growing economy.

For the third smallest unitary council in the country, Darlington Borough Council is an ambitious organisation with a track record and reputation for the delivery of good quality services and exciting regeneration projects which are transforming the town centre. The passion for the local area among Members, staff and partners is strong and this drives the organisation's ambitions.

The Council has a clear and powerful vision focused on driving the economic growth of the Borough. This is passionately articulated by both the political leadership and senior management of the Council. This focus is a strong fit with the opportunities presented by the Government's Levelling Up agenda.

There is a resonance to this agenda and is widely supported by staff and partners the peer team met. People are proud, enthusiastic and committed to work as part of 'Team Darlington' to deliver for the Borough - *"This is a proud time to live and work in Darlington. What we have to look forward to is unbelievable"*. The improvement in the physical infrastructure is naturally raising aspiration because people can see new buildings and facilities in the Borough, and they are beginning to see the opportunities these improvements offer.

The Council is well led with a positive culture, where staff are keen to get on with things and make a difference to the Borough. Compared to local government as a whole, the organisation is financially secure and has the appropriate governance and risk management arrangements in place - though there are emerging financial risks on the horizon associated with increased demand for social care services, inflation and the cost-of-living crises.

Although there is strong high-level support for the focus on economic growth, there are opportunities to systematically link and amplify economic regeneration more closely to other social objectives of the Council such as deprivation and inequality.

Work needs to be done to ensure that staff at all levels, as well as partners and residents understand the vision and priorities as they apply to them. This means better defining the ambitions in terms of desired outcomes and underpinning these with a robust performance monitoring and reporting framework that is clearly understood by resident, partners and staff.

The peer team would recommend the Council to strengthen the relationship between ambition, strategy and benefits to local communities by promoting a consistent yet simplified message which clearly spells out what all this means for residents. The Council's proposed 'Levelling Up Darlington Plan' would seem the ideal mechanism for achieving this and the peer team would encourage the Council to progress this at speed.

Darlington is well attuned to the local community and its needs. Nevertheless, there are gaps in the engagement of some partners, and we suggest these are filled through the establishment of a refreshed strategic partnership for Darlington which can focus on engaging all partners in the delivery of the Levelling Up Darlington Plan, including the business community and the community & voluntary sector.

Further afield, relationships with the Tees Valley Combined Authority and proactive engagement with the Integrated Care System can and should be strengthened to increase opportunities for the Council to draw in further investments and capacity to the Borough and ensure Darlington's interests are best served.

## 2. Key recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the Council:

### 2.1. Recommendation 1

*Develop a strategic framework to ensure that economic growth is linked to tackling the challenges of inequality and deprivation in Darlington.*

The proposed Levelling Up Darlington Plan seems to be an ideal mechanism for doing this, and it should be progressed as soon as possible. This will widen the strategic agenda and enable staff, partners and residents to visualise the future and

their place within it. It will also assist in influencing the alignment of external investment decisions to the full set of key priorities of the Council.

## **2.2. Recommendation 2**

*Undertake further work to ensure the whole of the organisation understands their role in Council priorities, including making the link between economic growth and improving opportunities for the most vulnerable in the Borough.*

The Council can extend its induction process for new starters to help do this. This will enable the Council to use this engagement to drive wider transformation and organisational development activity in the Council. It will also assist in utilising capacity in a targeted and effective way.

## **2.3. Recommendation 3**

*Establish a refreshed strategic partnership for Darlington which can engage all partners in the delivery of the Levelling Up Darlington Plan, including the business community and the community & voluntary sector.*

This will help to boost and utilise the resources and capacity of all stakeholders because they will all be working to the same or similar priorities and objectives.

## **2.4. Recommendation 4**

*Further lever the Council's strategic influence in the region.*

This can be done by continuing to develop the existing strong link through the economic sub-region into the Tees Valley Combined Authority and taking greater advantage of the capacity available; and by continuing to play a strong leadership role in the development of the Integrated Care System across the Northeast to maximise the influence for Darlington.

## **2.5. Recommendation 5**

*Review the assumptions in the MTFP - particularly the reliance on reserves over the medium term - in the light of rising costs, increased demand for social care services and greater economic uncertainty.*

This will enable the Council to fully understand and reflect the impact of variables and ensure a robust strategy going forward that is not overly reliant on reserves in the

medium term.

## 2.6. Recommendation 6

*Develop, with partners and local people, a compelling narrative as to how economic growth brings benefits to residents and communities.*

This appears to be a significant time for Darlington, and the Council has the opportunity to market and promote its unique characteristic to a global audience in respect of its programme to celebrate its rail heritage in 2025. It should start doing this now!

## 3. Summary of the peer challenge approach

### 3.1. The peer team

Peer challenges are delivered by experienced elected Member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected based on their relevant expertise. The peers were:

- **Mike Jackson** (Chief Executive - Bristol City Council)
- **Councillor Rob Waltham, MBE** (Leader of the Council - North Lincolnshire Council)
- **Rachel North** (Deputy Chief Executive (Communities and Place) - Derby City Council)
- **Adele Taylor** (Executive Director of Resources - Royal Borough of Windsor & Maidenhead)
- **Jacqui Gay** (Head of Communications - Kingston upon Hull City Council)
- **Satvinder Rana** (Programme Manager - LGA)

### 3.2. Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to councils' performance and improvement.

1. **Local priorities and outcomes** - Are the Council's priorities clear and

informed by the local context? Is the Council delivering effectively on its priorities?

2. **Organisational and place leadership** - Does the Council provide effective local leadership? Are there good relationships with partner organisations and local communities?
3. **Governance and culture** - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?
4. **Financial planning and management** - Does the Council have a grip on its current financial position? Does the Council have a strategy and a plan to address its financial challenges?
5. **Capacity for improvement** - Is the organisation able to support delivery of local priorities? Does the Council have the capacity to improve?

In addition to these questions, the Council asked the peer team to provide feedback on *its customer/citizen engagement and how the Council interacts with them to see if there are improvements to be made within the context of resources available.*

### 3.3. The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared by reviewing a range of documents and information to ensure they were familiar with the Council and the challenges it is facing. The team then spent three days *onsite* at Darlington Borough Council, during which they:

- Gathered information and views from around 38 meetings, in addition to further research and reading.
- Spoke to over 120 people including a range of council staff together with members and external stakeholders.

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and Members.

## 4. Feedback

### 4.1. Local priorities and outcomes

Darlington Borough Council is an ambitious organisation with a clear and powerful focus on economic growth. The vision for the place and the priorities attached to that are outlined in the Council Plan for 2020-23 and they resonate well with senior staff and public sector partners. A new Local Plan was adopted earlier this year which gives a strategic direction for the development of the Borough and the Council has been successful in securing a number of funding interventions, including £23.3m from the Government's Towns Fund Programme.

The focus on economic growth has been successful in helping the Council to attract new investment, jobs and housing growth in the Borough. The Council has already delivered several high-profile 'hard' infrastructure projects such as the £1.78m bowling alley at the Dolphin Centre; the construction of Feethams House and Multi Story Car Park at a cost of £16m to provide Grade A office space; the DL1 leisure scheme that includes a cinema, hotel, restaurants and commercial premises; and £1.14m of improvements to the public realm around Darlington's Railway station. Furthermore, significant notable private sector investments have taken place including a new Amazon fulfilment centre.

Going forward, there continues to be a big and exciting regeneration programme in the pipeline with schemes such as the £1.96m Linear Park project as part of the Town Deal, the Treasury Campus to accommodate 1,500 civil service positions, private rented residential units and affordable homes scheme in the town centre, the £7.7m Northern Echo and Library investment to support education and adult skills as well as new office space, and other such investments into town centre refurbishments. There are also exciting plans to celebrate the 200-year anniversary of the Stockton and Darlington Railway in 2025 which will see the Darlington Railway Heritage Quarter developed into a new internationally significant major visitor attraction and museum.

These schemes are all very positive and will transform the local economy and

Darlington as a place. However, whilst the Council has its Council Plan where progress is reported every 6 months to Cabinet, what is not clearly coming out at present is an understanding of how all the projects fit into the bigger plans for Darlington and what outcomes they will bring to the area and its residents. There is, therefore, great scope to link this success in regenerating the place to the wider social and environmental objectives of the Council such as tackling the challenges of deprivation, health inequality and climate change.

Sharpening the focus around 'soft' infrastructure and by making a stronger connection between 'place' and 'people' the Council can create greater social value and demonstrate the tangible impact it is making on improving the quality of life and positively impacting on reducing health inequalities of local people. For example, investments in skills development, employment support, local and sustainable procurement, focused planning policies, etc should complement the investment and opportunities being created through new buildings and office spaces. Enabling local people to connect into those opportunities through clear pathways to new skills, jobs and business opportunities will ensure local jobs and business opportunities are more likely to be better accessible to local people. These are all key determinants of health that will improve over time the inequalities that currently exist.

There are some excellent examples of projects on the ground (for example, Northgate initiative, The Bread-and-Butter Thing, Healthy Town Initiative, an impressive events programme to increase town centre footfall, etc) which make the connection between strategy and delivery and between 'place' and 'people', but this needs to be done through a strategic framework to ensure that the whole Council and its partners are making these connections on a systematic basis. Furthermore, the learning from these successful initiatives need to be embedded in revised council policies and the Levelling Up Darlington Plan.

The relationships between vision, strategy and benefits to local communities could be further strengthened by developing a 'Darlington Story' as part of the Levelling Up Darlington Plan to help local communities better understand what it is that the Council and its partners are trying to achieve and how the investments will translate into local areas and into the lives of local communities. This story should then be communicated through simple messaging so that people can understand what their responsibilities to the Borough are and how they fit into its future.

This may require strengthening outcome targets and performance measures against ambitions to demonstrate how the vision, priorities and projects are delivering real outcomes for local communities. The Council currently has a comprehensive performance monitoring system in place with twice yearly reporting and scrutiny, but information is contained in large complex documents. Consideration should be given to how headline performance data on key performance measures and the delivery of Council priorities are presented in easy to digest format (such as a traffic light system that the Council has used previously) which Members, partners and residents can readily access, understand and easily see the difference the Council is making.

#### **4.2. Organisational and place leadership**

Darlington Borough Council is well led both politically and managerially. The relatively new Administration and senior executive team have gelled well and led the organisation through testing times whilst delivering good quality services during the pandemic.

Together, the Cabinet and senior executive team provide a powerful and clear focus on economic growth. It is using this to develop a wider place shaping agenda to help deliver the Levelling Up Darlington Plan. Developing a strong narrative about the future of Darlington and communicating this through clear and consistent messaging, engagement and communication with residents, businesses, and strategic partners will help to consolidate the Council's place leadership role and secure sustained buy-in to its ambitions and priorities. This means promoting, sharing and agreeing with key stakeholders how the Borough is being developed, the kind of economy the Borough wants to foster, and the outcomes people can expect to see in the short, medium, and long terms.

On the regional and sub-regional level, there are opportunities for the Council to maximise influence for Darlington by playing a fuller role through, for example, the development of the Integrated Care system across the North East and acting as a conduit between North Yorkshire and Durham and the Tees Valley. There is also an opportunity for the council to leverage resources and capacity from the Tees Valley Combined Authority by strengthening its role and engagement and working more closely to align its ambitions with those of the region. This kind of alignment can help to both influence investment decisions and position the Borough to benefit from them.



The Council has already delivered an impressive regeneration programme in the Borough and has very good relationships with its public sector partners through the Public Sector Executive Group, but its ambitions for sustainable economic growth going forward will require a much deeper relationship with some of the other key local strategic partners and the local community. This includes broadening and strengthening the Council's strategic partnership working to include the business community, as well as the community and voluntary sector so that the capacity of all partners is being harnessed in delivering the ambitions for Darlington.

There is real appetite among the local business, community and voluntary sectors to work with the Council to co-produce solutions to local challenges, including engaging with local communities. This opportunity should be grasped.

Overall, the Council delivers good standard of core services and is performing at or above average in many areas in comparison to other unitary councils. The latest OFSTED inspection into Children's Services determined that *"young people are benefiting from long-standing, trusting relationships with workers who are emotionally invested in them. Workers provide agile and tailored support which is adapted to care leavers' individual circumstances. This relational approach is underpinned by very strong corporate parenting support, influence and investment. A comprehensive local offer, combined with a plethora of creative and generous opportunities from the wider council and its partners, is contributing to positive outcomes for care leavers"*.

#### **4.3. Governance and culture**

Darlington is a well-run Council with all the necessary decision-making, governance and risk management arrangements in place. The Cabinet is providing political leadership and the Leader is supported by seven Cabinet Members with portfolios aligned to the priorities of the Council. The senior executive team provides strategic and managerial leadership with the Chief Executive supported by three Executive Directors leading a group of services. The senior executive team is supported by the Chief Officers' Board consisting of Assistant Directors with service level responsibilities.

The Council feels like a passionate and creative place with committed and dedicated staff at all levels who are proud of working for Darlington. The peer team found Darlington Borough Council to be a very open and honest organisation that listens

and acts upon feedback. The culture of the organisation is welcoming and engaging, and people are working together to get things done and deliver good quality services to their local communities. The energy, commitment and structured ways of working among Chief Officers' Board is very impressive. The peer team would encourage these structured ways of working to be replicated at the middle manager levels too.

Overall, there are good working relationships between Members and officers. Nevertheless, there is room to strengthen these by clarifying policy setting verses strategy/operational delivery expectations. Consideration could be given to a review on, for example:

- An agreed approach for receiving, fielding and responding to Member enquiries with response times
- Producing all Member briefings on key issues to encourage engagement
- Appropriate training and development for Members and officers in collaborative and joint working to support them working in their Wards.

Elected Members at Darlington Borough Council are committed, engaged, and embedded in their local communities. This Member capacity can be further utilised by providing more structured support to them in their roles and meeting their skills and development needs. They have the capacity to provide active community leadership and become forceful ambassadors for the area. Similarly, staff (64.5% of whom live in Darlington) can also be very good local ambassadors who can be used effectively to send positive messages out into local communities and start making that link between what is being delivered on regeneration and the opportunities this presents to local communities. This capacity can be further maximised.

Overview and scrutiny is provided through five Scrutiny Committees - mirroring Cabinet portfolios. There are structured work programmes for overview and scrutiny and the process is well supported by council officers. The overview and scrutiny structure in the Council provides a mechanism for enabling effective challenge; however, it is not clear how all Members can access it. Going forward, training on scrutiny and review should be refreshed to ensure more active engagement from a wider group of Members.

The Council has a corporate equality policy which sets out a vision and framework to

meet the public sector equality duty and has a dedicated equalities officer in post. Underpinning this is a group of advisors representing each service area to advise on equality impact assessments, highlighting emerging external and internal equality matters, and helping to identify solutions to problems.

A bespoke equality and diversity training programme for staff and Members is being delivered to help ensure equality and diversity is considered when developing strategies, policies and operational procedures. The Council should build on these foundations to ensure that all groups benefit from not just investments in services but also the economy and access to education, training and good quality jobs – including those within the Council. Furthermore, because of the relatively small number of people from black and minority ethnic backgrounds in the Borough (probably with weak community support structures) there is potential for these groups to experience higher levels of vulnerabilities. The peer team would ask the Council to be mindful of this and put in place efforts to proactively reach out to people from these groups. No one should be left behind.

#### **4.4. Financial planning and management**

The Council has robust financial planning and management, with all the associated risk management and safeguards, in place. It appears to have robust budget monitoring processes and generally manages spend within budget. Members receive regular and detailed reports on both the revenue budgets, the capital programme and progress on individual capital schemes.

There is an organisational risk register and a functioning Audit Committee in place which provides the necessary challenge and assurance. However, the Committee's status and profile should be raised to increase engagement in response to the recommendations in the Redmond Review.

Financially the Council seems reasonably secure and robust in relation to the local government sector as a whole. The Council currently has a healthy General Fund balance and has been increasing its General Fund earmarked reserves, to be utilised and be released over the life of the medium-term financial plan in the current council model to allow time for the positive financial impacts of the economic growth strategy to materialise.

Nevertheless, rapid inflation, increase in demand for social care services, greater economic uncertainty and the very recent intervention by Natural England on Nutrient Neutrality mean the Council, will need to review the assumptions of the Medium-Term Financial Plan to ensure that there is a sound understanding by all about the risks of whether the model materially changes and to understand the impact on the planned use of reserve.

This will require a greater emphasis on system-wide transformation working with partners based on priority outcomes, for example, supporting independent living for vulnerable adults to close any potential gaps. The positive experience of the implementation of Leeds' Family Valued approach across Children's Services and the lessons learned from this programme should be considered for application more broadly across the Council's services to help harness assets in communities and reduce demand more generally.

The Council has a successful shared services partnership with Stockton Borough Council through Xentrall to deliver key back office transactional services. There is potential to explore further commerciality and organisational efficiencies alongside traditional approaches to deliver effective and productive resource management to build up greater financial resilience.

#### **4.5. Capacity for improvement**

Darlington Borough Council is in a good place and is using its resources, assets and capacity well. The positivity and commitment of staff provides a strong platform for continued improvements, and the progress already made with limited resources is impressive. Nevertheless, there is a huge agenda to deliver and opportunities to grasp which will make demands on its resources and staff capacity. Both these need to be utilised in the most creative ways.

The infectious enthusiasm of staff could be further harnessed by focusing more on active engagement, particularly on the Council's plans for Levelling Up Darlington. Staff at all levels need to have a depth of understanding of what the Council is trying to achieve and how it will go about doing it. They need to be clear on what their responsibilities are and what role they can play within their service areas. They also need to be aware of the outcomes the Council is trying to achieve for the 'place' and 'people' so that they can use their creativity to help deliver these.

The peer team would therefore suggest that the Council maintain a comprehensive organisational development programme which should include paying more attention to internal staff communication, more cross-service and organisational working, elevating and sharing existing good practice, and developing creative solutions to support recruitment and retention. In addition, it should also explore scope for greater collaboration outside the organisation, for example, working with large employers around shared workforce planning.

With the move of some staff from central government departments to working in Darlington, there is an opportunity to build further on the already strong links between the Council and those departments to ensure a greater level of understanding of what local authorities are facing, especially with treasury colleagues. Being in such a unique position could pose both an opportunity and a threat to the Council and so consideration needs to be given to building strong engagement as early as possible to explore the mutual benefits of having all public sector strands together.

Furthermore, there could be some unique opportunities around staff recruitment and retention for both central and local government that could also improve mutual understanding and the peer team would encourage the Council to explore these.

### ***Other specific focus areas***

The Council recognises that it needs to broaden its conversation with residents to improve engagement and communication. It already has a good range of external communication channels, including the 'One Darlington' magazine which is valued by residents and partners, and the Council's presence on social media is improving. Nevertheless, more needs to be done to bring in a level of co-ordination and consistency to ensure that the right messages are reaching the right people at the right time in the most effective way.

At present there is a corporate communications and marketing team within the Council and an overarching 'marketing, communications & engagement strategy' has been drafted. In addition, there are several 'communication staff' dispersed throughout departments doing some impressive work in communicating and engaging with residents, staff and customers. However, not all of this is sighted, captured and promoted corporately nor is it clear how this work is co-ordinated and managed across departments.

Given Darlington's strategy of inclusive growth and the opportunities this now presents for the town and the Council, it can no longer take a piecemeal approach to communication and marketing as the successful outcomes of its economic growth agenda depends very much on how the Borough is presented to residents, partners, visitors and potential investors; and how effectively they can place themselves in the changes taking place and the opportunities the Borough is offering. Furthermore, the town will be competing for investment, visitors, and people to live there - and the Council will be competing for a skilled workforce – so the need to tell a compelling Darlington story becomes all the more important.

The emerging 'marketing, communication & engagement strategy' provides an opportunity to take a more coordinated and systematic approach to this area of work and the peer team would encourage completing this as a priority. It also provides an opportunity to:

- a) Review the communications and marketing resources across the Council to determine if they are being deployed in the most effective way to ensure co-ordination, consistency and corporate messaging.
- b) Boost internal Member and staff communication and engagement as part of the organisational development programme to ensure everyone understands their roles and responsibilities in delivering the vision and priorities of the Council.
- c) Develop a compelling narrative, with partners and local people, as to how economic growth brings benefits to residents and demonstrate how the Council is delivering on its vision for local people.
- d) Change external perceptions of Darlington as it has unique characteristics which place it apart from the rest of Tees Valley and the Council should consider how the Borough is marketed and promoted to a global audience, particularly to maximise the potential of the 200<sup>th</sup> anniversary of the Town's rail heritage in 2025.

## 5. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss and reflect on these findings.

Both the peer team and LGA are keen to build on the relationships formed through the peer challenge. The CPC process includes a six-month check-in meeting. This will be a short, facilitated session which creates space for the Council's senior leadership to update peers on its progress against the action plan and discuss next steps.

In the meantime, Mark Edgell, Principal Adviser for East Midlands, Yorkshire & Humber and North-East, is the main contact between Darlington Borough Council and the Local Government Association. Mark is available to discuss any further support the Council requires. His contact details are Email: [mark.edgell@local.gov.uk](mailto:mark.edgell@local.gov.uk)  
Tel: 07747 636 910.



Satvinder Rana

Programme Manager

(On behalf of the peer team)

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**CABINET  
11 OCTOBER 2022**

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**HOUSEHOLD SUPPORT FUND**

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**Responsible Cabinet Member -  
Councillor Jon Clarke, Children and Young People Portfolio**

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

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**SUMMARY REPORT**

**Purpose of the Report**

1. This report seeks approval for a programme of support to deliver the second extension of the Government funded Household Support Fund (HSF) Extension for the period 1 October 2022 to 31 March 2023.

**Summary**

2. On 26 May 2022, the Chancellor announced, as part of a number of measures to provide help with global inflationary challenges and the significantly rising cost of living, that the Household Support Fund (HSF) would be extended from 1 October 2022 to 31 March 2023.
3. The guidance was received at the beginning of September and Darlington's draft allocation of £913,853 was received on 22 September 2022. To comply with the guidance and taking into account delivery in previous rounds the following elements for inclusion in the programme are proposed:
  - (a) Food vouchers to families with children on free school meals
  - (b) Fuel vouchers through The Bread and Butter Thing (TBBT)
  - (c) Support for the Food Bank
  - (d) Support for Care Leavers
  - (e) Support for Elderly
  - (f) Support for Vulnerable Groups through the voluntary and community sector
4. Plans for delivery must be submitted to government no later than the 28 October 2022 and be made publicly available including details of any application processes.

**Recommendation**

5. It is recommended that Cabinet consider and approve:-
  - (a) The proposed programme and estimated costings outlined below.

- (b) Delegation be given to the Chief Executive, in conjunction with the Portfolio Holder for Children and Young People, to amend funding pots as necessary to ensure full utilisation of the grant within the time period.
- (c) A submission to government is made based on the programme outlined below.

**Reasons**

- 6. The recommendations are supported by the following reasons:
  - (a) To address the criteria laid down in the guidance.
  - (b) In order to secure the grant funding.

**Ian Williams  
Chief Executive**

**Background Papers**

None

**Author:**

Seth Pearson x6090

S17 Crime and Disorder	This report does not directly address crime and disorder
Health and Wellbeing	This report proposes actions which will positively impact on health and wellbeing
Carbon Impact and Climate Change	This report does not directly address Carbon Impact and Climate Change
Diversity	This report will positively impact on all communities
Wards Affected	All
Groups Affected	All
Budget and Policy Framework	The report does not represent a change to Council’s budget or policy framework.
Key Decision	This is not a key decision
Urgent Decision	This is an urgent decision as a response to government is required by 28 <sup>th</sup> October
Council Plan	This report supports the Council Plan by addressing the priority of Supporting the most vulnerable in the borough
Efficiency	This report does not address efficiency issues
Impact on Looked After Children and Care Leavers	This report proposes providing additional financial support for Care Leavers

## MAIN REPORT

### Information and Analysis

7. On 26 May 2022, the Chancellor announced, as part of a number of measures to provide help with global inflationary challenges and the significantly rising cost of living, that the Household Support Fund (HSF) would be extended from 01 October 2022 to 31 March 2023. As has been done for previous schemes, the fund will be made available to County Councils and Unitary Authorities in England to support those most in need. This will be the second extension to the fund since its inception in October 2021.
8. The draft guidance was launched ahead of formal Treasury grant determination and final Local Authority allocations to give Authorities sight of the parameters of the new scheme as early as possible. Draft allocations have just been received with Darlington's being the same as the last round, £913,853.
9. There have been a number of changes to the guidance compared with previous schemes including:
  - (a) there will be no ringfence of any proportion of funding for any particular cohort of people.
  - (b) a requirement for all Authorities to operate at least part of their scheme on an application basis i.e. residents should have the opportunity to come forward to ask for support.
  - (c) There is also an expectation of Authorities to particularly consider those groups who may not have benefitted from any of the recent cost of living support.
10. Eligible spend includes:
  - (a) Energy;
  - (b) Water;
  - (c) Food;
  - (d) Essentials linked to energy and water;
  - (e) Wider essentials related to cost of living;
  - (f) Housing Costs in cases of genuine emergency where existing housing support schemes do not meet this exceptional need;
  - (g) Reasonable administrative costs including reasonable costs incurred administering the scheme.
11. Eligible spend does not include:
  - (a) Advice services such as money management or debt advice;
  - (b) Mortgage costs.

12. As with previous iterations of the Household Support Fund, Authorities are unable to carry forward any underspends from previous schemes. This is because this is a new grant with different conditions.
13. The scheme runs from 1 October 2022 to 31 March 2023 and authorities have been asked to have arrangements in place as quickly as possible to support vulnerable households throughout the grant period. However, officers at DWP recognise that this will be difficult given the short notice of draft allocations.
14. Authorities are asked to provide the Department for Work and Pensions (DWP) with a summary of how they are planning to spend the additional funding during the period 1 October 2022 to 31 March 2023. Plans for delivery must be submitted to government no later than the 28 October 2022 and be made publicly available including details of any application processes.

### **Proposed Options for delivery**

15. To comply with the guidance and taking into account delivery in previous rounds the following elements are proposed for inclusion in the programme:
  - (a) Food vouchers to families with children on free school meals
  - (b) Fuel vouchers through TBBT
  - (c) Support for the Food Bank
  - (d) Support for Care Leavers
  - (e) Support for Elderly
  - (f) Support for Vulnerable Groups through the voluntary and community sector

### **Food Vouchers to families with children on free school meals**

16. This has been a feature of both previous rounds of HSF so it is a well established process. Supermarket vouchers are provided to families through a third party provider, Wonde, who send parents e-vouchers to their phones. Schools order the vouchers for parents then invoice the Council for the cost. It is proposed that vouchers to the value of £20 per week are provided per child to families through October ½ term, Christmas and February ½ term (4 weeks). At £84,200 per week the estimated cost is £336,800.

### **Fuel vouchers through The Bread and Butter Thing (TBBT)**

17. This option was part of the first Household Support Fund delivery programme. It involves providing £49 fuel vouchers through the national programme administered by a Public Benefit Entity called Auriga.

18. Costs in providing vouchers are as follows:

Voucher value	£49.00
Voucher Admin Fee (charged by Auriga)	£5.48
Processing cost (TBBT)	£4.37
<b>Unit Price per Voucher</b>	<b>£58.85</b>

19. The experience of TBBT is that there is strong demand for the vouchers so they would look to the Council and partners to refer clients to apply. The process is now well tested and streamlined. Clients text 'FUEL' to a number and will receive a call within 48 hours during which they are taken through application. As opposed to the first round of HSF which targeted those on pre-payment meters, residents with direct debit accounts can now also be supported via a voucher which can be exchanged for cash at fuel top up points (typically newsagents etc). Whilst these payments could be vulnerable to misuse, TBBT will introduce a number of additional steps in the application process to verify genuine need. All potential recipients would be referred by the Council or a trusted voluntary sector organisation providing additional assurance of need.
20. In line with the HSF guidance local authorities are required to target their support to those most in need. The Council has commissioned a consultancy, Policy In Practice to develop a 'Low Income Family Tracker' data dashboard. The dashboard allows the Council to proactively identify Low Income Households that are at-risk now or will be in the future, by analysing and displaying data held by Revenues and Benefits. Policy and Practice are currently working on the data and the dashboard for Darlington is imminent.
21. In advance of the LIFT dashboard being populated, and estimate has been made of the number of vouchers that would reasonably be provided.

### **Support for Food Banks**

22. There is a network of six foodbanks across Darlington. The largest is at King Centre on Whessoe Road. They currently provide around 200 people per week with food. This is a growth of 40% on last year. The other foodbanks collectively provide another 200 food parcels a week making a total of 400 per week across the town. All food banks are seeing an increase in demand which they expect to increase over the winter period. Whilst there are numerous reasons why people use food banks the increase fuel costs is cited frequently as reducing monthly budgets. There is an increase in demand from working families but also a growth in demand from the elderly.
23. At the same time as foodbanks are experiencing increased in demand, they are also seeing a reduction in donations. Therefore, what foodbanks need is food.
24. During the first lockdown DBC made its food wholesaler that supplied the Dolphin Centre available to the food banks with Kings Centre acting as the central distribution hub. Making the wholesaler available was the preferred model at that point as there were no grant regimes established at that point to make awards. Kings Centre are prepared to take on a central distribution role again. Providing a grant allowing them to purchase food would be a better model this time as it will allow greater flexibility in meeting fluctuating and differing food requirements.

### **Support for Care Leavers**

25. This featured in the last HSF round supporting a group for which the Council acts as corporate parent. It is proposed that a payment of £100 is made to the 154 care leavers which would cost £15,400.

### **Support for Elderly**

26. Pensioners were a group ringfenced in the guidance for the previous round of HSF. Both the food bank and Age UK are reporting increased requests for support from the elderly. Age UK have been approached to outline a package of support they could deliver and a proposal is in development which will include:

- (a) Home energy checks
- (b) Meals at home
- (c) Lunch clubs
- (d) Subsidised meals in their café
- (e) Attendance at activities
- (f) Respite Care
- (g) Befriending

27. Age UK would look to the Council to alert the most vulnerable elderly people to their services identified via the LIFT dashboard.

### **Other vulnerable groups**

28. A broader discussion is underway with the voluntary sector agencies in town about support for their clients who, for whatever reason, are ineligible for the package proposed or have different, greater needs.

### Provisional, estimated costings

Option	Criteria	Estimated No. of Households	Estimated Cost
Food Vouchers	Families with children on free school meals	4,210	£336,800
Fuel Vouchers through The Bread and Butter Thing	Low Income Families	3,600	£211,860
Support for Food Banks	Families in food crisis	2,400	£60,000
Support for Care leavers		154	£15,400
Support for Elderly	Elderly people seeking support with fuel or food	tbd	£50,000
Vulnerable families supported by Voluntary Sector	Vulnerable groups requiring additional support	tbd	£200,000
Administration costs	LIFT dashboard		£25,000
	Other		£14,794
<b>Total</b>			<b>£913,854</b>

### Outcome of Consultation

29. Third party organisations that would be involved have been consulted in the preparation of this report and the proposals reflect their input.
30. Discussions with the voluntary and community sector are on-going regarding how support to vulnerable groups through them is provided.

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**CABINET**  
**11 OCTOBER 2022**

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**TREASURY MANAGEMENT ANNUAL REPORT AND OUTTURN**  
**PRUDENTIAL INDICATORS 2021/22**

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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 2021/22. The report also seeks approval of the Prudential Indicators results for 2021/22 in accordance with the Prudential Code.

**Summary**

2. The financial year 2021/22 was another unprecedented year with regard to treasury management due to the ongoing pandemic, with the cost of borrowing remaining low throughout. However, as Members are aware due to low returns for cash investments new ways to improve investment returns are continually sought.
3. During 2021/22 the Council complied with its legislative and regulatory requirements. The borrowing need (**Table 1**) was only increased for capital purposes.
4. At 31 March 2022 the Council's external debt was £149.649m which is £11.882m 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 reduced from 2.76% in 2020/21 to 2.47% in 2021/22. Investments totalled £63.399m at 31 March 2022 (£59.399m at 31 March 2021) earning interest of 0.21% on short term cash investments and 2.21% on Property Fund units net of costs.
5. Financing costs have been reduced during the year and a saving of £0.366m has been achieved from the original MTFP. The savings are a mixture of reduced interest on debt as well as increased investment income, especially from property funds.

## **Recommendation**

6. It is recommended that:
  - (a) The outturn 2021/22 Prudential Indicators within this report and those in **Appendix 1** be noted.
  - (b) The Treasury Management Annual Report for 2021/22 be noted.
  - (c) This report to be forwarded to Council, in order for the 2021/22 Prudential Indicators to be approved.

## **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 2021/22
- (iii) Prudential Indicators and Treasury Management Strategy Report 2021/22

Peter Carrick: Extension 5401

S17 Crime and Disorder	This report has no implications for crime and disorder
Health and Well Being	There are no issues relating to health and wellbeing which this report needs to address
Carbon Impact and Climate Change	There are no issues relating to carbon impact
Diversity	There are no specific implications for diversity
Wards Affected	The proposals affect all wards
Groups Affected	The proposals do not affect any specific group
Budget and Policy Framework	The report does not change the Council's budget or Policy framework but needs to be considered by Council
Key Decision	This is not an Executive decision
Urgent Decision	This is not an Executive decision
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 2021/22
  - (b) The Council's overall borrowing need
  - (c) Treasury position at 31 March 2022
  - (d) Prudential indicators and compliance issues
  - (e) The economic background for 2021/22
  - (f) A summary of the Treasury Management Strategy agreed for 2021/22
  - (g) Treasury Management activity during 2021/22
  - (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 2021/22

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 £6.290m less than planned, mostly down to reduced activity in the HRA and reduced lending to the joint ventures. 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 £1.078m lower than initially anticipated.

**Table 1 – Capital Expenditure and Financing**

	2020/21	2021/22		
	Outturn £m	Revised Estimate £m	Outturn £m	Variance £m
General Fund Capital Expenditure	20.094	27.036	26.072	(0.964)
HRA Capital Expenditure	6.434	13.183	10.729	(2.454)
Loans to Joint Ventures etc	3.501	9.459	6.587	(2.872)
<b>Total Capital Expenditure</b>	<b>30.029</b>	<b>49.678</b>	<b>43.388</b>	<b>(6.290)</b>
Resourced by:				
Capital Receipts GF	2.538	0.586	0.586	0.000
Capital receipts Housing	0.684	0.303	0.986	0.683
JV Loans Repaid	6.200	7.727	7.927	0.200
Capital Grants	11.717	21.294	19.371	(1.923)
Capital Contributions	0.029	0.000	0.038	0.038
Revenue Contributions - GF	0.145	0.000	0.123	0.123
Revenue Contributions - HRA	5.750	12.835	8.502	(4.333)
<b>Total Resources</b>	<b>27.063</b>	<b>42.745</b>	<b>37.533</b>	<b>(5.212)</b>
<b>Borrowing needed to finance expenditure</b>	<b>2.966</b>	<b>6.933</b>	<b>5.855</b>	<b>(1.078)</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 2021/22 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 2021/22 is £224.285m which is £1.578m lower than approved due to the reduced borrowing need required to finance the additional capital expenditure in 2021/22.
18. No statutory MRP repayments were made on the General Fund debt in line with the report to Council on 23 February 2017, although a £0.500m VRP was made.

**Table 2 - Capital Financing Requirement**

	2020/21	2021/22		
	Outturn £m	Approved Indicator £m	31 March Actual £m	Variance £m
Opening Balance	219.488	220.685	220.685	0.000
Add Capital Expenditure financed by borrowing	9.166	14.660	13.782	(0.878)
Less repayment of JV loans	(6.200)	(7.727)	(7.927)	(0.200)
Less MRP/VRP GF	0.000	0.000	(0.500)	(0.500)
Less MRP/VRP Housing	(0.629)	(0.629)	(0.629)	0.000
Less MRP/VRP PFI	(1.140)	(1.126)	(1.126)	0.000
Closing balance	<b>220.685</b>	<b>225.863</b>	<b>224.285</b>	<b>(1.578)</b>

**Treasury Position at 31 March 2022**

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 2022 was £149.649m. In addition to this, a liability of £9.232m relating to the PFI scheme and Finance Leases brings the total to £158.881m. The Council’s revised CFR position was estimated to be £225.863m, however, the actual out turn position was £224.285m. When comparing this to our actual borrowing of £158.881m this meant that the Council was “under borrowed” by £65.404m. 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 the 31 March 2022, including investments compared with the previous year is shown in table 3 below.

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

Treasury Position	31 March 2021		31 March 2022	
	Principal £m	Average Rate %	Principal £m	Net Annualised Average Rate %
General Debt - Fixed Rate Debt, Market and Public Works Loan Board (PWLB)	136.531	2.98%	124.649	2.66%
Property Fund Borrowing	25.000	1.42%	25.000	1.30%
<b>Total Debt</b>	<b>161.531</b>	<b>2.76%</b>	<b>149.649</b>	<b>2.47%</b>
Cashflow Investments up to 6 months	19.400	0.09%	33.400	0.21%
Capital Investments over 6 months	10.000	0.96%	0.000	0.00%
Property Fund Investment - net of costs	29.999	2.33%	29.999	2.21%
<b>Total Investments</b>	<b>59.399</b>		<b>63.399</b>	
<b>Net borrowing position</b>	<b>102.132</b>		<b>86.250</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:
24. **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 (2020/21) plus the estimates of any additional capital financing requirement for the current (2021/22) 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 2021/22. 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 2021 Actual £m	31 March 2022 Approved Indicator £m	31 March 2022 Actual £m
<b>Gross Borrowing Position</b>	<b>161.531</b>	<b>164.849</b>	<b>149.649</b>
<b>PFI and Finance Lease Liability</b>	<b>10.358</b>	<b>9.232</b>	<b>9.232</b>
<b>Total</b>	<b>171.889</b>	<b>174.081</b>	<b>158.881</b>
<b>CFR</b>	<b>220.685</b>	<b>225.863</b>	<b>224.285</b>
<b>(Under)/over funding of CFR</b>	<b>(48.796)</b>	<b>(51.782)</b>	<b>(65.404)</b>

25. **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.
26. **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.
27. **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 2020/21 £m	Original Approved Limits 2021/22 £m	Revised Approved Limits 2021/22 £m	Actual Total Liabilities Borrowing + PFI/ leases 2021/22 Maximum £m
<b>Approved Indicator – Authorised Limit</b>	<b>231.719</b>	<b>240.979</b>	<b>237.156</b>	<b>158.881</b>
<b>Approved Indicator – Operational Boundary</b>	<b>171.889</b>	<b>186.550</b>	<b>174.081</b>	<b>158.881</b>
<b>Financing costs as a percentage of net revenue expenditure</b>	<b>2.39%</b>	<b>2.22%</b>	<b>2.22%</b>	<b>1.94%</b>



28. At 31 March 2022 the total liabilities were £158.881m 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.
29. A further four prudential indicators are detailed in Appendix 1.

### **Economic Background for 2021/22**

30. A summary of the general economic conditions that have prevailed through 2021/22 provided by Link Asset Services, the Council's treasury management advisors is attached at **Appendix 2**. This update was provided in April 2022 to facilitate the outturn report for 2021/22. As members will be aware the economic position for the country has changed significantly, with the financial landscape moving rapidly with increased and further projected increases in interest rates. Further updates will be provided in the next treasury management update report.

### **Summary of the Treasury Management Strategy agreed for 2021/22**

31. The revised Prudential Indicators anticipated that during 2021/22 the Council would need to borrow £6.933m to finance part of its capital programme, whereas the actual outturn figure was £5.855m.
32. 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.
33. 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 2021/22 and £50m for 2022/23. No other investments of over 1 year duration have been made during 2021/22.

### **Treasury Management Activity during 2021/22**

#### **Borrowing Strategy**

34. During 2021/22, 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.
35. 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.

36. 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	5.000 3.000	1 year 1 year	0.25% 0.10%	8.000
Loans Repaid	(4.750) (5.000) (2.000) (3.000) (5.000)	10 years 2 years 1 year 1 year 1 year	3.19% 0.87% 0.90% 0.90% 0.20%	
Total New Borrowing				(19.750)
				(11.750)

37. The additional funding was utilised to not replace maturing short term loans.
38. **Summary of Debt Transactions** –The consolidated rate of interest reduced from 2.76% to 2.47% due to the above transactions as some of the debt repaid was at a higher interest rate than the longer term debt still held.

### Investment Position

39. **Investment Policy** – the Council’s investment policy for 2021/22 is governed by the DLUHC Guidance which has been implemented in the annual investment strategy for 2021/22 approved by Special Council on 18 February 2021. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.).
40. The investment activity during the year conformed to the approved Strategy and the Council had no liquidity difficulties.
41. Investment returns remained close to zero for much of 2021/22. Most local authority lending managed to avoid negative rates and one feature of the year was the continued

growth of inter local authority lending. The expectation for interest rates within the treasury management strategy for 2021/22 was that Bank Rate would remain at 0.1% until it was clear to the Bank of England that the emergency level of rates introduced at the start of the Covid -19 pandemic were no longer necessitated.

42. The Bank of England and the Government also maintained various monetary and fiscal measures, supplying the banking system and the economy with massive amounts of cheap credit so that banks could help cash-starved businesses to survive the various lockdowns/negative impact on their cashflow. 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 remained low until towards the turn of the year when inflation concerns indicated central banks, not just the Bank of England, would need to lift interest rates to combat the second-round effects of growing levels of inflation (CPI was 6.2% in February).
43. 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.
44. 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.
45. 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, other local authorities and bank short term notice accounts. Short term investments of up to a year earned interest of £52k on an average balance of £25.526m which equated to an annual average interest rate of 0.21%.
46. 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 2021/22</b>	<b>Actual 2021/22</b>
Daily average level of Investments	£29.999m	£29.999m
Interest earned (gross)	0.840m	0.988m
Average Rate of Return on Investment Interest earned (gross)	2.80%	3.29%
Average Rate of Return on Investment (net of costs)	1.53%	2.21%

**Performance and Risk Benchmarking**

- 47. A regulatory development is the consideration and approval of security and liquidity benchmarks. Yield benchmarks are currently widely used to assess investment performance.
- 48. The following reports the current position against the benchmarks originally approved.
- 49. 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**

- 50. **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.
- 51. The investment portfolio was maintained within this overall benchmark during this year as shown in **Table 8**.

**Table 8**

<b>Maximum</b>	<b>Benchmark 2021/22</b>	<b>Actual June 2021</b>	<b>Actual October 2021</b>	<b>Actual December 2022</b>	<b>Actual March 2022</b>
Year 1	0.077%	0.012%	0.007%	0.004%	0.013%

- 52. 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.
- 53. 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.

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

**Table 9**

	<b>Benchmark</b>	<b>Actual June 2021</b>	<b>Actual October 2021</b>	<b>Actual December 2022</b>	<b>Actual March 2022</b>
Weighted Average life	146 days to 1 year	165 days	127 days	173 days	164 days

55. 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.
56. 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**

57. 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 2021/22).
  - (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 of Levelling Up, Housing & Communities 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.

58. 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.
59. Officers of the Council are aware of the risks of passive management of the treasury portfolio and, with the support of Capita Asset Services, the Council's advisers, have proactively managed the debt and investments over the year.

### Treasury Management Budget

60. 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 2021/22

	£m	£m
<b>Original Treasury Management Budget</b>		<b>0.823</b>
<b>Debt</b>		
Reduced interest payable on debt	<b>(0.189)</b>	
<b>Investments</b>		
Increased investment income including property funds etc	<b>(0.144)</b>	
<b>Other Costs</b>		
Less reduced brokerage charges	<b>(0.033)</b>	<b>(0.366)</b>
<b>Outturn Treasury Management Budget 2021/22</b>		<b>0.457</b>

61. 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 an increase in the interest received on investments due to the cashflow levels.

### **Conclusion**

62. The Council's treasury management activity during 2021/22 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 £0.366m achieved from the original MTFP.

### **Outcome of Consultation**

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

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

		<b>2020/21 Actual</b>	<b>2021/22 Approved Indicator</b>	<b>2021/22 Outturn</b>
<b>1</b>	<b>limits on fixed interest rates</b>	<b>88%</b>	<b>100%</b>	<b>84%</b>
<b>2</b>	<b>limits on variable interest rates</b>	<b>12%</b>	<b>40%</b>	<b>16%</b>
<b>3</b>	<b>Maturity structure of fixed interest rate borrowing (upper Limit)</b>			
	Under 12 months	<b>12%</b>	<b>40%</b>	<b>16%</b>
	12 months to 2 years	<b>22%</b>	<b>50%</b>	<b>19%</b>
	2 years to 5 years	<b>25%</b>	<b>60%</b>	<b>19%</b>
	5 years to 10 years	<b>35%</b>	<b>90%</b>	<b>29%</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. Economy.** Over the last two years, the coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings until raising it to 0.25% at its meeting on 16<sup>th</sup> December 2021, 0.50% at its meeting of 4<sup>th</sup> February 2022 and then to 0.75% in March 2022.

The UK economy has endured several false dawns through 2021/22, but with most of the economy now opened up and nearly back to business-as-usual, the GDP numbers have been robust (9% y/y Q1 2022) and sufficient for the MPC to focus on tackling the second-round effects of inflation, now that the CPI measure has already risen to 6.2% and is likely to exceed 8% in April.

Gilt yields fell towards the back end of 2021, but despite the war in Ukraine gilt yields have shot higher in early 2022. At 1.38%, 2-year yields remain close to their recent 11-year high and 10-year yields of 1.65% are close to their recent six-year high. These rises have been part of a global trend as central banks have suggested they will continue to raise interest rates to contain inflation.

Historically, a further rise in US Treasury yields will probably drag UK gilt yields higher. There is a strong correlation between the two factors. However, the squeeze on real household disposable incomes arising from the 54% leap in April utilities prices as well as rises in council tax, water prices and many phone contract prices, are strong headwinds for any economy to deal with. In addition, from 1<sup>st</sup> April 2022, employees also pay 1.25% more in National Insurance tax. Consequently, inflation will be a bigger drag on real incomes in 2022 than in any year since records began in 1955.

**Average inflation targeting.** This was the major change in 2020/21 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 2020 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 mantra now seems very dated. Inflation is the "genie" that has escaped the bottle, and a perfect storm of supply side shortages, labour shortages, commodity price inflation, the impact of Russia's invasion of Ukraine and subsequent Western sanctions all point to inflation being at elevated levels until well into 2023.

**USA.** The flurry of comments from Fed officials following the mid-March FOMC meeting – including from Chair Jerome Powell himself – hammering home the hawkish message from the mid-March meeting, has had markets pricing in a further 225bps of interest rate increases in 2022 on top of the initial move to an interest rate range of 0.25% - 0.5%.

In addition, the Fed is expected to start to run down its balance sheet. Powell noted that the rundown could come as soon as the next meeting in May.

The upward pressure on inflation from higher oil prices and potential knock-on impacts on supply chains all argue for tighter policy (CPI is estimated at 7.8% across Q1), but the hit to real disposable incomes and the additional uncertainty points in the opposite direction.

More recently, the inversion of the 10y-2y Treasury yield spread at the end of March led to predictable speculation that the Fed's interest rate hikes would quickly push the US economy into recession. Q1 GDP growth is likely to be only between 1.0% and 1.5% annualised (down from 7% in Q4 2021). But, on a positive note, the economy created more than 550,000 jobs per month in Q1, a number unchanged from the post-pandemic 2021 average. Unemployment is only 3.8%.

**EU.** With euro-zone inflation having jumped to 7.5% in March it seems increasingly likely that the ECB will accelerate its plans to tighten monetary policy. It is likely to end net asset purchases in June – i.e., earlier than the Q3 date which the ECB targeted in March. And the market is now anticipating possibly three 25bp rate hikes later this year followed by more in 2023. Policymakers have also hinted strongly that they would re-start asset purchases if required. In a recent speech, Christine Lagarde said “we can design and deploy new instruments to secure monetary policy transmission as we move along the path of policy normalisation.”

While inflation has hit the headlines recently, the risk of recession has also been rising. Among the bigger countries, Germany is most likely to experience a “technical” recession because its GDP contracted in Q4 2021, and its performance has been subdued in Q1 2022. However, overall, Q1 2022 growth for the Eurozone is expected to be 0.3% q/q with the y/y figure posting a healthy 5.2% gain. Finishing on a bright note, unemployment fell to only 6.8% in February.

**China.** 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; however, 2021 has seen the economy negatively impacted by political policies that have focussed on constraining digital services, restricting individual freedoms, and re-establishing the power of the One-Party state. With the recent outbreak of Covid-19 in large cities, such as Shanghai, near-term economic performance is likely to be subdued. Official GDP numbers suggest growth of c4% y/y, but other data measures suggest this may be an overstatement.

**Japan.** The Japanese economic performance through 2021/22 is best described as tepid. With a succession of local lockdowns throughout the course of the year, GDP is expected to have risen only 0.5% y/y with Q4 seeing a minor contraction. The policy rate has remained at -0.1%, unemployment is currently only 2.7% and inflation is sub 1%, although cost pressures are mounting.

**World growth.** World growth is estimated to have expanded 8.9% in 2021/22 following a contraction of 6.6% in 2020/21.

**Deglobalisation.** 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 18% of total world GDP (the USA accounts for 24%), and Russia's recent invasion of Ukraine, has unbalanced the world economy. In addition, 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 (and to a much lesser extent Russia) to supply products and vice versa. This is likely to reduce world growth rates.

**Central banks' monetary policy.** 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
SONIA	The Sterling Overnight Index Average – generally a replacement set of indices (for LIBID) for those benchmarking their investments.
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 – No longer used
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.

**CABINET**  
**11 OCTOBER 2022**

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## **CONSIDERATION OF OBJECTIONS TO TRAFFIC ORDERS ON CONISCLIFFE ROAD**

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**Responsible Cabinet Member – Councillor Andy Kier, Local Services Portfolio**

**Responsible Director – Dave Winstanley, Group Director of Services**

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### **SUMMARY REPORT**

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

1. To advise Members of three objections received to a proposal for waiting restrictions on Coniscliffe Road and to seek a decision on whether to proceed with the proposal.

#### **Summary**

2. Pavement cafés have been in place on Coniscliffe Road since the Summer of 2020. They were initially implemented as a response to the reopening of hospitality businesses after the first COVID-19 lockdown.
3. Government enacted the Business and Planning Act 2020 on 22 July 2020 to enable local authorities to make provision for outdoor dining due to the restrictions on indoor eating and drinking.
4. Coniscliffe Road was one of the areas identified where outdoor dining could be accommodated and that would be of benefit to the local hospitality businesses. The road was subsequently closed to enable tables and chairs to be placed on the carriageway.
5. An experimental order was put in place to facilitate the closure and associated changes to waiting and loading restrictions. The order was reviewed 12 months later, and the outcome of the review was that the pavement cafés were well supported, but changes were put in place to enable the road to be partially reopened.
6. The northern side of the carriageway was closed to traffic and pavement café areas were set out, initially with water filled barriers and latterly with concrete planters. This side of the road was previously used as a bus lane and consequently had very little traffic. The southern side of the carriageway has been reopened to traffic, one-way in a westerly direction. A plan is attached showing the restrictions that are currently in place **Appendix 1**.
7. Cyclists entering the town are required to divert along Northumberland Street but will use the one-way system travelling away from the town.

8. Bus services use an alternative route along Victoria Road and Feethams.
9. Experimental orders can last up to 18 months, at which time a decision has to be made as to whether to make the changes permanent or not. The current arrangement has generally worked well for businesses, and we therefore propose to make the current restrictions permanent. We gave notice of this proposal on 22 August 2022.
10. We have received three letters of objection. Two from one business on Coniscliffe Road, Dr. Inks, one from the owner and the other from the general manager. The other from Cushman and Wakefield on behalf of the Court and Tribunal Service.
11. The nub of the objections from Dr. Inks is that Dr. Inks considers that it is at a commercial disadvantage because they do not have access to a pavement café and that this has affected takings. They would like a full road closure so that they can have tables and chairs outside their establishment.
12. The objection from Cushman and Wakefield relates to access for maintenance and public behaviour.
13. Dr. Inks did have outdoor seating when the full road closure was in place prior to March 2022. In order to have an outdoor café under the current arrangement, with a live westbound traffic lane, they would need to have access to toilets on the north side of the road. The café licence policy does not permit pavement cafés where customer have to cross roads to access toilets. Food/drinks can be served to tables by suitably trained staff.
14. Dr. Inks did have an informal arrangement with businesses on the north side of the road whereby their customers could use these businesses toilets, but this arrangement is not now in place, and they do not currently have access to a pavement café. They do have a beer garden/yard to the rear of their property.
15. The matters raised by Dr. Inks are not on traffic and are considered more relevant to the pavement café policy. The points raised are however noted.
16. The matters raised by Cushman and Wakefield are a combination of access issues and public behaviour issues. The access issue can be dealt with by amending the position of the planters. The other issues are considered more relevant to the pavement café policy. The points raised are however noted.
17. The road was originally closed after the initial COVID-19 lockdown when traffic levels were very low and just prior to town centre shops being permitted to open. At the time, the priority was to enable hospitality businesses to reopen whilst maintaining the 2m social distancing between groups or individuals. This necessitated the full closure of the road due to the additional space required for social distancing.
18. COVID-19 restrictions have now been removed. Coniscliffe Road acts as an egress point for Grange Road customers/service vehicles and provides access to a number of residential properties and it is therefore important that the road remains open to traffic.

19. It is felt that the current layout provides a balance between providing outdoor seating/hospitality areas and also fulfils the Highway Authorities duty under Section 122 of the Road Traffic Regulation Act 1984 to secure the expeditious, convenient and safe movement of vehicular and other traffic.
20. The one-way system for traffic secures and maintains reasonable access to premises by all modes of travel and provides access to suitable loading facilities for businesses.

### Recommendation

21. It is recommended that Members consider the objections, set them aside and authorise officers to make the changes permanent, as shown on the plan Appendix 1.

### Reasons

22. The recommendation supports the provision of pavement cafés in accordance with the Town Centre Strategy and the Council’s pavement café policy.
23. It will maintain traffic flow in accordance with our duty under the Road Traffic Regulation Act 1984.

**Dave Winstanley**  
**Group Director of Services**

### Background Papers

No Background papers were used in the preparation of this report

Andy Casey: Extension 6701

S17 Crime and Disorder	The outdoor eating and drinking areas will be subject to a drinks licence and pavement café licence which can be withdrawn if there is misuse or disorder issues.
Health and Wellbeing	There are no direct implications
Carbon Impact and Climate Change	There are no significant impact implications in this report
Diversity	There are no direct implications
Wards Affected	Park East, Park West
Groups Affected	All
Budget and Policy Framework	This decision does not represent a change to the budget and policy framework
Key Decision	This is not a key decision.
Urgent Decision	This is not an urgent decision.
Council Plan	No significant implications.
Efficiency	No significant implications.
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

24. In March 2021 the Government set out a road map for supporting the reopening of outdoor hospitality to enable hospitality businesses to reopen whilst reducing the risk of COVID-19 transmission.
25. On 22 July 2020 Government enacted the Business and Planning Act 2020. These temporary provisions enabled Local Authorities to provide pavement licences to facilitate pavement cafés on the highway. Initially the provisions of the Act were due to cease in September 2021 but were extended to 30 September 2022.
26. An experimental traffic order was implemented, in accordance with the provisions above, to facilitate outdoor dining for the hospitality businesses on Coniscliffe Road. The Order is made pursuant to sections 9 and 10 of the Road Traffic Regulation Act 1984. In compliance with section 1 of the Act it is considered expedient to make the Order for the following reasons:
  - (a) for avoiding danger to persons or other traffic using the road or any other road or for preventing the likelihood of any such danger arising; and
  - (b) for preserving or improving the amenities of the area through which the road runs.
  - (c) Full regard is also given to the Council's duty under Section 122 of the Road Traffic Regulation Act 1984 to secure the expeditious, convenient and safe movement of vehicular and other traffic.
27. Coniscliffe Road was originally closed after the initial COVID-19 lockdown when traffic levels were very low and just prior to town centre shops being permitted to open. At the time the priority was to enable hospitality businesses to reopen whilst maintaining the 2m social distancing between groups or individuals. This necessitated the full closure of the road due to the additional space required for social distancing.
28. COVID-19 restrictions have of course now been removed and the town centre has returned to normal.
29. The experimental order was reviewed on 28 March 2022. The review considered that there was a good level of uptake from the hospitality businesses fronting onto the road closure to provide al fresco dining and that the arrangements should continue with some amendments to the traffic arrangements.
30. Prior to the introduction of the pavement cafes, the northern carriageway of Coniscliffe Road was designated as a bus lane (which allows taxis and cycles) to access the town centre and serve the existing bus stop on Houndgate. Since the start of the pandemic and introduction of social distancing measures in the town, the bus lane and bus stop on Houndgate has not been operational. Bus services have been rerouted along Victoria Road and Feethams.



31. The southern carriageway of Coniscliffe Road permitted all traffic movements heading west out of town and also provided loading space to serve local businesses and a taxi rank between the hours of 8.00pm-6.00am, though the taxi rank was only sporadically used by the trade.
32. Experimental orders can last up to 18 months, at which time a decision has to be made as to whether to make the changes permanent or not. The current arrangement has generally worked well for businesses, and we therefore propose to make the current restrictions permanent. We gave notice of this proposal on 22 August 2022.
33. We have received three letters of objection. Two from one business on Coniscliffe Road, Dr. Inks, one from the owner and the other from the general manager. The third is from Cushman and Wakefield representing the Court and Tribunal Service. The objections and officer responses are provided in the table below:-

	Objection	Officer Comment
Owner of Dr. Inks	We occupy Dr.inks, 3 Coniscliffe Road, Darlington and have been heavily financially impacted by the inability to use outdoor seating on the opposite side of the road as we have no toilets to use, compared to our competitors who have enjoyed outdoor seating all Summer, with increased revenue. Our takings are down by 31%. We are at a significant commercial disadvantage.	The commercial aspect of the comments are noted and relate to business matters, rather than on traffic grounds. We have worked with the business and other businesses to try enable them to have a café licence but other businesses have withdrawn their offer of use of toilets and Dr. Inks cannot now meet the requirements of our pavement café licence.
General Manager of Dr. Inks	I believe we are at a unfair disadvantage been on the opposite side of the road. As you may be aware when Coniscliffe Road received the concrete barriers we we're given our seating and fencing after I submitted a form and layout plan, a few weeks later I received a letter stating we were in breach of our licence by operating a pavement café while a live carriage way was operating. Myself and the owner John Taylor have had meetings and sent letters/emails back and forth to licencing and highway in the past few month.  I strongly recommend a closure of Coniscliffe Road like it was before especially if the road is due to be	We have tried to work with Dr. Inks to enable them to retain a pavement café but the fact that customers would have to cross a live traffic lane to access toilets means that they would breach the pavement licence policy.  Coniscliffe Road is a public highway and as such its primary role is for the pass

	<p>pedestrianised next year, to John he can see that our takings are effected but to myself and staff we are constantly having to explain to customers why we don't have seating, we are having to refund drinks when the customer realises they can't take their cocktail and sit across the road in another bars area and it's hard to watch the other bars thrive as customers sit and enjoy drinks in the nice weather while our plot sits empty giving off "unpopular vibes" or that we don't want the custom so we chose not to put seating out. The bars on that side have increased their opening hours because the street seating is so popular.</p> <p>We have put in TENs over the past few weeks by having the bar in our area which worked really well however getting permission to use the toilet from the bars on that side became very difficult because they didn't want to be dragged into the conflict over the street seating and unfortunately Jubilee and the last bank holiday we managed to get permission which I was thankful for however, having to pretty much beg to a competing bars isn't a good look and its slightly degrading for myself and the business.</p>	<p>and repass of members of the public. We have a duty under the Traffic Management Act 2004 to maintain traffic flow. The westbound lane on Coniscliffe lane provides an egress point for Grange Road customers and deliveries as well as residents in Coniscliffe Road. We would not recommend a full closure at this time.</p>
<p>Cushman and Wakefield</p>	<p>These blocks make it impossible for HMCTS to contract cherry pickers or hiabs to clean the gutters in an area plagued by trees. As HMCTS have not been able to clean the gutters as needed since the restrictions were imposed , this has led to significant rain damage in the past 12 months which have been expensive to repair.</p> <p>Narrowing the main public road also makes maintaining the roof and carrying out repairs difficult. Unfortunately, access is further curtailed at the rear of the court, which is a private road, so the erection of scaffolding to carry out the</p>	<p>It is proposed to alter the position of the eastern most planter to be in line with the boundary of number 14 and the County Court. This will allow sufficient room for access to maintain the property.</p> <p>As above.</p>

	<p>gutter cleans and roof repairs is not possible.</p> <p>As members of the public attending Court gather at the seating area before and after hearings, there is a level of danger for any members of HMCTS staff (especially judges) who are recognised walking past. This is a major concern for HMCTS and would like to avoid any future altercations.</p> <p>The noise level outside the Court has increased since the seating was installed, causing distraction from the work being undertaken in the Court.</p> <p>There has been an increase in anti-social behaviour and members of HMCTS staff have experienced a few instances of sick at the staff door, which then must be cleaned.</p>	<p>This comment is noted, however it is not on traffic grounds. The Council has a policy on café licences and has powers relating to licencing of premises which can deal with issues of this nature.</p> <p>As above.</p> <p>As above.</p>
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34. Dr. Inks did have outdoor seating when the full road closure was in place prior to March 2022. In order to have an outdoor café under the current arrangement, with a live westbound traffic lane, they would need to have access to toilets on the north side of the road. The café licence policy does not permit pavement cafes where customer have to cross roads to access toilets. Food/drinks can be served to tables by suitably trained staff.
35. Dr. Inks did have an informal arrangement with businesses on the north side of the road whereby their customers could use these businesses toilets but that relationship has broken down and they do not currently have access to a pavement café. They do have a beer garden/yard to the rear of their property.
36. The matters raised by Dr. Inks are commercial matters rather than on traffic grounds. They are more relevant to the pavement café policy. The points raised are however noted.
37. The matters raised by Cushman and Wakefield are a combination of access issues and public behaviour issues. The access issue can be dealt with by amending the position of the planters. The other issues are considered more relevant to the pavement café policy. The points raised are however noted.
38. The road was originally closed after the initial COVID-19 lockdown when traffic levels were very low and just prior to town centre shops being permitted to open. At the time the priority was to enable hospitality businesses to reopen whilst maintaining the 2m social distancing between groups or individuals. This necessitated the full closure of the road due to the additional space required for social distancing.
39. It is felt that the current layout provides a balance between providing outdoor seating/hospitality areas and also fulfils the Highway Authority's duty under the Road Traffic Regulation Act 1984 to

secure the expeditious, convenient and safe movement of vehicular and other traffic.

40. The one-way system for traffic secures and maintains reasonable access to premises by all modes of travel and provides access to suitable loading facilities for businesses.
41. Subject to Cabinet approval, the restrictions will be introduced in accordance with the Council's powers as set out in Part 1 of the Road Traffic Regulations Act 1984.

#### **Financial Implications**

42. The proposal will be funded from the town centre management budget.

#### **Legal Implications**

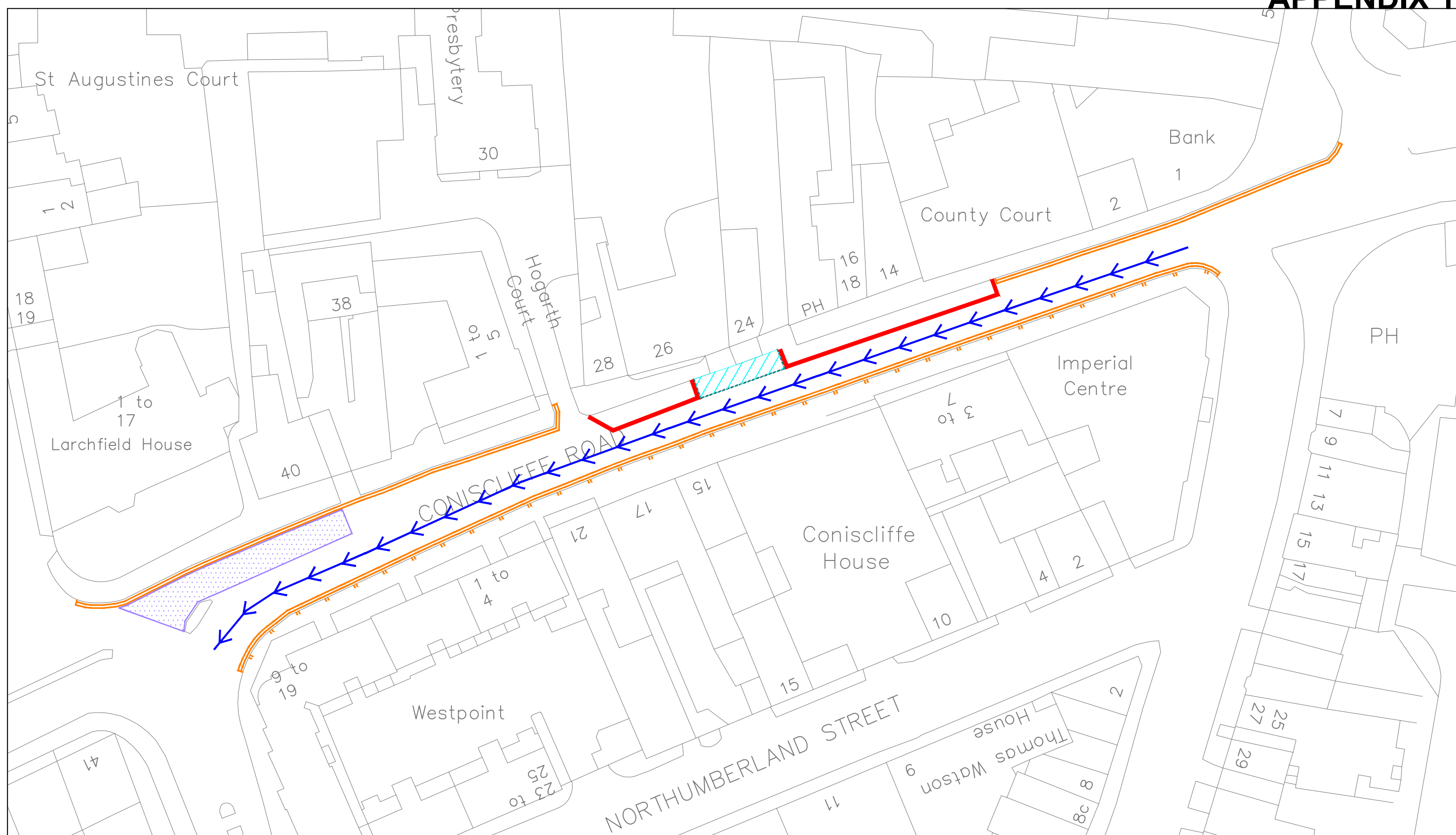
43. The traffic orders have been statutorily advertised for the required period.

#### **Consultation**

44. Businesses and residents have been consulted and three objections were initially received.




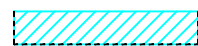


#### **Outcome of Consultation**

45. One of the objections, from a resident has been withdrawn. Two objections from Dr. Inks and one from Cushman and Wakefield remain and are the subject of this report.



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Key to Types of Restriction

-  **No Waiting at any time and No Loading/Unloading at any time**
-  **Planters defining Pavement Cafe**
-  **No Waiting at any time**
-  **Loading Only All days and at all times**
-  **Prohibition of all Vehicles**
-  **One Way**

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**DARLINGTON**  
Borough Council

Darlington Borough Council  
Coniscliffe Road  
Experimental Order



Scale: 1 : 500 @A3	
Date: 30th March 2022	
Drawn by: C. Easby	Map Schedule: N/A

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**CABINET**  
**11 OCTOBER 2022**

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## **INGENIUM PARC - PROPOSED DEVELOPMENT UPDATE**

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**Responsible Cabinet Member -**  
**Councillor Alan Marshall, Economy Portfolio**  
**Councillor Scott Durham, Resources Portfolio**

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

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### **SUMMARY REPORT**

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

1. To seek approval for the sale of approximately 11.28 acres (4.56 Ha) of land at Ingenium Parc, Darlington shown hatched on the attached plan at **Appendix A**, subject to the grant of planning permission for development.

#### **Summary**

2. The Council owns land at Ingenium Parc which is available for inward investment/industrial development subject to enabling infrastructure to open up the site.
3. An enquiry has now been received from a developer with an occupier identified to acquire a site and as part of their proposals they have indicated, that subject to planning they will build a road to access their site that will in turn open up more of the Council's land.
4. The development of the site would generate circa 220 jobs and will boost the economic growth and business profile of the borough.
5. The disposal will generate a modest capital receipt because the cost of the access road and associated infrastructure is significant and will need to be offset against the value of the land.
6. It should be noted that the enabling infrastructure referred to above has a requirement for the Council to repay to Tees Valley Combined Authority 34% of capital receipts received from disposals of land at Ingenium Parc up to a maximum of £1.6m.
7. Terms have been provisionally agreed with the developer for a sale of 11.28 acres (4.56 Ha) and together with the identity of the occupier are detailed in **Appendix B Part III**.

## Recommendations

8. It is recommended that:-
- (a) The sale of approx. 11.28 acres (4.56Ha) of land at Ingenium Parc be approved on the terms set out in Appendix B Part III of this report, and;
  - (b) The Assistant Director of Economic Growth be authorised in consultation with the Resources Portfolio Holder to agree terms in line with those in Appendix B Part III and the Assistant Director for Law and Governance be authorised to document the sale of the property accordingly and associated matters.
  - (c) TVCA’s interest in the site be noted and the Assistant Director of Economic Growth be authorised to reimburse their portion of any receipt, accordingly.

## Reasons

9. The recommendations are supported by the following reasons:-
- (a) To achieve development of further plots and new income through business rates
  - (b) To assist business development and job creation in Darlington.

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

## Background Papers

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

Jenny Dixon: Extension 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	Eastbourne ; Sadberge and Middleton St George ; Hurworth
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

10. The Council-owned land amounts to circa 16.40 Ha (40.51 acres) as shown cross hatched on the plan at Appendix A. It is a key employment site and located within Darlington's Eastern Urban Fringe. It is accessed from Salters Lane to the south of the existing Cummins factory off Yarm Road.
11. Enabling infrastructure to unlock the land in the form of extending Salters Lane South beyond Cummins has been provided through funding from Tees Valley Combined Authority ( TVCA ) and the Council is now looking for developer(s) with a view to attracting manufacturing and industrial units and to provide infrastructure and services so that the wider site is development ready in the future.
12. It should be noted that the enabling infrastructure referred to above funded by TVCA has a requirement for the Council to repay 34% of capital receipts received from disposals of land at Ingenium Parc up to a maximum of £1.6m. TVCA are aware of this proposed developer interest and are supportive of the investment and employment opportunities it will bring to the Tees Valley.
13. These proposals will increase the supply of employment opportunities within Darlington and will be an excellent addition to support Darlington's growing economy.
14. At the meeting of Cabinet on 5 July 2022, Cabinet agreed to dispose of plots on a direct sale basis or through Expressions of Interest. Developer interest has now been received to develop a site of circa 11.28 acres (4.56 Ha).
15. Terms are being negotiated and are detailed in Appendix B Part III to this report.

### Valuation Comment

16. It is considered that the provisionally agreed purchase price represents the best consideration available in line with the provisions of S.123 of the Local Government Act 1972.

### Planning Comment

17. Planning permission will be required for the proposed development. A planning application will be assessed in the context of local and national planning policies although the principle of the proposals in this location is acceptable.

### Financial Implications

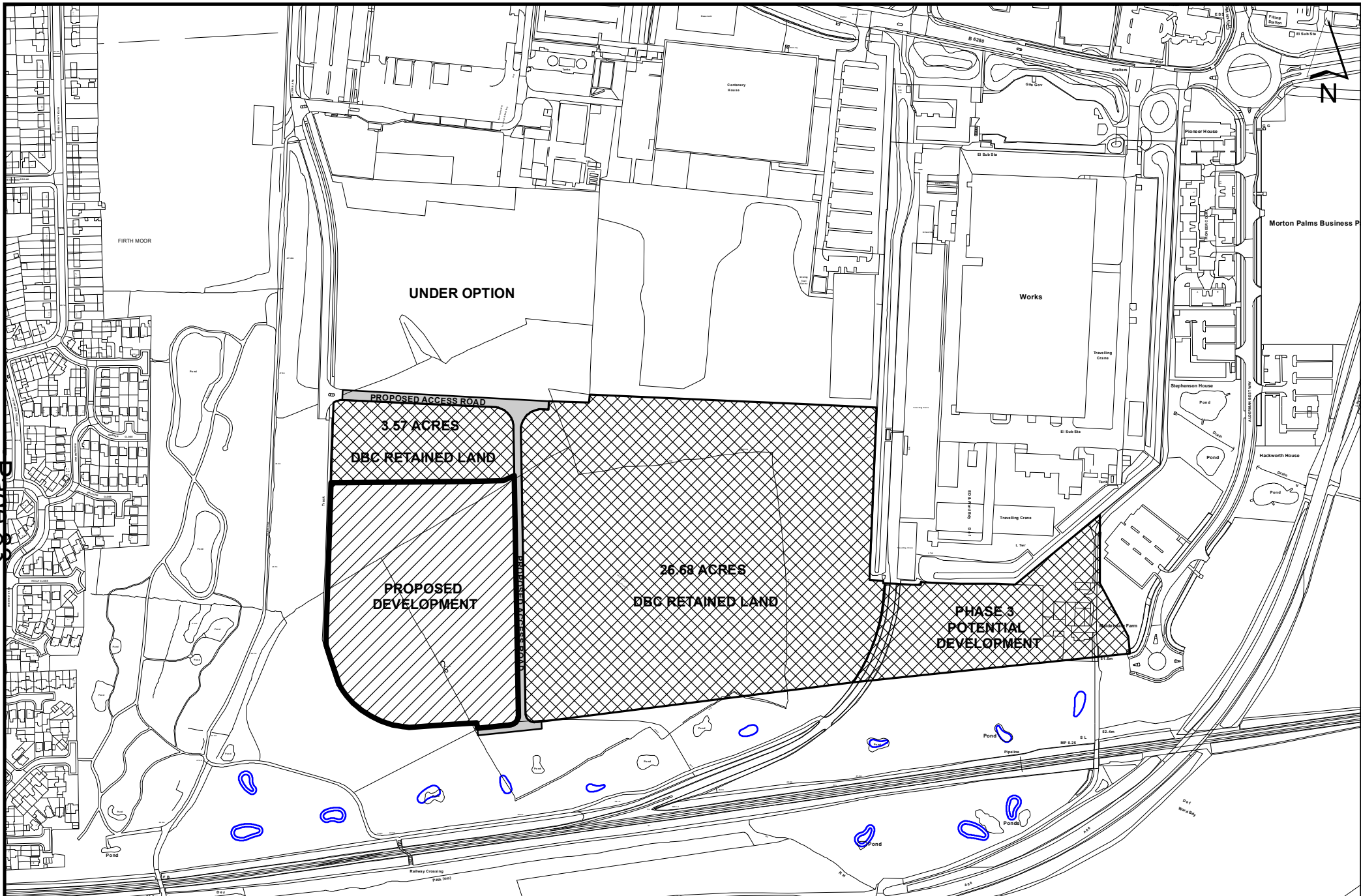
18. The sale of this land will achieve financial benefits for the Council, including enabling infrastructure and new income through business rates. There will be a capital receipt, but this will be modest due to the purchaser providing the road and the requirement to pay an element to TVCA in line with paragraphs 11 and 12 above.

### **Legal Implications**

19. The Council has the power to sell land pursuant to s 123 Local Government Act 1972 and the proposed sale complies with the requirements of that Act as a sale for full value.
20. The Assistant Director, Law and Governance, will be required to document the sale of the property and deal with any issues arising from the legal process.

### **Consultation**

21. External consultation will take place as part of the normal planning process. Internal consultation has raised no objections to the proposed sale.



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

Project Title: **INGENIUM PARC - APPENDIX A**

Drawing Title: **PROPOSED DEVELOPMENT AND PROPOSED ACCESS ROADS**

Scale: **1 : 5000**

Date: **29/09/22**

Drawn: **RMH**

Ref: **AT A4**

Area: **11.288 Acres**

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

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**CABINET**  
**11 OCTOBER 2022**

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**SCHEDULE OF TRANSACTIONS**

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

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

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**SUMMARY REPORT**

**Purpose of the Report**

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

<b>TRANSACTION</b>	<b>PURPOSE OF TRANSACTION</b>	<b>MINUTE REF</b>
<b><u>Acquisitions</u></b>		
Freehold interest in industrial premises on Adelaide Street/St John's Place	Acquisition in advance for the Darlington Station Improvement Scheme and the Darlington Station Gateway Compulsory Purchase Order	C103(2)(e)/ Feb2020
16 Neasham Road (freehold residential property).	Acquisition in advance for the Darlington Station Improvement Scheme and the Darlington Station Gateway Compulsory Purchase Order	C103(2)(e)/ Feb2020
Leasehold interest in Pizza Station, 7 St John's Place.	Compensation payment following vesting of property in the Council under the Darlington Station Gateway Compulsory Purchase Order	C103(2)(e)/ Feb2020
Freehold Interest in Fish & Chip shop and residential flat 12 Neasham Road.	Compensation payment following vesting of property in the Council under the Darlington Station Gateway Compulsory Purchase Order	C103(2)(e)/ Feb2020

Leasehold interest in Land at Whessoe Road and 1861 shed	To achieve immediate surrender of lease of 1861 shed site and surrender of lease in Whessoe Road salvage yard on or before 30 June 2023 for the Darlington Rail Heritage Quarter scheme	C94(6)(d)/ Jan2020
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<b><u>Easements</u></b>		
Grant of deed of easement at Faverdale West	To allow cables to be routed through Council land to a sub-station on land being developed for industrial starter units	

### Summary

- It is necessary for Cabinet to approve terms negotiated by the officers within the Chief Executive and Economic Growth Group on behalf of the Council to enable contractually binding contracts to be completed. The Part III **Appendix 1** details the terms negotiated for consideration and approval.

### Recommendation

- It is recommended that the schedule (Appendix 1) be approved, and the transactions completed on the terms and conditions detailed therein.

### Reasons

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

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

### Background Papers

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

Guy Metcalfe : Extension 6725



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

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of the Local Government Act 1972.

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