

**DECISIONS SHOULD NOT BE IMPLEMENTED BEFORE
MONDAY 20 FEBRUARY 2023**

CABINET

Tuesday, 7 February 2023

PRESENT – Councillors Dulston (Chair), Bartch, Clarke, Durham, Keir, K Nicholson and Renton

INVITEES – Councillors Curry, Harker and Snedker

APOLOGIES – Councillors Tostevin and Wright

ALSO IN ATTENDANCE – Councillors Mrs Culley, Donoghue, McCollom and Mrs H Scott

C246 DECLARATIONS OF INTEREST.

There were no declarations of interest reported at the meeting.

C247 TO HEAR RELEVANT REPRESENTATION (FROM MEMBERS AND THE GENERAL PUBLIC) ON ITEMS ON THIS CABINET AGENDA.

In respect of Minute C254 below, representations were made by members of the public in attendance at the meeting.

C248 TO APPROVE THE MINUTES OF MEETING OF THIS CABINET HELD ON TUESDAY, 10 JANUARY 2023

Submitted - The Minutes (previously circulated) of the meeting of this Cabinet held on 10 January 2023.

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

REASON – They represent an accurate record of the meeting.

C249 MATTERS REFERRED TO CABINET

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

C250 ISSUES ARISING FROM SCRUTINY COMMITTEE

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

C251 KEY DECISION - SCHOOLS ADMISSIONS 2024/25

The Cabinet Member with the Children and Young People Portfolio introduced the report of the Group Director of People (previously circulated) requesting that consideration be given to the Local Authority's admission arrangements (also previously circulated) for the 2024/25

academic year for maintained schools in the Borough.

The submitted report stated that in line with the School Admissions Code 2021, an Admission Authority was required to annually determine the admission arrangements used to allocate places for schools for which it was the admission authority, including the offering of places to children who were resident in the Borough but had stated a preference for a school in another local authority area; outlined the application process; financial and legal implications; and stated that all admission authorities were required to consult on admission arrangements and the co-ordinated scheme every seven years.

RESOLVED - That the admission arrangements, as appended to the submitted report, for the three maintained primary schools in Darlington for entry in 2024/25 and for the administration of in-year applications thereafter, be approved.

REASON - All admission authorities are under a statutory duty to determine admission arrangements for schools for which it was the admission authority every academic year.

C252 MEDIUM TERM FINANCIAL PLAN - INVESTING IN AND DELIVERING SUCCESS FOR DARLINGTON

Pursuant to Minute C234/Dec/22, the Leader introduced the report of the Chief Officers Executive (previously circulated) proposing a Medium Term Financial Plan (MTFP) for 2023/24 to 2026/27 (also previously circulated) including setting a budget and council tax increase for 2023/24, to Council on Thursday 16 February 2023, for approval.

The submitted report stated that the current economic climate presented significant challenges to the Council's budgets; rising inflation, interest rates and energy costs and post-Covid demand in social care were putting significant pressures on the Council's finances; and that unless further government funding was forthcoming the Council would need to undertake a fundamental review of its services over the course of 2023 to decide what and how services would be delivered in the coming years.

It was reported that the Local Government Finance Settlement was better than expected with additional funding for Social Care and as a result the Council could set a legal budget in 2023/24; continue to provide the core offer level of services to the residents of Darlington; and could deliver a balanced position until 2025/26 utilising reserves as per the Council Strategy. There was a substantial annual budget deficit that was not sustainable and would need to be addressed, and unless further funding was forthcoming, the Council would need to fundamentally review its services and both reduce expenditure and increase income to ensure a stable position moving forward.

Details of the projected expenditure and income, budget pressures and savings, schedule of fees and charges, assumptions used to prepare estimates, projected Revenue Outturn 2022/23, proposed Capital Programme and the minutes of the Economy and Resources Scrutiny Committee, were also appended to the submitted report.

RESOLVED – (a) That the comments and responses received to the consultation, as detailed in the submitted report, be noted.

(b) That it be recommended to the special meeting of Council scheduled to be held on Thursday 16 February 2023, that the Revenue Medium Term Financial Plan (MTFP) and the Capital Programme, as set out in Appendices 6 and 7 respectively of the submitted report, be approved, including:-

- (i) a Council Tax increase of 2.99 per cent plus a two per cent Adult Social Care Precept to fund social care for 2023/24; and
- (ii) the Schedule of Charges, as set out in Appendix 3, of the submitted report.

REASONS - (a) The Council must set a budget for the next financial year.

(b) To enable the Council to continue to plan services and finances over the medium term.

(c) To ensure decisions can be made in a timely manner.

(d) To ensure investment in the Council's assets is maintained.

(e) To take account of the views of residents and Members when considering MTFP proposals.

C253 HOUSING REVENUE ACCOUNT - MEDIUM TERM FINANCIAL PLAN 2023/24 TO 2026/27

Pursuant to minute C225/Dec/22, 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 proposals for the revenue budget, capital programme, rent levels and service charges for the Council's Housing Revenue Account (HRA) for the financial year 2023/24, in the context of the HRA Medium Term Financial Plan (MTFP) to 2026/27 and the 30-year Business Plan.

The submitted report stated that the Council was the largest provider of social housing in the Borough, providing 5,291 homes to local residents; the homes were of a high standard of accommodation that met the Decent Homes Standard; as a result of the high quality of the homes and the services provided they were in high demand; and to meet that demand the Council had an ambitious programme to build new homes in Darlington, funded through capital receipts from the right to buy sales, grant funding and borrowing of £11.7M. The proposed revenue budget expenditure of £26.557M included £5.539M to fund responsive repairs and maintenance and £12.609M contribution to the capital programme. The proposed capital programme of £24.585M included funding for work to current properties and £15.673M to deliver the new build Council housing programme.

It was reported that the key decision to be made regarding the HRA each year was the balance between setting rent and service charge levels that were affordable to the Council's tenants whilst ensuring there was sufficient resources to invest in housing stock, tackle climate change and maintain services; Local Authorities had the discretion to increase rents by the Consumer Prices Index (CPI) plus one per cent; CPI for September 2022 was 10.1 per cent which meant that Members could decide to increase rents by up to 11.1 per cent; a decision was made by the Government to cap social housing rent increases at seven per cent;

and that a number of options had been considered, taking into account the current economic pressures facing tenants and delivering ambitious capital and energy efficient programmes.

RESOLVED - That it be recommended to the special meeting of Council scheduled to be held on Thursday 16 February 2023 that :-

(a) an average weekly rent increase of five per cent for 2023/24 be implemented giving an average social rent of £78.70 and affordable rent of £88.35;

(b) garage rents and service charges be increased, as shown in Table 1 of the submitted report;

(c) the revenue budget, as attached at Appendix 1 of the submitted report, be approved;

(d) the Housing Business Plan, as attached at Appendix 2 of the submitted report, be agreed; and

(e) the capital programme, as attached at Appendix 3 of the submitted report, be agreed, and the funding be released, should the programme be subsequently approved by Council.

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

(b) To adhere to financial procedure rules on the release of Capital funding.

C254 LAND AT BLACKWELL – PROPOSED DEVELOPMENT AND PARKLAND RESTORATION

The Cabinet Member with the Economy Portfolio introduced the report of the Chief Executive (previously circulated) requesting that consideration be given to the parkland restoration plan (also previously circulated).

The submitted report stated that approval of the plan would enable a planning application to be submitted for the proposals contained therein and for new housing development on site 403, as shown circled in red on the plan (also previously circulated); it was intended to sell site 403 to the Council's Joint Venture vehicle; and that a further Cabinet report would be prepared for Members identifying the net capital receipt for the Council and seeking final approval to establish the new Joint Venture Company and to funding arrangements, for the housing development and the parkland restoration plan.

It was reported that approval was obtained on 22 June 2022 (Minute C147/Jun/22 refers) for the disposal of circa. 5.2 Hectares (13 acres) of land, with the intention that a new Joint Venture company would develop it; approval was also obtained for the funding of feasibility work to develop plans for a parkland restoration scheme and to engage the services of Esh Homes Limited to develop appropriate plans and designs for a planning application; feasibility work and plans for the parkland restoration scheme had now been completed; it was proposed that the new Joint Venture company would be responsible for delivering the parkland restoration plan; the restoration works would be funded from the sale of site 403;

and that once the costs had been finalised this would be included in a subsequent Cabinet report for approval.

It was proposed that a planning application be submitted for site 403 and the parkland and that through the planning process, the public and residents would be able to comment in the normal manner. Initial engagement with local Members and interest groups had commenced with favourable feedback and it was anticipated that local Members would arrange further engagement exercises with residents.

Members of the public in attendance at the meeting addressed Cabinet in respect of the proposals and in doing so referred to a number of positives, including: - the wide range of views and expertise gained through the process; the reversal of biodiversity loss; tree management; footpaths and access; restoration of the pond; provision of interpretations boards; and the natural assets on the site.

Particular references were made to the planning processes and timescales for submission of the planning application; what further consultation and engagement would take place; whether there was a need to demolish the carriage shed; when would the Joint Venture Company become responsible for the site; could the entrance to the site from Grange Road be moved; and where the footpaths would be located as there were concerns around anti-social behaviour if they were too close to the houses on Upsall Drive. The Leader, Cabinet Member with the Economy Portfolio, Cabinet Member with the Stronger Communities Portfolio, Chief Executive and Group Director of Services responded thereon.

RESOLVED – (a) That the submission of the parkland restoration plan and new housing on site 403, within a planning application, as detailed at Appendix 1 of the submitted report, be supported.

(b) That the principle and intention that site 403 would be sold to a new Joint Venture company on the terms and conditions, as outlined in Appendix 3 of the submitted report, be noted, which would be subject to a further Cabinet report on funding once all costs had been determined.

(c) That the Chief Executive be given delegated authority to prepare the terms of the disposal, in consultation with the Portfolio Holders, the details to be reported back in due course.

(d) That the Assistant Director – Law and Governance be authorised to execute the necessary documents to facilitate future development.

REASONS – (a) To contribute to the delivery of new housing to satisfy the Borough's housing need and to provide for restoration of the parkland area.

(b) To enhance a public space for the benefit of residents and wildlife.

(c) To achieve a capital receipt for the Council and increased Council Tax receipts from new executive homes.

THREE 2022/23

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 that programme.

The submitted report stated that the projected outturn of the current Capital Programme was £277.981M against an approved programme of £279.857M; 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 44 live projects, with an overall projected outturn value of £183.507M, 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 sourced 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.

C256 REVENUE BUDGET MONITORING 2022/23 - QUARTER THREE

The Cabinet Member with the Resources Portfolio introduced the report of the Group Director of Operations (previously circulated) providing a forecast of the 2022/23 revenue budget outturn as part of the Council's continuous financial management process.

The submitted report stated that it was the third revenue budget management report to Cabinet for 2022/23 and that the latest projections showed an overall decline of £0.616M on the 2022/26 Medium Term Financial Plan, however, this was an improvement of £0.735M compared with the previous Quarter Two revenue budget monitoring report (Minute C212/Nov/22refers) which was due to an improvement in the departmental position of £0.412M and the release of the Risk Contingencies budget of £0.323M.

RESOLVED - (a) That the forecast revenue outturn for 2022/23, as detailed in the submitted

report, be noted.

(b) That further regular reports be made to monitor progress and take prompt action if necessary.

(c) That the carry forward requests, as detailed in paragraphs 16 and 17, be approved.

REASONS - (a) To continue effective management of resources.

(b) To continue to deliver services to agreed levels.

C257 PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT STRATEGY REPORT 2023/24

The Cabinet Member with the Resources Portfolio introduced the report of the Group Director of Operations (previously circulated) requesting consideration be given to reviewing the Prudential Indicators and Limits for 2023/24 to 2025/26 relating to capital expenditure and Treasury Management activity; a policy statement relating to the Minimum Revenue Provision; and the Treasury Management Strategy 2023/24, which includes the Annual Investment Strategy for 2023/24.

The submitted report outlined the Council's Prudential Indicators for 2023/24 to 2025/26; set out the expected treasury operations for that period; and reported that the expenditure plans, Treasury Management and Prudential Borrowing activities indicated that they were within the statutory framework and consistent with the relevant codes of practice, were prudent, affordable and sustainable and were an integral part of the Council's Revenue and Capital Medium Term Financial Plans.

RESOLVED - That it be recommended to the special meeting of Council scheduled to be held on Thursday 16 February 2023 that:-

(a) the Prudential Indicators and limits for 2023/24 to 2025/26, as summarised in Tables 1 and 2 of the submitted report, be approved;

(b) the Minimum Revenue Provision (MRP) statement, as detailed in paragraphs 36 to 43 of the submitted report, be approved;

(c) the Treasury Management Strategy 2023/24 to 2025/26, as summarised in paragraphs 47 to 73 of the submitted report, be approved; and

(d) the Annual Investment Strategy 2023/24, as contained in paragraphs 74 to 106 of the submitted report, be approved.

REASONS - (a) In order to comply with the Prudential Code for Capital Finance in Local Authorities and the Department for Levelling Up, Housing and Communities (DLUHC) guidance on investments.

(b) To comply with the requirements of the Local Government Act 2003.

(c) To approve a framework for officers to work within when making investment decisions.

C258 CALENDAR OF COUNCIL AND COMMITTEE MEETINGS 2023/24

The Leader introduced the report of the Group Director of Operations (previously circulated) requesting that consideration be given to the Calendar of Council and Committee Meetings for the 2023/24 Municipal Year (also previously circulated).

RESOLVED – (a) That the Calendar of Council and Committee Meetings 2023/24, as appended to the submitted report, be approved.

(b) That the proposed dates for the meetings of Council be referred to the Annual Council meeting scheduled to be held on Thursday 25 May 2023, for approval.

REASON – (a) To ensure that the calendar of meetings is approved to assist with forward planning.

(b) To enable the meetings of Council to be approved.

C259 MEMBERSHIP CHANGES - TO CONSIDER ANY MEMBERSHIP CHANGES TO OTHER BODIES TO WHICH CABINET APPOINTS.

There were no membership changes reported at the meeting.

**DECISIONS DATED –
FRIDAY 10 FEBRUARY 2023**