



**DARLINGTON**

Borough Council

# Cabinet Agenda

5.00 pm

Tuesday, 7 February 2023

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 meeting of this Cabinet held on Tuesday, 10 January 2023 (Pages 5 - 12)
5. Matters Referred to Cabinet –  
There are no matters referred back for reconsideration to this meeting
6. Issues Arising from Scrutiny Committee –  
There are no issues referred back from the Scrutiny Committees to this Meeting, other than where they have been specifically consulted on an issue and their comments are included in the contents of the relevant report on this agenda.
7. Key Decision - Schools Admissions 2024/25 – Report of the Group Director of People.  
(Pages 13 - 34)
8. Medium Term Financial Plan - Investing In and Delivering Success for Darlington – Report of the Chief Officers Executive.  
(Pages 35 - 108)
9. Housing Revenue Account - Medium Term Financial Plan 2023/24 to 2026/27 – Report of the Group Director of Operations.

(Pages 109 - 126)

10. Land at Blackwell – Proposed Development and Parkland Restoration –  
Report of the Chief Executive.  
(Pages 127 - 136)
11. Project Position Statement and Capital Programme Monitoring - Quarter Three 2022/23  
Report of the Group Director of Operations and the Group Director of Services.  
(Pages 137 - 152)
12. Revenue Budget Monitoring 2022/23 - Quarter Three –  
Report of the Group Director of Operations.  
(Pages 153 - 170)
13. Prudential Indicators and Treasury Management Strategy Report 2023/24 –  
Report of the Group Director of Operations.  
(Pages 171 - 202)
14. Calendar of Council and Committee Meetings 2023/24 –  
Report of the Group Director of Operations.  
(Pages 203 - 206)
15. Membership Changes - To consider any Membership Changes to Other Bodies to which  
Cabinet appoints.
16. 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.
17. Questions.



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

**Monday, 30 January 2023**

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

**Membership**

Councillors Bartch, Clarke, Dulston, Durham, Keir, 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).

**DECISIONS SHOULD NOT BE IMPLEMENTED BEFORE  
MONDAY 23 JANUARY 2023**

**CABINET**

Tuesday, 10 January 2023

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

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

**ALSO IN ATTENDANCE** – Councillors Mrs Culley and McCollom

**C235 DECLARATIONS OF INTEREST.**

In respect of Minutes C240(2) and C244 below, Councillor Harker declared a non-pecuniary interest as he was the Chair of the Darlington Federation of Nursery Schools Governing Body.

**C236 TO HEAR RELEVANT REPRESENTATION (FROM MEMBERS AND THE GENERAL PUBLIC) ON  
ITEMS ON THIS CABINET AGENDA.**

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

**C237 TO APPROVE THE MINUTES OF THE MEETINGS OF THIS CABINET HELD ON 6 AND 13  
DECEMBER 2022**

Submitted - The Minutes (previously circulated) of the meeting of this Cabinet held on 6 and 13 December 2022.

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

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

**C238 MATTERS REFERRED TO CABINET**

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

**C239 ISSUES ARISING FROM SCRUTINY COMMITTEE**

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

**C240 KEY DECISIONS:-**

**(1) DISABLED FACILITIES GRANT POLICY AND REGULATORY REFORM ORDER POLICY**

The Cabinet Member with the Adults Portfolio introduced the report of the Group Director of People (previously circulated) requesting that consideration be given to the updated

Disabled Facilities Grant Policy and Regulatory Reform Order Policy 2022/25 (also previously circulated).

The submitted report stated that the Disabled Facilities Grant (DFG) was a means tested statutory grant provided by the Government to undertake adaptations to homes such as walk in showers, stair lifts, ramps, or building extensions for disabled adults or children to enable them to live independently in their own homes; the grants were governed by housing legislation and therefore had set guidance and eligibility criteria which governed how funding could be allocated; historically those conditions had restricted the way in which funding could be released which resulted in year-on-year underspends on the budget; the Government had increased the DFG grant paid to local authorities nationally; and that this increase in allocated Government funding, together with carry forward amounts, had resulted in a DFG budget for 2022/23 of approximately £2.6M.

It was reported that the Regulatory Reform (Housing Assistance) Order gave local authorities permission to broaden the scope of how DFG's were used to support housing renewal and assist with improving housing conditions. The proposed updated Darlington DFG policy had been developed in a way which would enable the Council to make use of the powers provided under the Regulatory Reform (Housing Assistance) Order and use the funding in an appropriate way, to the benefit of residents.

**RESOLVED** - That the Disabled Facilities Grant Policy 2022/25 and the associated Housing Assistance Policy under the Regulatory Reform Order (2022), as appended to the submitted report, be approved.

**REASONS** – (a) To enable the adaptations for those individuals who are eligible to receive a Disabled Facilities Grant for 2022/23 to proceed.

(b) The updated Disabled Facilities Grant Policy and Regulatory Reform Order Policy will allow the Council to create an environment of greater innovation and flexibility to maximise the benefit of DFG funding.

## **(2) MAINTAINED SCHOOLS CAPITAL PROGRAMME - SUMMER 2023**

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 releasing the 2022/23 school condition allocation of £159,235 for the schools' summer works programme 2023 and the devolved formula capital of £42,257 to the maintained schools.

The submitted report stated that the 2022/23 School Condition Allocation (SCA) funding would be used to fund works including condition, electrical and mechanical surveys, works identified as a priority and any urgent works arising, across the Darlington's maintained schools during summer 2023; the 2022/23 Devolved Formula Capital (DFC) was a formula-based grant provided to all maintained schools to help support their ongoing capital needs; and that all the projects would be managed in line with the Corporate Capital Process procedures.

**RESOLVED** - (a) That the 2022/23 School Condition Allocation of £159,235, be released, to support the 2023 maintained schools' summer works programme.



(b) That the 2022/23 Devolved Formula Capital (DFC) of £42,257, be released.

**REASON** - The release of the School Condition Allocation and Devolved Formula Capital will enable capital investment to be undertaken in the areas identified with the greatest need, in terms of asset management priorities.

### **(3) EAST STREET OFFICE DEVELOPMENT**

The Cabinet Member with the Economy Portfolio introduced the report of the Chief Executive (previously circulated) requesting that consideration be given to the release of funding to produce a detailed feasibility and business case for the development of a speculative Grade A office building on the former Sports Direct site on East Street Darlington, and to further discussions with the Tees Valley Combined Authority (TVCA) regarding their contribution to the project including the intended use of the £4M allocated to Darlington as part of the TVCA investment plan.

The submitted report stated that the Council acquired the former Sports Direct site for £625,000 in 2020; the derelict building was demolished to create a cleared site for development; the acquisition and clearance works were funded by the TVCA Indigenous Growth Fund (IGF); it was proposed to develop a circa 25,000 square foot grade A office building on the site to accommodate the ongoing investment enquiries; in order to commence the development a detailed business case would need to be produced to establish the construction costs, determine the viability and demand for office space within the town; and in order to produce the detailed feasibility and business case for the development, it was requested that £150,000 be allocated to the project from the Economic Growth Initiative Fund. It was assumed that TVCA funding of £4M would be released subject to due process and that a further £6M would be required from other funding sources.

**RESOLVED** – (a) That £0.150M for the detailed business case be funded from the Economic Growth Initiative Fund.

(b) That delegated authority be given to the Assistant Director of Economic Growth to enter into the grant funding agreements on the terms, as set out in the submitted report.

**REASONS** – (a) To attract more professional, business and office-based jobs to the centre of Darlington contributing to Town Centre vitality.

(b) To enable the project to advance in line with the desired timetable.

**DELEGATIONS** - The delegation sought is to enable the preliminary feasibility and business case to advance to ensure the necessary project timetable can be adhered to.

### **(4) TOWN CENTRE PARKING OFFER**

The Cabinet Member with the Local Services Portfolio introduced the report of the Group Director of Services (previously circulated) providing an update on the town centre car parking offer.

The submitted report stated that the current parking offers had been in place in various pay and display locations to support the town centre since June 2018; since January 2021 the Tees Valley Combined Authority (TVCA) had provided the funding to support parking offers across the Tees Valley for a two-year period; in November 2022 Cabinet agreed to fund an extension of the parking offer from January 2023 until the end of March 2023 (Minute C207(2)/Nov/22 refers); the sustainability of the town centre was an immediate priority; and that it was a strong desire of the administration that the Council should continue to support and encourage use of the town centre, by considering a further short-term extension of parking offers until the end of June 2023.

Particular references were made at the meeting to the reasoning behind the extension of the parking offer and to the views of Arriva, who provided bus services in the town. The Leader and the Cabinet Member with the Local Services Portfolio responded thereon.

**RESOLVED** – (a) That the parking offer be extended for a further three months from the 1 April 2023 to the end of June 2023 and at that point parking charges be reintroduced on 1 July 2023.

(b) That a report be submitted to Council for approval to vary the budget and release £387,000 to cover the costs of extending the parking offer for a further three months.

**REASON** – To support the ongoing recovery of the town centre

#### **C241 COUNCIL PLAN 2020/23 PERFORMANCE REPORT - QUARTER TWO (2022/23)**

The Leader introduced the report of the Chief Officers Executive (previously circulated) presenting an overview of progress made towards achieving the key outcomes of the Council Plan 2020/23 'Delivering Success for Darlington' together with the Performance Management Report April to September 2021 (also previously circulated).

The submitted report outlined the vision of the Council Plan 'Delivering Success for Darlington' which was structured around the key priorities of growing Darlington's economy; maximising the potential of young people; working with communities to maximise their potential; supporting the most vulnerable in the Borough; and a dedicated workforce who were proud to serve the Borough and an accessible, effective and engaged Council.

The performance management report outlined the Council performance up to the end of the second quarter of the 2022/23 financial year and provided a high-level update on overall progress, across all portfolios, towards the overarching vision and priorities together with an update on each Cabinet portfolio area, highlighting progress made against key actions and relevant key performance indicators. Particular reference was made to the emerging national and global issues such as increasing energy and supply chain costs and the war in Ukraine, which were having a significant impact on residents, businesses and on the delivery of Council services.

Particular references were made at the meeting to inclusion of areas where the Council was not performing particularly well or where there were pressures and whether it was possible to quantify the benefit to the economy, of the elderly being able to remain in their own homes. The Chair, Cabinet Member with the Adults Portfolio and the Group Director of

People responded thereon.

**RESOLVED** – That the progress made against the Council Plan 2020/23 ‘Delivering Success for Darlington’, as set out in the performance management report appended to the submitted report, be noted.

**REASON** - To update Cabinet on the progress in implementing the Council Plan priorities.

## **C242 FUTURE DEVELOPMENT OF INDOOR MARKET**

The Cabinet Member with the Economy Portfolio introduced the report of the Chief Executive (previously circulated) requesting that consideration be given to the release of capital funds for the further development of the traditional trading area located in the Victorian Indoor Market.

The submitted report stated that in 2017 the Council entered a lease/partnership agreement with Market Asset Management Ltd (MAM) for the management, refurbishment of the Victorian Indoor Market and the management and improvement of Darlington’s outdoor market; the refurbishment of the indoor market commenced in 2021; outlined the work that been undertaken to date; the challenges that were affecting the future sustainability of the traditional indoor market; and stated that a plan had been developed in order to address those challenges for the further development of the traditional trading area of the indoor market.

It was reported that the overall objective of the next phase was to establish a long-term sustainable tenant mix which sought to achieve a consistent service and quality offer throughout the market; to develop ‘customer hot spots’, which specialised in promotions; to introduce new offers, including speciality food, quality fashion accessories, art and crafts and modern services into the market to ensure that the public perceived change; to promote an environment of self-improvement and diversification of the existing and new traders; and to create opportunities to promote the market via specialist offers and events.

Discussion ensued on the importance to the town of the indoor market; the mix of traders located in the market; the importance of retaining that mix; the loss of traders; and the management of the market and traders by Market Asset Management Ltd (MAM).

**RESOLVED** – (a) That the proposals, as set out in the submitted report for the improvements to the Victorian Indoor Market, be approved.

(b) That the release of £800,000 from the Tees Valley Combined Authority Indigenous Growth Fund, be approved.

**REASON** - To contribute to the ongoing commitment to the full refurbishment of the Victorian Indoor Market which will have a positive impact upon the economic wellbeing and vitality of the Town Centre.

## **C243 CLIMATE CHANGE PROGRESS**

The Cabinet Member with the Economy Portfolio introduced the report of the Chief Executive (previously circulated) updating Members on the progress towards the Council's net zero target.

The submitted report stated that following the Council's Climate Emergency Declaration in July 2019 (Minute 19/Jul/19 refers), a Sustainability and Climate Change Lead Officer had been appointed; a Climate Change Strategy and action plan had been produced and adopted; and that a trajectory of 30 per cent reduction in the Council's emission every five years had been agreed (Minute C51(2)/Oct/21 refers).

It was reported that the emissions data was collected annually, so the next update would be reported in July 2023; milestones had been developed and were being used by the Climate Change Officer to monitor progress; the Climate Change Officer would be working with lead officers to develop the milestones for 2023/24; work had begun on an adaptation plan to sit alongside the carbon reduction plans to ensure continuing resilience to climate change; work also continued on the development of a strategy for how the Council intended to offset residual emissions; and outlined how the Council communicated with residents and businesses and internally with staff, on climate change.

Reference was made at the meeting to the progress, that the Council were making in reducing its emissions, and to the promising trajectory that it was on, but in doing so, highlighted the many challenges that the Council still faced, including looking at procurement; the lack of resources to tackle those challenges; and to the possibility of an Energy Plan being developed for the Tees Valley.

**RESOLVED** – That the report be noted.

**REASON** - With increasing public awareness and desire to take action on climate change, the Council needs to deliver on its own Declaration.

#### **C244 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.

#### **C245 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 13 JANUARY 2023**

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**CABINET**  
**7 FEBRUARY 2023**

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## **SCHOOLS ADMISSIONS 2024/25**

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

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

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### **SUMMARY REPORT**

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

1. To seek Members' approval for the Local Authority's admission arrangements for the 2024/2025 academic year for maintained schools in the Borough.

#### **Summary**

2. In line with the School Admissions Code 2021, an Admission Authority is required to annually determine the admission arrangements used to allocate places for schools for which it is the admission authority by 28 February in the determination year - **Appendix A**.

#### **Recommendation**

3. It is recommended that Members approve the admission arrangements for the 3 maintained primary schools in Darlington for entry in 2024-2025 and for the administration of in-year applications thereafter.

#### **Reasons**

4. The recommendation is supported as all admission authorities are under a statutory duty to determine admission arrangements for schools for which it is the admission authority every academic year.

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

#### **Background Papers**

School Admissions Code - Issued September 2021

Melanie Dickinson: Extension 5908

S17 Crime and Disorder	Not relevant to this report
Health and Wellbeing	Offering a school place to meet parental preference and close to a child's address enhances safeguarding and provides security for the child.
Carbon Impact and Climate Change	Not relevant to this report.
Diversity	Parents have a wide choice of schools to match the diverse needs of a pluralistic community.
Wards Affected	The admission criteria affects children living in all wards across Darlington.
Groups Affected	Parents, Pupils, Schools, Neighbouring Authorities, other Admission Authorities.
Budget and Policy Framework	'This decision does not represent a change to the budget and policy framework'.
Key Decision	This is a key decision as it affects more than one ward in Darlington.
Urgent Decision	For the purposes of call in this matter does not represent an urgent decision.
Council Plan	The admissions systems supports the ambition in the council plan to increase educational achievement across the borough.
Efficiency	The Admissions Policy and management of school places ensure that the Local Authority complies with statutory guidance on Surplus Places. This enables parents to have a choice in a school place but ensures resources are not wasted and school budgets are not overcommitted.
Impact on Looked After Children and Care Leavers	Looked After Children are the highest priority in the oversubscription criteria, however this report does not impact on Care Leavers.

## MAIN REPORT

### Information and Analysis

- The Local Authority acts as a 'clearing house' for all applications for a place at a school in Darlington at the normal point of entry (September). This is part of a co-ordinated scheme (**Appendix B**). Co-ordination also includes the offering of places to children who are resident in Darlington but have stated a preference for a school in another LA area.

### Financial Implications

- The Local Authority acting in its capacity as an admission authority will make a single offer of a school place each academic year, to parents who have expressed a preference for their child to be admitted to a maintained school within Darlington. Although all applications will be considered on an equal weighting basis, should a child be eligible for a place at more than one school, parents are requested to rank their order of preference on the 'Primary School Application Form 2024/25' in order that only one offer will be made.



The admissions oversubscription criteria will be applied should the school be oversubscribed. The equal preference system operates to give parents choice in their selection of schools, allocating their highest ranked preference wherever possible. Where a maintained school is not oversubscribed parents who have applied will be offered a place for their child.

### **Legal Implications**

7. As an Admission Authority, Darlington Local Authority must determine its admission arrangements each academic year and would be in breach of its statutory duty in accordance with the School Admissions Code, issued in September 2021.
8. The Authority would be in breach of its statutory duty if it did not co-ordinate the application process for all schools within its authority in accordance with the School Admissions Code, issued in September 2021.

### **Consultation**

9. All Admission Authorities are required to consult on their admission arrangements at least once every 7 years. Consultation must take place between 1 October and 31 January of the school year before the arrangements are to take place and must last for a minimum of 6 weeks. This consultation period allows parents, other schools, religious authorities and the local community to raise any concerns about the proposed admission arrangements. In line with the requirements, Darlington Local Authority consults with the appropriate bodies within the timescales.
10. Every 7 years Local Authorities must consult on a co-ordinated scheme. Consultation must take place if there is a substantial change before that time. Each year all Local Authorities are required to formulate and publish on their website a co-ordinated scheme for all publicly funded school within its area by 1 January in the relevant determination year. Darlington LA last consulted on a scheme in 2022.

### **Outcome of Consultation**

11. No comments were received on the co-ordinated scheme.

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## **ADMISSIONS POLICY**

1. Darlington Local Authority is the admissions authority for the following community schools:
  - (a) Harrowgate Hill Primary – 60 PAN
  - (b) Red Hall Primary – 30 PAN
  - (c) Whinfield Primary – 60 PAN

### **Admission at the Normal Point of Entry**

2. Darlington Borough Council, as the Admissions Authority for community and voluntary controlled schools will consider all preferences for the schools, against the relevant oversubscription criteria as set out below. In determining admissions, priority will be given to those applications where the Primary School Application (PSA) is received by the published deadline. Applications received after the deadline ('late' applications) will then be considered.

### **Admissions Oversubscription Criteria**

3. If there are more applications than the number of places available in a particular school, then the school is deemed to be oversubscribed. When stating a preference, parents are entitled to state a reason for doing so. However, the only criteria used to allocate places are those detailed below.
4. After the admission of children with special educational needs where a school is named on the EHCP, and where the number of applicants is greater than the published admission number, applications will be considered against the criteria set out below, in the following order:
  - (a) **Priority 1 - Looked After, Previously Looked After Children & Internationally Adopted previously Looked After Children**
    - (i) Looked after children and previously looked after but immediately after becoming looked after became subject to adoption, a child arrangement order or special guardianship order. Children who appear to Darlington Local Authority to have been in state care outside of England and ceased to be in state care as a result of being adopted (see note 1 & 2)
  - (b) **Priority 2 - Medical Reasons**
    - (i) Children with exceptional medical factors directly relating to school placement. Applications under this criterion should be supported by written evidence from a professional practitioner (see note 3)
  - (c) **Priority 3 - Family Links**
    - (i) Children who have a brother or sister already attending the school and are expected to be on roll at that school at the time of admission (see note 4)

**(d) Priority 4 – Rural**

- (i) Children living within the Rural Wards of the Borough of Darlington who have been unsuccessful in obtaining a place at one of their preferred schools AND for whom the nearest alternative school would otherwise be more than two miles from their home will be given priority over other children for places at the correlating primary school (A copy of the maps and corresponding rural wards list is available in the Guide for Parents and on the Council's website).

**(e) Priority 5 -Distance (Urban Wards of Darlington Borough Council)**

- (i) Children who live nearest the preferred school measured from the front door of the home address (including flats) (see note 5) to the main school gate (determined by the LA), by the shortest walking route. This will be based on the home address of the child (see note 6).

**Notes**

**Looked After Children**

- 5. A looked after child is a child who is (a) in the care of a Local Authority, or (b) being provided with accommodation by a Local Authority in the exercise of their Social Services functions (see the definition in Section 22(1) of the Children Act 1989).
- 6. An adoption order is an order made under Section 46 of the Adoption and Children Act 2002.
- 7. A child arrangement order is an order outlining the arrangements as to the person with whom the child is to live under Section 8 of the Children Act 1989.
- 8. A special guardianship order is an order appointing one or more individuals to be a child's special guardian or guardians (Section 14A Children Act 1989).
- 9. A previously looked after child is a child who immediately moved on from that status after becoming subject to an adoption, child arrangement order or special guardianship order.

**State Care Outside of England**

- 10. Children who have been looked after outside of England by a public authority, a religious organisation or another provider of care whose sole purpose is to benefit society. The care may have been provided in orphanages or other settings.

**Medical Criterion**

- 11. If a parent states a preference for any of the 3 maintained schools and indicate their reason for doing so is 'medical', then they are required to send a supporting letter from a professional practitioner. The supporting evidence should set out the particular reasons why the school in question is the most suitable school and the

difficulties it would cause if their child had to travel to another school. Permission from parents must be given to share this information.

### **Family Links**

12. Children have a family link if:

- (a) They are half or full brother or sister;
- (b) They are adoptive brother or sister;
- (c) They are a foster brother or sister;
- (d) Their carers are married/co-habiting and children live together in the same household;
- (e) They are children of the same household (e.g. carers have special guardianship/child arrangements order).

### **Measurements**

13. For applications which require a measurement to be undertaken to apply the oversubscription criteria or to determine a tie-break situation, the Local Authority will measure the distance using a Geographical Information System (GIS) this ensures consistency for all measurements. The measurement will take the shortest walking route judged to be safe (\*lighting at regular intervals and paved/tarmacked). However, for some applications the authority recognises that the shortest route may not be a safe\* route to walk in its entirety but may be a combination of both the shortest safest\* walking route and a road route which will determine the basis of the measurement. The Local Authority accepts there may be exceptions and will treat each case on its merits.

### **Home Address**

14. The home address is used when applying under criteria 4 and 5 of the admissions policy. This means that when a parent states their school preference's they must give the home address at the time of application. Parents must not give the address of childminders or other family members who may share in the care of their child. For parents who may have more than one property, reference should only be made to the property in which they and the child(ren) mainly reside (Monday to Friday).
15. Similarly, where parents are separated and the child lives for periods with both, then the home address will be where the child mainly resides Monday to Friday or where a court has determined it should be. If the main address has changed temporarily, for example where a parent resides with extended family during a period of sickness or takes up temporary accommodation due to building works/renovation, then the home address remains that at which the parent was resident before the period of temporary residence began. However, if the property has been sold (exchanged contracts) and the family have moved into

temporary accommodation, then parents will be required to provide evidence of their situation and a decision will be made based upon the evidence provided.

### **Tie-Break**

16. In the event of a tie-break in any criteria, distance will be the deciding factor. The Authority will carry out a thorough investigation, which may involve an Officer walking the route using a *pedometer* as distance will be the deciding factor.

### **Multiple Births**

17. For multiple births where only 1 place remains, infant classes will be allowed to exceed the statutory limit where the 31st child is a twin or from multiple births. The 'excepted' pupil will be allowed for the time in Key Stage 1 or until the class numbers fall back to current class size limit.

### **Consideration of late applications**

18. If a parent believes that there are exceptional/individual circumstances which prevented submission of an application form by the stated deadline, e.g. families who have moved into the area after the closing date or if they are a single parent and have been ill for some time or have been dealing with the death of a close relative, then they must provide clear evidence for the LA. The Authority will then consider each application on an individual basis subject to verification. If the Authority decides that the reason given is unacceptable then the application will be considered after the applications received by the deadline and the decision of the LA will be final. These applications will be considered up to and including the stated deadline in January in the Guide for Parents. Further applications received after the January date will only be considered once the process for allocating places has been applied to those applications received by the deadline.

### **Offer Day**

19. Darlington Borough Council will inform parents of the offer of a school place on 16 April of the year of entry (or the next working day to this date).

### **Appeals Process**

20. Darlington Local Authority will issue appeal papers, if requested, to a parent who has been unsuccessful in their application to gain a place at their preferred maintained school(s) as stated on the application form.

### **Waiting Lists**

21. Darlington Local Authority as the Admission Authority for Community and Voluntary Controlled schools will always maintain a waiting list. A child's position on a waiting list(s) will be determined by the oversubscription criteria. If a parent wishes for their child's name to be added to a waiting list for any of the maintained schools that they stated a preference for, then they must complete the 'options' form attached to the refusal/offer letter issued in April of the relevant year of entry. Names can be added to a waiting list at any time. When pupil numbers fall

below the published admission number, children will be admitted from the waiting list in accordance with the oversubscription criteria.

22. The Local Authority does not consider the length of time a child's name has been on the waiting list, nor whether the application was received by the closing date or thereafter. Vacancies often arise at short notice and those on the waiting list should be prepared to accept a place as soon as it occurs. Places will not be held for later consideration. After the point of entry in September, normal transfers/in-year admission arrangements will operate.

### **Admission of Children outside of their normal age group and deferred entry**

23. If a parent seeks a place in a year group outside of their normal age group, they should complete an application form and attach a covering letter along with any accompanying documentation that details the circumstances behind their request, for example if their child has missed a significant amount of time due to ill health or they believe their child to be gifted and talented.
24. This should be forwarded to the School Admissions Manager, Children, Families & Learning, Town Hall, Darlington, DL1 5QT who will then contact the head teacher of the school/s concerned and ask for their views. Once a decision has been made the LA will write to the parent(s) informing them of the decision and setting out the reasons for such.
25. Parents of summer born children can also make a request to apply for their child to start school in the next academic year after they reach five and should follow the same process but should start the process in the September of the year prior to the year of entry.

### **Admission of children below compulsory school age**

26. Schools within Darlington Local Authority have a single point of entry in September each year for pupils starting school in Reception. However, children may attend part-time or parents can defer the date their child is admitted until later in the school year but not beyond the point at which they reach compulsory school age and not beyond the academic year of entry.

### **In-Year Applications Forms**

27. Families who move into the area who require a place(s) at a Darlington school must contact the Schools Admissions Section at the Town Hall. Parents will be sent an In-year Application Form (IYAF) and directed to the Council's website for a copy of the Guide for Parents (paper copies are also available on request). Should a place be available at a school requested by a parent, a meeting with the Head Teacher must take place before a start date is agreed.
28. Should, however, a parent request a place at a maintained school that has no places available, then they will be informed about the appeals process and the availability of alternative school places within the Borough of Darlington.

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**Darlington Local Authority**

**Co-ordinated Admissions for Schools in Darlington 2024-2025**  
**Normal point of entry Scheme**

**Introduction**

1. This scheme is made by Darlington Local Authority under The School Admissions (Admission Arrangements and Co-ordination of Admission Arrangements) (England) Regulations 2012 and The School Information (England) Regulations 2008 and applies to all schools in the Darlington area.
2. The co-ordinated normal point of entry scheme is for the academic year 2024/2025 and shall apply to every school in Darlington Authority area (except Beaumont Hill Special School and Marchbank Free School) and will take effect from September 2024.
3. The normal point of entry scheme is determined in accordance with the provisions set out in Schedule 1 and processed in accordance with the timetable set out in Schedule 2.

**Interpretation**

4. In this scheme:
  - (a) “the LA” means Darlington Borough Council acting in their capacity as a local authority;
  - (b) “the LA area” means the area in respect of which the LA are the local authority;
  - (c) “primary education” has the same meaning as in section 2(1) of the Education Act 1996;
  - (d) “primary school” has the same meaning as in section 5(1) of the Education Act 1996;
  - (e) “secondary education” has the same meaning as in section 2(2) of the Education Act 1996;
  - (f) “secondary school” has the same meaning as in section 5(2) of the Education Act 1996;
  - (g) “school” means a community, foundation or voluntary school (but not a special school) which is maintained by the LA;
  - (h) “academy school” as defined in Section 1 of the Academies Act 2010;
  - (i) “free school” as defined in Section 1 of the Academies Act 2010;

- (j) “admission authority” has the meaning as in section 88(1)(4) of the SSFA 1998 and in relation to a community or voluntary controlled school means the LA and, in relation to a Foundation, Academy, Free School or VA school means the governing body of that school;
- (k) “the specified year” means the school year beginning at or about the beginning of September 2024;
- (l) “admission arrangements” means the arrangements for a particular school or schools which govern the procedures and decision making for the purposes of admitting pupils to the school;
- (m) “in-year admission” means any application received for a school place other than at the normal point of entry for primary, junior or secondary education that is received after 1 September 2024;
- (n) “eligible for a place” means that a child has been placed on a school’s ranked list at such a point which falls within the school’s published admission number;
- (o) “nearest appropriate school” is defined as a school closest to the home address that has places available”;
- (p) throughout the scheme those with parental responsibility will be referred to as ‘parent’.

## **Schedule 1**

### **PART I – NORMAL POINT OF ENTRY SCHEME**

- 5. There will be 2 standard application forms supplied by the LA for parents living in the Darlington area who wish to express a preference(s) for a school in the Authority area or to a school(s) in another LA area at the normal point of entry. The forms will be known locally as the Secondary School Admission Form (SSA) and the Primary School Admission Form (PSA). For any family wishing to make an application in-year, they will be requested to complete a standard In-Year Admission Form (IYAF)
- 6. The SSA will be used for the purpose of admitting pupils into the first year of secondary education in the specified year.
- 7. The PSA will be used for the purpose of admitting pupils into the first year of primary education in the specified year.
- 8. The IYAF will be used for the purpose of admitting pupils into any year group of statutory education in the specified year after September of the normal year of entry.
- 9. The forms must be used as a means of expressing one or more preferences for the purposes of section 86 of the School Standards and Framework Act 1998, by parents’ resident in the LA area wishing to express a preference for their child(ren):
  - (a) To be admitted to a maintained school, VA or Academy school within the LA area;

- (b) To be admitted to a school located in another LA's area (including VA, Foundation schools, Free Schools and Academies).
10. The forms will invite the parent to express up to three preferences (five for primary at the normal point of entry) and give their reasons for each preference by completing the form and explain that the parent will receive no more than one offer of a school place and that:
- (a) All preferences expressed will be considered on an equal weighting basis but where a child is eligible for more than one place it will be the highest ranked school for which they are eligible that they will be offered by the LA as the admissions authority, or on behalf of another LA; admission authority of a VA, Foundation, Free or Academy School;
  - (b) If a place cannot be offered at a preferred school, then the parent will be offered a place at the nearest alternative school that has places available.
  - (c) at the normal point specify the closing date and where it must be returned, in accordance with paragraph 12.
11. The LA will make appropriate arrangements to ensure that all reasonable steps are taken to provide a SSA/PSA to every child living in the Darlington area who is due to transfer to secondary/primary education in September 2024 and the SSA/PSA is accompanied by a written explanation of the coordinated admissions scheme.
12. The LA will ensure that a supplementary form will be available for parents to complete who express a preference for a faith school.
13. All preferences expressed on the forms are valid applications. The governing body of a faith school can require parents who wish to nominate, or have nominated, their school on the SSA/PSA, to provide additional information on a supplementary form only where the additional information is required for the governing body to apply their oversubscription criteria to the application. Where a supplementary form is required, it must be returned to the LA, along with the SSA/PSA.
14. Where a school receives an application form in error it should inform the maintaining LA, whether the parent lives in that area or not, so that the home LA can ensure that a form is received with preferences and ranking.
15. Where a school receives a supplementary form from a Darlington resident it will not be regarded as a valid application unless the parent has also completed the appropriate form and the school is nominated on it. Where supplementary forms are received directly by a faith school, the school must inform the LA immediately so it can verify whether the appropriate form has been received from the parent and, if not, contact the parent and ask them to complete a form. Under the requirements of the scheme, parents will not be under any obligation to complete an individual school's supplementary form where this is not strictly required for the governing body to apply their oversubscription criteria.

## **Processing of SSA/PSAs**

16. The closing date for secondary applications is 31 October 2023 and for junior & primary applications 15 January 2024. Completed SSA/PSAs are to be returned to the LA.
17. SSAs received after the closing date but before 3 November 2023 will be considered by the Authority if there are exceptional/individual circumstances which prevented the submission of the SSA by the stated deadline. The same will apply for PSAs but consideration will be given up to and including 19 January 2024. Consideration will be given to families who have moved into the area, single parents who have been ill for some time or for parents who have been dealing with the death of a close relative. All applicants must provide clear evidence for an admission authority to make a decision whether to accept their application as 'on time'. All SSA/PSAs will be considered on an individual basis, if the reason given is unacceptable then the application will be considered after the applications received by the deadline and the decision of the admission authority will be final. This allows for co-ordination between other LA's and admission authorities.
18. For secondary school applications by 20 November 2023 where parents have nominated a school outside the LA area, the LA will notify the relevant authority(s).
19. For primary school applications by 29 January 2024 where parents have nominated a school outside the LA area, the LA will notify the relevant authority(s).
20. For secondary school applications by 27 November 2023 the LA will notify each admission authority in Darlington that is oversubscribed of every nomination that has been made for that school, including all relevant details and any supplementary forms received by this date which a school requires, to apply their oversubscription criteria.
21. For primary school applications by 5 February 2024 the LA will notify each admission authority in Darlington that is oversubscribed of every nomination that has been made for that school, including all relevant details and any supplementary forms received by this date which a school requires, to apply their oversubscription criteria.

## **Determining offers in response to the SSA/PSA**

22. The LA will act as a clearing house for the allocation of places for all admission authorities in Darlington in response to the SSA/PSAs. The LA will only make a decision in respect to the offer or refusal of a place at a maintained school preference expressed on the SSA/PSA where it is acting in its separate capacity as the admission authority or in the role of coordinator for applicants who are not eligible for a place at any school that the parent has stated as a preference and is therefore offering an alternative school place.
23. By 8 January 2024 admission authorities within Darlington Authority who were oversubscribed will have considered all applications for a secondary place and informed the LA of all applicants ranked according to the school's oversubscription criteria.

24. By 29 January 2024 other LA's and their admissions authority schools will have considered the applications for their schools from a Darlington resident and advised Darlington LA of those applicants ranked according to the relevant school's oversubscription criteria who may provisionally be offered a place at an out of authority school. Applicants that are refused also need to be listed in order of oversubscription criteria. Darlington LA will compare the lists from all admission authorities against the schools nominated on the SSA.
25. By 4 March 2024 admission authority schools within Darlington Authority who were oversubscribed will have considered all applications for a primary place and informed the LA of all applicants ranked according to the school's oversubscription criteria.
26. By 11 March 2024 other LA's and their admission authority schools will have considered the applications for their schools from a Darlington resident and advised Darlington LA of those applicants ranked according to the relevant school's oversubscription criteria who may provisionally be offered a place at an out of authority school. Applicants that are refused also need to be listed in order of oversubscription criteria. Darlington LA will compare the lists from all admission authorities against the schools nominated on the PSA.
27. Where a child is eligible for a place at more than one school, then a place will be provisionally offered at the highest ranked school for which they are eligible.
28. Where a child is not eligible for a place at any of the nominated schools, the child will be provisionally allocated a place at the nearest suitable school with a vacancy.
29. The LA will consult with all relevant admission authorities until the allocation of places is resolved.
30. By 5 February 2024 the LA will negotiate with other LA's to finalise the offer of secondary places and by 14 February 2024 the LA will inform its secondary schools of the pupils to be offered places at their schools.
31. By 18 March 2024 the LA will negotiate with other LA's to finalise offer of primary places and by 27 March 2024 the LA will inform its primary schools of the pupils to be offered places at their schools.
32. **On 1 March 2024 for secondary places and on 16 April 2024 for primary places, (or the next working day if either national offer day falls on a weekend or bank holiday)** parents will be notified that they are being offered a place at an allocated school. The letter/email will give the following information:
  - (a) The name of the school at which a place is offered, whether it be an offer by the LA or on behalf of another admission authority;
  - (b) The reasons why the child is not being offered a place at each of the other schools nominated on the SSA/PSA;
  - (c) Information about their statutory right of appeal against the decision to refuse places at the other nominated schools;

- (d) Contact details for the school and LA (and those nominated VA or Academy schools where they were not offered a place, so that they can lodge an appeal with the governing body);
  - (e) Where a child has been refused a place at a nominated school, an invitation for the child's name to be added to a waiting list. The LA will operate waiting lists until the end of December 2023, to fill places that may become available in the first term of the school year of entry.
  - (f) What to do if the place offered is in another LA;
  - (g) What to do if an offer was not made at the preferred school which was within another LA and who to contact.
33. Parents will have an initial 14 working days to respond to the offer letter to accept/decline the school place offered. They will then receive a reminder letter and after 21 working days the admission authority will then look to withdraw the offer.
34. Where no SSA/PSA is received before the offer date, where the LA is aware of the child's details, all reasonable steps will be taken to contact the parent advising them that they need to make an application.
35. If a parent did not initially apply for a school but then wishes to do so, they then must make an application. An offer or refusal letter will be sent along with a supplementary form if applicable. Names can be added to a waiting list using the applicable oversubscription criteria.

## **PART II - LATE APPLICATIONS**

36. SSAs received after 31 October 2023 (late applications) will be considered only in exceptional circumstances, e.g. families who have moved into the area after the closing date (refer to 13). These late applications will be considered up to and including 3 November 2023.
37. PSAs received after 15 January 2024 (late applications) will be considered only in exceptional circumstances, e.g. families who have moved into the area after the closing date (refer to 13). These late applications will be considered up to and including 19 January 2024.
38. In any other circumstances SSA/PSAs received after the closing date (late applications) will be held on a waiting list for consideration once the process has been applied to those applications who had submitted forms by the required deadline.

## **PART III - WAITING LISTS**

39. A child's position on a waiting list(s) will be determined by the oversubscription criteria for the relevant admission authority. If a parent wishes to add their child's name to a waiting list for a school that they were refused a place at, then they must complete the 'options' form that will be attached to their offer letter or respond online. Admission authorities do not take account of the length of time that a child's name has been on

the waiting list when determining any further offers due to a vacancy occurring, nor if the application was received late.

40. Vacancies often arise at short notice and those on the waiting list should be prepared to take up a place as soon as it occurs. Places will not be held for later consideration. The LA will maintain waiting lists for schools for Reception and Year 7 pupils only, until the end of December 2024. After 1 September 2024 normal transfer/in-year admission arrangements will operate.
41. Consideration of further offers made from waiting lists will commence after the parents have been given 21 days in which to respond (point 29) and thereafter every 3 weeks.

## SCHEDULE 2

### Timetable of Secondary Co-ordinated scheme

Consultation of admission arrangements (if applicable)  Determination of admissions policy 2023/2024	1 October 2023 to 31 January 2024 (for at least 6 weeks) 28 February 2024
Co-ordinated Scheme to be formulated and published on council website	By 1 January 2024
Secondary Applications available no later than	12 September 2023
Parent open evenings for Secondary Schools	12 Sept 2023 to 23 Sept 2023
SSA's to be returned to the LA by	By 31 October 2023
Exchange of forms to other LA's	By 20 November 2023
Inform Academy schools of all applications made and forward supplementary forms	By 27 November 2023
Darlington admission authority schools to send LA their ranked list of offers	By 8 January 2024
Other LA's to send their lists to Darlington LA	By 29 January 2024
Negotiation with other LA's to finalise offer of places	By 5 February 2024
Inform schools of the final offer list including children offered places residing other LA's	By 14 February 2024
Offer Letters sent out on behalf of admission authority schools in Darlington and other LA's	1 March 2024
Admission Appeals (if necessary)	May/June 2024

### Timetable of Primary Co-ordinated Scheme

Consultation on admission arrangements (if applicable)  Determination of admissions policy 2024/2025	1 October 2023 to 31 January 2024 (for at least 6 weeks) 28 February 2024
Co-ordinated Scheme to be formulated and published on council website	By 1 January 2024
Primary Applications available no later than	12 September 2023
PSA's to be returned to the LA by	15 January 2024
Exchange of forms to other LA's	By 29 January 2024
Inform schools of all applications made and forward supplementary forms	By 5 February 2024
Darlington admission authority schools to send LA their ranked list of offers	By 4 March 2024
Other LA's to send their lists to D'Ton LA	By 11 March 2024
Negotiation with other LA's to finalise offer of places	By 18 March 2024
Inform schools of the final offer list including children offered places residing other LA's	By 27 March 2024
Offer Letters sent out on behalf of admission authority schools in Darlington and other LA's	16 April 2024
Admission Appeals (if necessary)	June/July 2024



**SECONDARY SCHOOLS 2024/2025**

School	Age Range	Admission Number	Type
Carmel College	11-16	180	Co-Ed
Haughton Academy	11-16	180	Co-Ed
Hummersknott Academy Trust	11-16	240	Co-Ed
Hurworth School	11-16	127	Co-Ed
Longfield Academy	11-16	180	Co-Ed
Polam Hall School	11-16	84	Co-Ed
St Aidan's Church of England Academy	11-16	140	Co-Ed
Wyvern Academy	11-16	140	Co-Ed

**PRIMARY SCHOOLS 2024/2025**

School	Age Range	Admission Number	Type
Federation of Abbey Schools (Infant)*	4-7	90	Co-Ed
Federation of Abbey Schools (Junior)*	7-11	90	Co-Ed
Bishopton Redmarshall CE Primary	4-11	15	Co-Ed
Corporation Road Primary	4-11	30	Co-Ed
Firth Moor Academy	4-11	45	Co-Ed
Gurney Pease Academy	4-11	30	Co-Ed
Harrowgate Hill Primary	4-11	60	Co-Ed
Heathfield Academy	4-11	60	Co-Ed
Heighington CE Primary	4-11	30	Co-Ed
High Coniscliffe CE Primary	4-11	15	Co-Ed
Holy Family RC Primary	4-11	30	Co-Ed
Hurworth Academy	4-11	30	Co-Ed
Mount Pleasant Primary	4-11	30	Co-Ed
Federation of Mowden Schools (Infants)*	4-7	60	Co-Ed
Federation of Mowden Schools (Junior)*	7-11	60	Co-Ed
Northwood Primary	4-11	60	Co-Ed
Polam Hall School	4-11	45	Co-Ed
Red Hall Primary	4-11	30	Co-Ed
Reid Street Academy	4-11	60	Co-Ed
Skerne Park Academy	4-11	60	Co-Ed
Springfield Academy	4-11	30	Co-Ed
St Augustine's Catholic Primary	4-11	30	Co-Ed
St Bede's RC Primary	4-11	45	Co-Ed
St George's CoE Academy	4-11	60	Co-Ed
St John's CoE Academy	4-11	30	Co-Ed
St Mary's Cockerton Church of England Primary	4-11	30	Co-Ed
St Teresa's Catholic Primary	4-11	45	Co-Ed
The Rydal Academy	4-11	90	Co-Ed
West Park Academy	4-11	60	Co-Ed
Whinfield Primary	4-11	60	Co-Ed

Admission Authorities for the purposes of this scheme, are:

Primary

Federation of Abbey Schools (Infants)  
Federation of Abbey Schools (Juniors)  
Bishopton/Redmarshall CE Primary  
Corporation Road Primary  
Firthmoor Academy  
Gurney Pease Academy  
Heathfield Academy  
Heighington CE Primary  
High Coniscliffe CE Primary  
Holy Family RC Primary  
Hurworth Primary  
Federation of Mowden Schools (Infants)  
Federation of Mowden Schools (Juniors)  
Mount Pleasant Primary  
Northwood Primary School  
Polam Hall School  
Reid Street Academy  
Skerne Park Academy  
Springfield Academy  
St Augustine's Catholic Primary  
St Bede's RC Primary  
St George's CE Primary  
St John's CE Primary  
St Mary's Cockerton CofE Primary  
St Teresa's Catholic Primary  
The Rydal Academy  
West Park Academy

Secondary

Carmel College  
Haughton Academy  
Hummersknott Academy  
Hurworth School  
Longfield Academy  
Polam Hall School  
St Aidan's Church of England Academy  
Wyvern Academy

Darlington Local Authority

Harrowgate Hill Primary  
Red Hall Primary  
Whinfield Primary

## **IN-YEAR ADMISSIONS SCHEME**

42. Applications received after 1 September 2024 and for places in year groups other than the normal year of entry will be treated as in-year admissions.
43. Parents who are new to the Authority will be directed to the LA who in turn will send out an IYAF for completion with a required response within 7 working days to the LA. Parents will then be contacted again if no IYAF is returned.

### **Processing of In-Year Admission Forms**

44. All completed IYAFs are to be returned to the LA.
45. On receipt of the IYAF the LA will ascertain the availability of places if a stated preference is for a school maintained by another admission authority, in Darlington or in another LA area.
46. Processing of IYAFs from date of receipt will normally take 7 working days.

### **Determining offers in response to the IYAF**

47. Where an applicant has been deemed to be 'hard to place' then their request for a school place will also be considered under the Fair Access Protocol, this does not limit the parents from appealing for their preferred school if their preference is not met.
48. For all other applications the relevant admissions criterion will be applied if there are more applicants than available places.
49. The LA will act as a clearing house for the allocation of places by the relevant admission authorities in response to the IYAFs. The LA will only make any decision with respect to the offer or refusal of a place in response to any preference expressed on the IYAF where it is acting in its separate capacity as an admission authority or there is no availability at a school that the parent has expressed a preference for.
50. Where a child is eligible for a place at more than one school, then a place will be provisionally offered at the highest ranked school for which they are eligible.
51. Where the child is not eligible for a place at any of the preferred schools, the parent will be advised of alternative school availability.
52. The offer/refusal letter will be issued by the home LA on behalf of another admission authority within 10 school days but no later than 15 school days. The letter will give the following information:
  - (a) The name of the school at which a place is provisionally being offered whether it be an offer by the LA or on behalf of another admission authority;
  - (b) The reasons why the child is not being offered a place at each of the other schools stated on the IYAF;

- (c) Information about a parents' statutory right of appeal against the decision to refuse places at the other stated preferred schools;
- (d) Contact details for the school and LA (and those nominated VA or Academy schools where they were not offered a place, so that they can lodge an appeal with the admission authority);
- (e) What to do if the place offered is in another LA area;
- (f) What to do if an offer was not made at the preferred school which was within another LA and who to contact.

- 53. Parents will have 7 working days to respond to the offer letter to accept the school place offered. Acting in its capacity as coordinator and in conjunction with the admission authority the LA will then look to withdraw the offer.
- 54. The LA operates a waiting list for community & voluntary controlled schools for the academic year that the child has applied for only. Schools which are their own admission authority may also hold a waiting list which they have asked for the LA to maintain.

#### **PART I – IN-YEAR TRANSFERS**

- 55. Where a parent is wishing to transfer their child to another school in Darlington, they can obtain an IYAF from their current school.
- 56. In the first instance, parent discusses the transfer with the current school that the pupil attends. If they then still wish for the transfer to proceed, PART B of an in-year application form should be completed by the school and issued to the parent who will then forward to the LA. Should there be a vacancy in an alternative school requested by the parent, an appointment will be arranged at the school the child wishes to transfer, the in-year transfer request form will be forwarded to the preferred school, and a start date will be agreed.
- 57. Should the school determine that the request for a transfer fall under the Vulnerable Pupil Protocol then the request will be considered by the Vulnerable Pupil Panel, this does not limit a parent from appealing for their preferred school.
- 58. Should the school that the child wishes to transfer to advises the LA that they are unable to meet the parents request, then the parent has the right to appeal against the decision to refuse a place at the school. All in-year application forms must be sent to the LA including those for children wishing to transfer to an oversubscribed Academy school.
- 59. The LA will write to parents informing them of their right to appeal and if parents wish to proceed, appeal papers will be issued by the relevant admission authority.

**CABINET  
7 FEBRUARY 2023**

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**MEDIUM TERM FINANCIAL PLAN  
INVESTING IN AND DELIVERING SUCCESS FOR DARLINGTON**

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**Responsible Cabinet Member - Councillor Jonathan Dulston  
Leader and all Cabinet Members**

**Responsible Directors – Chief Officers Executive**

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**SUMMARY REPORT**

**Purpose of the Report**

1. To propose a Medium Term Financial Plan (MTFP) for 2023/24 to 2026/27 including setting a budget and Council Tax increase for 2023/24, to be forwarded to Council for approval on 16 February 2023.

**Summary**

2. The financial pressures on the public sector as a whole and the Council more specifically have been significant over the last couple of years in the aftermath of Covid, furthermore this was on the background of a decade of significant financial challenge following the economic downturn and the reductions in public sector spending.
3. Through good leadership, governance, and financial management, coupled with value for money service delivery, the Council has weathered the storms well rising to the challenge by continuing to provide vital core services to the residents of Darlington, and investing the resources available in growing our economy to deliver success for the benefit of all.
4. The current economic climate however presents new and significant financial challenges to the Council's budgets. Rising inflation and interest rates, energy costs, post Covid demand in social care and national living wage rises are putting significant pressure on affordability and unless additional government funding is forthcoming the Council will need to undertake a fundamental review over the next couple of years to decide what and how services will be delivered in the coming years.
5. The Council's key ambition is to grow the Darlington economy and attract companies into the area to create more and better paid jobs to ensure all our residents will benefit. It does however take time for the full potential of this ambition to be realised, particularly in the current economic climate. The Council has made a great start with a number of central government departments making Darlington their northern base and other companies wanting to relocate to the area on the back of this. Darlington is definitely a destination place for businesses and this economic growth will help Darlington to thrive and meet its ambitions.

6. Darlington has been successful in securing funding from the Towns Fund and the Tees Valley Combined Authority (TVCA) funded Indigenous Growth Fund and is transforming the landscape of the town centre. Furthermore, significant investment is continuing with new housing across the Borough, investment at Bank Top, the Head of Steam Museum, Crown Street library and the Town Centre more generally including the Victorian Market and the Yards. All these investments will help further our ambition of making Darlington an attractive place with opportunity where people can invest, live and prosper.
7. The Local Government Finance Settlement delivered on the 19 December 2022 confirmed funding allocations for the two years remaining of the spending review with additional grant funding for social care and changes to the Council tax referendum limits which have been increased to 3% for Council Tax and 2% for Social Care Precept.
8. Future years funding beyond this period have not been confirmed and the consequence of this is that the draft 2023/24 – 2026/27 MTFP has an eye to future years but does not seek to presume what the future will look like. It aims to ensure that the Council can set a legal budget in 2023/24 and continue to provide our core offer level of services to the residents of Darlington.
9. The Council has performed well in responding to the financial challenges and has taken early action in order to ensure that it is ahead of the curve and not therefore pushed into short term decisions. The Council operates at a statutory service level with a small provision for discretionary services and this is the base level the new MTFP has been prepared on.
10. A healthy level of reserves had been maintained for medium term stability and this is now a crucial component of the budget strategy given the unprecedented pressures faced in the coming years. The reserves will be utilised to meet the 2023/24 funding gap and allow time for detailed work to be completed on future savings options.
11. In summary, if the recommendations are agreed, the Council can deliver a 2023/24 budget which will allow net revenue investment in Darlington and its residents of £120m and new capital investment over the plan of £111m.

## Recommendation

12. It is recommended that Cabinet:
  - (a) Note the responses and comments received to the consultation.
  - (b) Approve and recommend to Council on 16 February 2023 the Revenue MTFP as set out in **Appendix 6** and the Capital programme as set out in **Appendix 7**, including the following:
    - (i) A Council Tax increase of 2.99% plus a 2% Adult Social Care Precept to help fund social care for 2023/24.
    - (ii) The Schedule of Charges as set out in **Appendix 3**.

## **Reasons**

13. The recommendation is supported by the following 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 our assets is maintained.
- (e) To take account of the views of residents and members when considering MTFP proposals.

## **Chief Officers Executive**

### **Background Papers**

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

Elizabeth Davison: Extension 5830

S17 Crime and Disorder	The report contains proposals to continue to allocate resources in support of the Council's Crime and Disorder responsibilities
Health and Well Being	The report contains proposals to continue to allocate resources in support of the Council's Health and Well Being responsibilities
Carbon Impact and Climate Change	The proposals in the report seek to continue to support the Council's responsibilities and ambitions to reduce carbon impact in the Council and the Borough.
Diversity	There are no specific proposals that impact on diversity issues.
Wards Affected	All wards are affected
Groups Affected	All groups are affected by the Council Tax increase.
Budget and Policy Framework	The MTFP, Budget and Council Tax must all be decided by full Council
Key Decision	The MTFP, Budget and Council Tax must all be decided by full Council
Urgent Decision	The MTFP, Budget and Council Tax must all be decided by full Council
Council Plan	Within the constraints of available resources, it is necessary for the Council to make decisions involving prioritisation. The proposals contained in this report are designed to support delivery of the Council Plan within those constraints.
Efficiency	Efficiency savings which do not affect service levels have been included in the MTFP.
Impact on Looked After Children and Care Leavers	Children's social care continues to be resourced to provide good outcomes for Looked after Children or Care Leavers.



## MAIN REPORT

### Background and context

14. The Council has faced significant financial challenges over the last decade as the Government responded to the worldwide economic downturn by introducing public sector spending reductions. This has been exacerbated by the aftereffects of the pandemic, the Russia/ Ukraine conflict, inflation, rising interest rates and a growing demand for services, particularly in relation to social care, both Adults and Children's services.
15. The Council has to date performed well in responding to these challenges taking early decisions in order to ensure that it was ahead of the curve and was not pushed into short term decision making.
16. The Council's core offer budget which is based on statutory service provision along with a small discretionary provision is the starting position for the 2023/24 budget. The strategy to preserve reserves has been a crucial component to allow time to see the impacts of the economic growth strategy come to fruition.
17. The economic events over the last year including rising interest rates and inflation have escalated the financial pressures faced to unprecedented levels and moving forward, unless further government funding is received the core offer will need to be fully reviewed over the next couple of years to ensure the Council can maintain an affordable Medium Term Financial Plan.
18. The draft Local Government Finance settlement was received on the 19 December 2022 and with it a welcomed increase in funding for social care via grant and precept flexibilities. However, our pressures exceed the increased funding levels and as the settlement only covers the spending review period along with the turbulent times we find ourselves in, it makes it challenging to predict expenditure and income levels moving forward. As a consequence, best estimates have been used and assumptions made on the impact of inflation and demand in 2022/23 going into 2023/24 and the income and resources we will receive in future years.

## Updated Information and changes to the draft MTFP

19. As a result of updated information since the draft MTFP was approved for consultation, a number of changes have been made to this proposed MTFP. The net effect is an additional £8.4m in resources across the life of the plan. These changes along with the references to where they appear in the report are shown below:

No.	Change	Effect	Para	App
1	Council Tax reduced to 2.99% in 2025/26 & 2026/27	Over the life of the MTFP reduces reserves by £4.137m	48, 58, 59, 61	4, 6
2	Settlement – increase in business rates retained locally due to reset being delayed	The delay increases reserves by £3.832m in 2024/25 with a further increase in reserves of £2.238m over the life of the MTFP	53, 58, 59, 61	6
3	Settlement – increase in top up grant due to reset being delayed	Over the life of the MTFP increase reserves by £1.165m	58, 59, 61	4, 6
4	Settlement – NHB scheme assumed to end after 2023/24	Over the life of the MTFP reduces reserves by £0.849m	40, 58, 59, 61	4, 6
5	Settlement – Increased RSG due to uplift of inflation	Over the life of the MTFP increases reserves by £0.802m	39, 58, 59, 61	4, 6
6	Settlement – Reduction in Services grant	Over the life of the MTFP reduces reserves by £5.108m	42, 58, 59, 61	4, 6
7	Settlement – Social Care grant announced in Autumn Statement included in Adult Social Care Market Sustainability & Improvement Grant (ring-fenced)	Over the life of the MTFP reduces reserves by £1.965m	44, 58, 59, 61	6
8	Settlement – new Social Care Grant	Over the life of the MTFP increases reserves by £15.150m	43, 45, 58, 59, 61	4, 6
9	Settlement – removal of the Lower Tier Services Grant	Over the life of the MTFP reduces reserves by £0.604m	58, 59, 61	6
10	Additional pressures/savings	Pressures identified in children's placements, support and legal fees, school transport, additional inflationary and employee costs. Savings identified in Utility costs. Reduces reserves by £1.875m	20 - 26, 36, 37, 58, 59, 61	1, 2 & 6
11	New agreed spend	Includes Events, discretionary cost of living fund, Street Scene fly tipping and back lanes & YEL. Reduces reserves by £0.398m	20, 30, 31, 32, 35, 36, 37, 58, 59, 61	1, 2 & 6
12	Stronger Communities Fund	Reduces reserves by £0.050m	28, 61	6
13	Qtr 3 Revenue Budget Management	Improved position at Quarter 3 increases reserves by £0.192m	60, 61	6
14	Fees and charges	Omission from draft. Booking fee for ceremonies.	57	3

## Financial Analysis

### Projected Expenditure

20. As noted previously the core offer budget and futures fund is the level on which the MTFP is based upon. Estimates attached at **Appendix 1** have been prepared based on current service levels and include known pressures and efficiencies which are summarised below and detailed in **Appendix 2**. The most significant are discussed in the following paragraphs. The assumptions used when preparing the estimates are set out at **Appendix 4**.

<u>Summary of Pressures</u>	<b>2023/24 £m</b>	<b>2024/25 £m</b>	<b>2025/26 £m</b>	<b>2026/27 £m</b>
Additional Savings offsetting pressures	(3.567)	(5.320)	(5.173)	(3.989)
Service Demand	3.764	3.956	3.143	3.362
Price Inflation	3.689	4.281	4.357	5.438
Reduced Income	0.493	1.009	1.170	1.231
Other	1.445	1.151	1.172	0.822
Energy	2.251	1.451	1.451	1.451
Pay award	3.870	3.946	4.026	4.106
	11.945	10.474	10.146	12.421

21. **Efficiencies/Savings** – there are significant anticipated savings over the life of the MTFP of £18.049m. Whilst there are immediate and continued demand pressures on Children's Services, one particularly high-cost package is coming to an end during 2023/24 saving £1.4m per annum. Furthermore, as the strengthening families programme comes into fruition there is an anticipated reduction in residential and independent fostering placements of £2.880m. The contribution for Concessionary fares has reduced saving £2.561m and the investment returns on our joint venture housing partnership have increased by £0.924m. The independent triennial review of the pension fund shows it is now fully funded and the contingency allocated for future increases can be released for the next three years saving £2.961m. Other efficiencies cut across all areas and include staff savings and a realignment of running costs achieved following the different ways of working throughout the pandemic.
22. **Increased Service demand** – the main area of increased demand is on children's services which has seen the number of Looked After Children increase to 289 at the end of September 2022 from 273 in March 2022 and cases are becoming more complex with some of our children requiring significant support. Pressures in this area are being felt nationwide with some commentators noting the Covid pandemic has contributed to this increase. On the back of this demand there has also been more legal fees incurred. The ultimate aim of the strengthening families team is to improve outcomes for children, focus on prevention and reducing the number of children who need to come into care and ultimately reduce the budget pressure. This initiative and the work ongoing as a spend to save scheme, require funding for the next two years. Overall, the pressure on Children's

activities across the MTFP is £10.7m. Demand for school transport has increased due to increased operators' costs, more routes and more children now accessing free transport due to a large increase in children qualifying for free school meals.

23. **Price Inflation** – is a significant strain on the budget at £17.765m over the MTFP and 67% of that strain is related to our adult social care contracts with a £11.9m pressure. The contracts are linked to various inflation factors including the Consumer Price Index which in September stood at 10.1%, the national living wage set at £10.42 per hour from 1 April 2023 – an increase of 9.7%, which automatically feeds through to the care providers. Also, the residential care contract contains an additional factor for utilities which has significantly increased for 2023/24, and impacts on the contract rate. Whilst this is a significant pressure on the Council's finances the pressure on the care sector is recognised and these uplifts are required to ensure stability in a very fragile market.
24. **Energy Inflation** – given the size of the increases, the energy inflation has been stripped out of the normal inflation pressures. There is an anticipated £6.604m pressure across the MTFP which has arisen following the increases seen in electricity (136%) and gas (237%). This is in addition to the £966k added to the budgets this year. No one knows what the future holds for our energy prices, and numbers change on a monthly basis, for planning purposes the budget assumes no further increases in future years. This inflation needs no introduction and is being seen across the country. It has a direct impact on our running costs, from the buildings we operate, the swimming pools we heat to the street lighting electricity usage. Our energy is purchased through the North East Procurement Organisation and the impact is not as high as it could have been as some of our fuel allocation has been pre-purchased. Energy efficiency measures are continually being looked at, for instance the LED street lighting programme, however the significant increase cannot be contained within existing budgets.
25. **Reduced Income** - The main areas of reduced income are the ending of specific grant funding received for Adult Social Care where the services need to continue. There is also an anticipated reduction in council tax income due to a slowdown in housing completions exacerbated by the Nutrient Neutrality ruling and interest rate rises.
26. **Other and Contingencies** – the main pressure against this heading is the increased finance costs on Council borrowing due to the interest rate rises. It is anticipated to be £2.221m across the MTFP. There is also ICT cost pressures for security and mobile data, staffing changes due to pension contributions and grade changes following job evaluation.
27. **Pay Award** – the 2022/23 pay award was settled at a flat rate of £1,925 per employee. The percentage increase was therefore different depending upon base salary; however, the average increase was 6.5%. The 2022/23 MTFP only budgeted for a 3% increase hence the pressure which is recurring each year. Given the high inflation rates a 5% award has been budgeted for in 2023/24 reverting back to 2% thereafter. Together this is a significant pressure of £15.948m over the life of the MTFP.

## **Additional budget provision**

28. **Stronger Communities Fund** - £0.050m – the stronger communities fund was established to assist in grass roots projects and initiatives in each of the elected members wards. It was agreed in the 2021/22 and 2022/23 budget that £0.001m was made available to each member to utilise as they see fit in their communities and reviewed on an annual basis. A report was taken to the Communities and Local Services Scrutiny Committee on 12 January and subsequently forwarded to the Economy and Resources Committee on 19 January, updating on the spend to date and initiatives Councillors had funded.
29. Scrutiny recommended to Cabinet that the scheme should be extended for a further year with six monthly reports back to committee to monitor progress. At the beginning of the financial year each members fund will be topped back up to £1,000. Members final spend will not be known until the end of March 2023 so a full provision of £0.050m has been included in the MTFP for 2023/24. If this is not utilised it will be returned to reserves.
30. **Events – Promoting Darlington’s Economic Growth £0.060m** - Strengthening the Town Centre Events to include the Kings Coronation celebrations and staffing support. Town Centre events are a key in bringing communities together, the Queen’s Jubilee celebrations across the town were enjoyed by many and it is fitting the Kings Coronation is also celebrated this year. We are awaiting government guidance in regard to the Coronation and will be bidding for any funding available to help offset any costs incurred.
31. **Street Scene (fly tipping and back lanes) - £0.070m** - A dedicated team have been funded from one off futures fund pots which have now come to an end. The work of the team ensures fly tips can be removed quickly and that the education campaigns can continue, encouraging more responsible behaviour with the ultimate aim of reducing unsightly litter in back lanes and targeting litter hot spots. The proposal is to continue to fund this team for a further year.
32. **Youth Employment Initiative £0.168m** - This service is funded from the European Social Fund until July 2023. This important service provides practical help, advice and support to 16-29 year olds to help them into employment, both those claiming benefits and those classified as ‘economically inactive’ in the labour market. The economically inactive group includes students, those looking after family or the home, temporarily sick, long term sick and retired (under retirement age).
33. To date 93% of the young people who engaged with our YEI programme have progressed into employment or education and 57% of those were still in employment or education six months later. In the last 12 months we had 335 starts on programme.
34. There is a possibility further funding will be secured through UKSPF however the specifications haven’t been released yet, when it is we will bid into it but at this stage we cannot guarantee we will be successful or how large the funding stream is. To ensure the continuation for the remainder of 2023/24 this funding will be set aside in a contingency budget provision.
35. **Discretionary cost of living support fund £0.100m** - The cost of living is a concern to many residents, the council is supporting our communities in many ways including the household support fund, the crisis support fund administered through Citizens advice

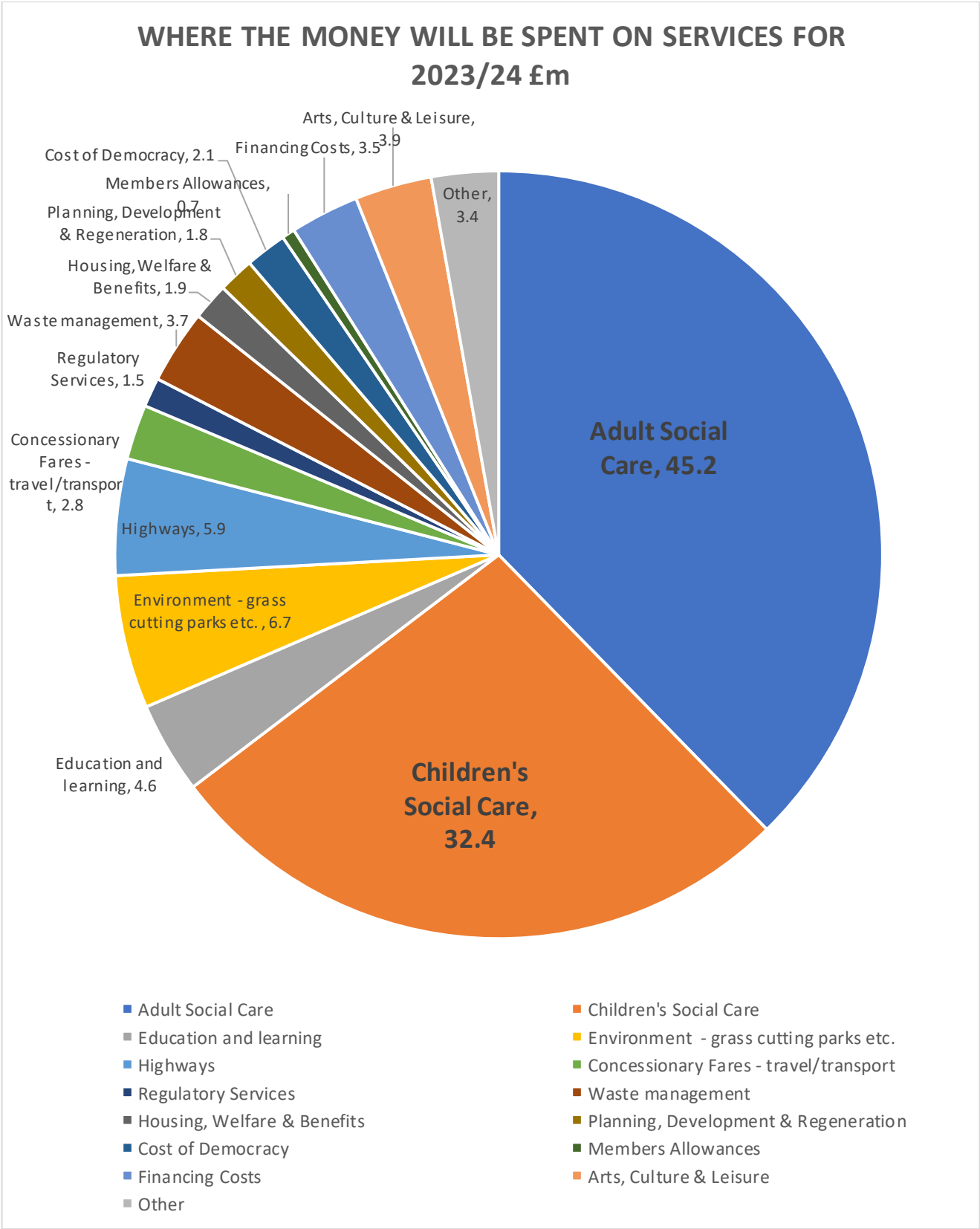
bureau, the discretionary council tax relief fund and working with our voluntary sector partners. Despite this we recognize there are residents who are in difficulty and want to establish a one off fund of £100k to be used on initiatives to help with the cost of living. We have recently purchased Low Income Activity Tracker (LIFT) software which will help to identify residents in vulnerable positions and schemes will be drawn up in the new year using this data to target those most vulnerable.

### **Total Expenditure**

36. Taking the above savings and pressures into account the summarised projected expenditure is shown in the table below:

	<b>2023/24 £m</b>	<b>2024/25 £m</b>	<b>2025/26 £m</b>	<b>2026/27 £m</b>
People Services	75.355	77.591	79.264	81.759
Chief Executives Office & Economic Growth Services	1.535	1.571	1.664	1.716
Operations	20.749	21.054	21.386	21.855
Financing costs	19.377	19.155	19.473	19.865
Investment Returns - Joint Venture	3.477	3.613	3.664	3.364
Council Wide Pressures/(savings)	(1.816)	(1.718)	(1.130)	(1.130)
Council Wide Contingencies	1.359	1.283	1.309	1.335
	(0.069)	(0.246)	(0.255)	1.189
<b>Total Expenditure</b>	<b>119.967</b>	<b>122.303</b>	<b>125.374</b>	<b>129.953</b>

37. This proposed net investment in services of £120m in 2023/24 covers a wide range of areas from refuse collection to adult residential care, from street lighting to school crossing patrols and grass cutting to our Leisure and Culture provision. The chart below shows the split of investment and as can be seen Social Care, both Children's and Adults, are the most significant proportion of funding, accounting for nearly two thirds of the overall budget.



## **Projected Income**

### **Local Government Finance Settlement**

38. The draft Local government Finance Settlement was announced for consultation on 19 December 2022 and confirmed a number of assumptions made in the Autumn statement and spending review was announced on 17 November. Consultation on the settlement closed on the 16 January 2023 and at the time of writing we have yet to hear if there are any changes to the draft, however in previous years there has been little, if any movement so this plan is based on the draft position. The settlement is for one year although announcements on additional social care spending have been made for two years along with precept levels and indications on what inflation may be added. The Medium Term Financial plan is therefore based on assumptions for years two to four of the plan using the best estimates on the latest information available. All assumptions are summarised in **Appendix 4** and detailed in the sections below.

### **Core Grant funding to Local Government**

39. **Revenue Support Grant (RSG)** has become a reducing element of the Council core funding over recent years; however, it has been confirmed this will be uplifted by CPI in 23/24 and it has been assumed this will continue into future years with an annual inflationary increase of 2%.
40. **New Homes Bonus (NHB)** has been extended for a further year without legacy payments. There was no announcement on the future of the New Homes bonus however there was reference to repurposing some of the fund for inflationary pressures for the funding guarantee which ensures no council will receive less than a 3% increase in funding. Given this statement it has been assumed no further NHB payments will be received in future years.
41. **Better Care fund, Adult Social Care Support Grant** - these funds were in recognition of the significant challenges faced in the Adult Social care sector and were initially time based. They have however been included as core funding so it has been assumed this funding will continue into future years on a cash equivalent basis.
42. **Services Grant** – was announced in 2021 as an un-ringfenced package of support for Local Government, the Council received £1.579m in 2022/23. The settlement has confirmed this will be reduced in future years in part because there will no longer be increased National Insurance contributions and the compensation is therefore reduced, in addition some is being utilised for the Supporting Families Programme. The Councils allocation for 2023/24 is £0.890m and it is assumed this level will continue into future years on a cash flat basis.
43. **Social Care grant** - this funding is a continuation from the 2021 spending review and can be utilised to fund both Children and Adults social care and is distributed on the relative needs formula.
44. **New and repurposed Social Care funding** – two funding packages were announced in the Autumn statement and further clarity has been provided in the Local Government Finance Settlement. The New grant funding of £1bn in 2023/24 and £1.7bn in 2024/25 will be distributed via the Better care fund and directly to councils. This is to be used to enable



Local authorities to make improvements to adult social care in particular to address delays in discharges, social care waiting times and workforce pressures. To that end this funding will undoubtedly generate additional cost and has not been included in the MTFP income stream.

45. Repurposed monies from delaying charging reform in 2023/24 and 2024/25 of £1.265bn and £1.877bn respectively is being distributed to councils and added to the existing social care grant so can be utilised for both Adults and Children's services. It is anticipated this funding will continue in future years given the significant pressures on the system.

### **Council Tax Income**

46. Due to reduction and reliance on Government funding over the last ten years, Council Tax is now by far the largest single funding stream and will increase further as a percentage over the coming years representing 59% of projected resources anticipated by 2026/27. The ongoing increases reflect the Cabinet's view that income from Council Tax needs to increase to protect key service provision and enable investment in vital services. Members will recall that a 1% increase in Council Tax equates to an annual revenue of £0.589m.
47. In recognition of the significant pressures facing local authority budgets particularly in regard to social care with contract inflation, demographic demand and increased complexity of needs, the Chancellor announced in the Autumn Statement that further flexibilities would be given to Councils in both Council Tax and the Social Care Precept with the referendum limit set at 5%, 3% for council tax and 2% for the Social Care Precept, previously they had been 2% Council Tax and 1% precept.
48. The Finance settlement confirmed the referendum limits however this was only for two years. Therefore, the MTFP assumes a Council Tax increase of 2.99% for 2023/24 and 2024/25 reverting back to 1.99% thereafter. In addition, it is proposed an Adult Social Care precept of 2% is levied for the next two years and reverts to 1% thereafter. As can be seen in the chart in paragraph 37, Adult Social Care is by far our largest overall budget with a spend of £45.2m and faced pressure of £2.7m in 2023/24. The precept will raise £1.2m which is crucial to help partially meet the pressure faced in this service area.
49. The Council Tax base was affected by Covid-19 due to the increase in Local Council Tax support claimants (LCTS) however those levels have started to reduce. There is however an impact anticipated due to Nutrient Neutrality with planning permissions halted until the legislation is changed or mitigations schemes are found by developers. There is also an impact on housing demand due to rising interest rates and mortgage costs which are anticipated to affect housebuilding levels. Moving forward planning estimates anticipate growth levels to be an average of 428 Band D equivalent properties over the period of this plan which is a growth on the tax base of 1.21% per annum. These figures have been used to prepare the estimates; clearly should this be any different income levels will differ. The collection rate (of collectable debt) is anticipated to remain at 99% in 2023/24, but as mentioned previously other factors are impacting on the overall income levels.

## **National Non-Domestic Rates (NNDR)**

50. The Council retains 49% of NNDR collected and can gain or lose depending on whether the net tax collected increases or decreases. The Government via the valuation office sets rateable values and the rate paid in the pound is increased each year in line with the Consumer Price Index (CPI). The business tax-base is far more volatile than the Council Tax base and requires very close monitoring. In addition to the potential to “lose” income due to business closures, the Council also carries the risk of losing appeals by businesses against valuations.
51. Growing the economy is the key priority in the Council Plan and the Economic Strategy gives priority to increasing business within the borough and significant effort has been put into achieving growth. This has been rewarded with a positive net increase in NNDR collection. Sites such as Symmetry Park and Central Park are all contributing to the growth and the Darlington Economic campus will be located at Brunswick Street in 2026 housing His Majesty’s Treasury Department along with several other government departments including the Department for Levelling up, Housing and Communities. This is providing a boost to the town with other employers looking to relocate to Darlington.
52. Notwithstanding these major developments, attracting businesses into the town by their very nature takes time and upfront investment and therefore is an area which needs continued prioritisation and pump prime funding so growth can continue. It needs to be remembered that net growth in NNDR collected relies on growth outstripping revaluations and reductions which can be very challenging in the current economy.
53. One area of uncertainty is the business rate reset. The business rates system changed in 2013 and Councils received 49% of the NNDR collected above the base level, this was to incentivise Councils to drive economic growth. The system was due to be reviewed in 2020, with the intention of resetting the baseline and a review of need across the board and a subsequent redistribution of funding. This was part of the Fair Funding Review which has been postponed for a number of years now and there is no indication if this will happen in 2023/24. As Darlington has seen a healthy increase in business rates any reset would likely reduce funding in this area. The government have confirmed the reset will not happen in the current spending review so the impact has been assumed for 2025/26.
54. The in-year collection rate target for NNDR is 98.0% and as at the end of December 2022 is 85.4% and on track to achieve the target.

## **Collection Fund**

55. The Collection Fund account reflects the statutory requirements for the Council to maintain a separate fund in relation to the operation of Council Tax and the Business Rates Retention Scheme (BRRS). The Fund records all of the transactions for billing in respect of Non-Domestic Rates (NNDR) and Council Tax, exemptions and discounts granted, provision for bad debts and appeals and payments made to the Council’s General Fund, the Police and Fire and Rescue precept authorities and Central Government. The collection fund has benefited from business growth over the past few years on the back of the economic growth strategy with a robust healthy position. It is therefore felt prudent to release £2m of the fund into general reserves to assist the MTFP position. Furthermore, a government Covid grant of £1.415m received to support the collection fund in the light of increased

LCTS claimants during the pandemic and the aftermath can also be released given the numbers of claimants are now reducing back to pre-covid levels.

## Other Grants

56. Set out below are the estimated specific grants which as the title suggests are for specific areas of expenditure as dictated by the government and cannot be used for other areas; the main one being the Public Health ring-fenced grant. These grants are included in service estimates at Appendix 1.

	2023/24 £m
Public Health Grant	8.831
PFI Grant	3.200
Youth Justice Board	0.223
Local Reform & Community Voices	0.057
Adult & Community Learning	1.062
Staying Put	0.055
Heritage Action Zone	0.047
Garden Village	0.100
Parks for People	0.014
Towns Fund	0.080
	<hr/> 13.669

## Fees and charges

57. The proposed fees and charges of the Council are set out in **Appendix 3** the increases proposed are based on the cost of providing the services and take account of inflation and market conditions. Overall, the proposed increases are anticipated to generate approximately £200,000 of income to help offset the cost-of-service provision.

## Total Income

58. The table below summaries the Council's estimated income for the period of this plan which thanks to the increase in spending announced in the Autumn Statement, continued economic growth and house building activity, and the subsequent increases in Council Tax and NNDR, confirms a much-needed increase in income given our expenditure pressures.

<b>Resources - Projected and assumed</b>	<b>2023/24 £m</b>	<b>2024/25 £m</b>	<b>2025/26 £m</b>	<b>2026/27 £m</b>
Council Tax	61.877	65.556	68.461	71.568
Business rates retained locally	23.021	23.481	16.407	16.735
Top Up Grant	8.156	8.596	13.703	14.440
RSG	4.133	4.219	4.306	4.395
New Homes Bonus	0.567	0.000	0.000	0.000
Better Care Fund	4.488	4.488	4.488	4.488
Adult Social Care Support Grant	3.753	3.753	3.753	3.753
Social Care funding SR21	1.162	1.162	1.162	1.162
Services Grant	0.890	0.890	0.890	0.890
New Social Care Grant	2.781	4.123	4.123	4.123
Supporting Families Grant	0.500	0.500	0.000	0.000
<b>Total Resources</b>	<b>111.327</b>	<b>116.768</b>	<b>117.293</b>	<b>121.554</b>

### Projected MTFP

59. Set out in the table below are the projections based on the income and expenditure analysis discussed in the previous sections, as can be seen there is a significant funding gap in each financial year. We are anticipating having £23.4m reserves which can be utilised to support the plan which would cover the position fully until 2025/26 however it is clear significant expenditure reductions will be required in future years if additional government funding is not forthcoming.

	<b>2023/24 £m</b>	<b>2024/25 £m</b>	<b>2025/26 £m</b>	<b>2026/27 £m</b>
Estimated Expenditure	108.022	111.829	115.228	117.532
Add Pressures / Additional savings	11.945	10.474	10.146	12.421
	119.967	122.303	125.374	129.953
Projected Total Resources	(111.327)	(116.768)	(117.293)	(121.554)
Projected budget deficit	8.640	5.535	8.081	8.399
Utilisation of balances	(8.640)	(5.535)	(8.081)	(8.399)
<b>Total</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

## Revenue Balances

60. The projected revenue outturn for 2022/23 detailed at **Appendix 5**, has improved by £0.735m since quarter two from £22.662m to £23.397m after taking account of the Risk Reserve of £5.350m, as noted above our reserves will be fully utilised during the 2026/27 financial year. This is not a sustainable position, and a full review of service provision will need to be undertaken to reduce expenditure and increase income unless further government funding is received.
61. In the light of the significant financial pressures the Council is facing work is ongoing on efficiency measures to reduce expenditure in areas which do not directly hit service provision.

Revenue Balances	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
Opening balance	23.397	17.122	12.587	4.506
Release of Earmarked Reserve - LCTS	1.415	0.000	0.000	0.000
Net contribution to GF from Collection Fund	1.000	1.000	0.000	0.000
Transfer to Stronger Communities Fund	(0.050)	0.000	0.000	0.000
Contribution to/(from) balances	(8.640)	(5.535)	(8.081)	(8.399)
Closing balance	<b>17.122</b>	<b>12.587</b>	<b>4.506</b>	<b>(3.893)</b>

## Capital Expenditure

62. The Council has an extensive capital programme with significant resources invested to purchase, improve, protect, and maintain our assets, to enable the Council to deliver its priorities, for example purchasing land to enable road improvements or investing in modernising school buildings and housing. The Council continues to deliver a significant capital investment programme in the main funded from the Housing Revenue Account (HRA) and grant or other external funding which is targeted at specific schemes and programmes such as Transport and Schools. Furthermore, investment from the Tees Valley Combined Authority (TVCA) along with European and other external funding sources are being used for economic growth initiatives.
63. The Council can also supplement these funding sources with its own resources such as capital receipts or prudential borrowing where there is a need, however as capital receipts are limited, and prudential borrowing comes with future revenue implications there must be a strong case for doing so.
64. In recent years there has been significant investment in Economic Growth either funded or pump primed by the Council; schemes such as Central Park including the National Biologics Centre and Business Central along with the Development of Feethams House which is now the temporary home for the Darlington Economic Campus, and recent Town Centre purchases funded from the Towns Fund and Indigenous Growth Fund are helping to make Darlington a more vibrant place to be. The Council's Investment Fund and Economic

Growth Investment Fund are both being utilised to invest in these areas which ultimately increases business rates and the finances of the Council helping vital services to be funded.

65. The current capital programme stands at £308m as summarised in Table 1 below. The programme is monitored on a monthly basis and reported to Cabinet on a quarterly basis; the latest available monitoring report for the 2022/23 was presented to Cabinet on 8 November 2022 and noted there was a projected £0.132m underspend on the approved capital programme.

**Table 1**

	Construction							
	Live Schemes 75k & Over	Annualised Schemes	Completed Schemes awaiting review	Live Schemes under 75k	Non construction	Capital investment fund	Housing New Build not yet allocated	Total
Area	£m	£m	£m	£m	£m	£m	£m	£m
Housing	65.824	0.667	0.562	0.160	1.205	0.000	29.023	97.441
Economic Growth	54.849	0.000	0.485	0.578	9.804	27.716	3.216	96.648
Highways/Transport	64.762	7.113	5.755	2.322	1.334	0.000	2.228	83.514
Leisure & Culture	22.351	0.000	0.072	0.175	0.000	0.000	0.000	22.598
Education	4.155	0.000	0.000	0.323	0.053	0.000	0.290	4.821
Adult Social Care	0.000	0.000	0.000	0.000	0.071	0.000	0.000	0.071
Other	0.000	0.000	0.000	0.000	2.655	0.000	0.000	2.655
<b>Total</b>	<b>211.941</b>	<b>7.780</b>	<b>6.874</b>	<b>3.558</b>	<b>15.122</b>	<b>27.716</b>	<b>34.757</b>	<b>307.748</b>

66. In addition to the current agreed programme the Council looks ahead to future capital requirements based on the principles of the capital strategy. A four-year timeframe has been adopted to fall in line with the revenue Medium Term Financial Plan. Attached at **Appendix 7** are the priority proposals for addition to the plan along with the funding methods. The majority of schemes are focused on 'Housing and Transport, funded via the HRA and government grants respectively; there are also a number of Council funded corporate schemes that have already been approved.
67. The following paragraphs describe the major elements of the capital programme priorities for approval. Specific scheme funding release will be subject to detailed reports to Cabinet.

### **Corporate Schemes – funding required**

68. As noted previously the Council can supplement government capital funding, albeit options are limited in the current financial climate. Funding can come from prudential borrowing, repaid via revenue, which puts additional pressure on the revenue account or from capital receipts. Given the financial position of the Council only schemes that are a health and safety risk or that are self-funding have been considered while there is uncertainty over the overall funding envelope.
69. The risk assessed usable capital receipts over the next four years are in the region of £12m. Of this £1.110m has been allocated to the Eastbourne Sports Complex for the

replacement running track and the new APG pitches and parking leaving just under £11m unallocated.

70. There will be many competing priorities against the available resources for both regeneration and refurbishment and these schemes will emerge over the coming year/s. At this stage Members are requested to make capital provision for three priority schemes with a total value of £1.374m, which will be subject to full reports to Cabinet in due course, these are:
- (a) **Whinfield School replacement roof - £1.124m** - £620k was approved in the 2022/23 capital programme for repairs on the roof however the costs have significantly increased and funding of £1.124m is required. The roof is in a very poor state of repair and needs to be completely renewed. The funding received for school condition works is insufficient to fund an undertaking of this magnitude. Over the last five years ongoing maintenance work has been carried out to keep the school watertight, however it is now at the point where unless this work is undertaken there will be further deterioration of the roof and a likely impact on delivery of education at the school.
  - (b) **Essential Works to Skerne Bridge - £0.050m** – is required for essential works to the Skerne bridge at the rear of the rugby club.
  - (c) **Essential play area equipment replacement - £0.200m** – is required to meet Health & Safety requirements and to ensure that the play equipment is fit for purpose.

### Self-Financing Schemes

71. There are 3 schemes that are classified as self-financing whereby the costs will be covered by either grants or by the rental income generated.
72. Following the successful establishment of Darlington Economic Campus (DEC) in the Council owned Feethams House under a 5-year lease agreement and given the ongoing investment in the building by Government it is unlikely the building will be available for the general market once the DEC move to its proposed permanent location at Brunswick Street. This will mean the only Council owned grade A office building, will not be available to accommodate the ongoing business enquiries, many of which are related to the relocation of His Majesty's Treasury (HMT) and other Government departments.
73. Therefore, more than ever before, Darlington town centre must be competitive if it is to be vibrant, diverse and successful and to achieve this, it is considered vital that the Council assists in leading, facilitating and enabling the conditions for economic growth through direct intervention in economic development and regeneration in partnership with business and communities. The three items below are actions to achieve this aim and full business cases for these schemes will be presented to Cabinet at a future date with details on the funding arrangements:
- (a) Development of an office block at Priestgate - £10.0m
  - (b) Northern Echo Building refurbishment - £5.5m
  - (c) Skinnergate office/commercial space - £1.6m

## Government Funding

74. Set out below are details of the levels of Government funding available for investment by the Council in 2023/24 and an outline of the proposed use of these funds.

	<b>2023/24 £m</b>
<b>Children's Services</b>	
School Condition Allocation	0.159
<b>Transport</b>	
Local Transport Plan	3.068
<b>Other</b>	
Disabled Facilities Grant	1.063
<b>Total Capital Grant Available</b>	<b>4.290</b>

## School Condition Allocations

75. The Local Authority now only receives school condition funding for Community Maintained Schools. Maintenance funding for Academies is available through other routes. This funding received by the Local Authority will be spent in line with key priorities identified with each maintained school through the locally agreed asset management planning (LAMP) process, carried out each January. There are no strict spend deadlines for these small-scale condition related projects which are prioritised and completed as funding becomes available.

## Transport and Highways

76. A new Local Transport Plan for the Tees Valley was endorsed by the Tees Valley Cabinet in 2021. This will help set the spending plans for the funding allocations from the Department for Transport and from the Devolution deal. The Integrated Transport Programme (ITP) of TVCAs Investment plan identifies £256.7m of investment over the next 10 years. There will be projects and initiatives delivered in Darlington from this fund.
77. The new Tees Valley Local Transport Plan has a number of accompanying documents that set the strategy and vision for different modes of transport. Each Local Authority is required to produce a Local Improvement Plan, which will effectively replace the local authority Local Transport Plan. These plans will cover local priorities and maintenance requirements. Prior to this year the Council received funding via TVCA that was based on needs formula. However, all of the funding has now been merged into the new City Region Sustainable Transport Settlement (CRSTS), which is a 5-year allocation of funding. The Tees Valley have been allocated £310m. The details of this allocation have been finalised and the Council has been awarded £15.340m over the 5 years to 2026/27. The annual amount of £3.068m is based on the following breakdown which includes £0.893m for the Integrated Block, £1.206m for the Highways Maintenance Block plus £0.969m for the Pothole action programme. The new CRSTS will provide the opportunity to deliver



larger improvement schemes in Darlington identified in the Tees Valley and Darlington transport plans and these will be dealt with on an individual project basis.

### **Disabled Facility Grants**

78. These grants are available if you are disabled and need to make changes to your home with examples being:

- (a) Widen doors and install ramps,
- (b) Improve access to rooms and facilities – e.g., stair lifts or a downstairs bathroom,
- (c) Provide a heating system suitable for your needs, and
- (d) Adapt heating or lighting controls to make them easier to use.

### **Housing**

79. All Housing Capital schemes are funded fully from the Housing Revenue Account. The priorities identified through the Housing Business Plan will be funded from the estimated capital resources for 2023/24. Further detail is given in the Housing Revenue Account financial plan but in summary includes:

- (a) Adaptations and lifts - £0.200m
- (b) Heating Replacement - £1.225m
- (c) Structural Works - £0.400m
- (d) Lifeline Services - £0.150m
- (e) Repairs before Painting - £0.060m
- (f) Roofing and Repointing work - £1.000m
- (g) Garages - £0.025m
- (h) External Works - £0.200m.
- (i) Pavements - £0.032m
- (j) Window & Door Replacement - £1.400m
- (k) Internal planned maintenance (IPM) - £2.760m
- (l) Communal Works - £0.150m
- (m) Energy Efficiency Improvements - £1.000m
- (n) New Build housing - £15.673m
- (o) Fees - £0.310m

### **Scrutiny and Consultation**

80. Consultation on the draft plan ran from 5 December 2022 to 20 January 2023. The plan was promoted on the Council's consultation website, social media, an article in the One Darlington Magazine and there was coverage in the Northern Echo. There was also information available at Cockerton Library and Customer services.

81. Council Scrutiny Committees reviewed the MTFP and its proposals through December and January and the Economy and Resources Committee met on 19 January 2023 to consider the responses from all the Council's Scrutiny Committees. The minutes of that meeting are shown in **Appendix 8** and include the resolution from all the scrutiny meetings; in summary the committee submitted the following response for Cabinet consideration:

82. That Cabinet be advised that the following is the response of the Economy and Resources Scrutiny Committee on behalf of all of the Council's Scrutiny Committees in relation to the Medium Term Financial Plan 2023/24 to 2026/27 consultation :-

(a) That, taking into consideration the views of all the Scrutiny Committees, the majority view of this Scrutiny Committee is that the Medium Term Financial Plan 23/24-26/27 provides the best solution going forward.

(b) That the minority view of this Scrutiny Committee is that:

i. It notes the many and various concerns raised at the Children and Young People, Adults, Communities and Local Services and Health and Housing Scrutiny Committee meetings, specifically highlighting:

- the long-term affordability of services, in particular Children and Adults Social Care;
- the unsustainability of the revenue budget;
- that residents are facing unprecedented financial difficulties.

ii. It notes Cabinet's draft 4-year financial plan is based on spending nearly £10m more than our income every year, at the same time as raising Council Tax by 5% every year.

iii. It is gravely concerned that Cabinet's draft financial plan puts forward no new ideas as to how to bring under control four years of overspending.

83. Further feedback has been received from five members of the public via the website consultation pages and is summarised into three categories as follows;

(a) Council tax levels

- (i) Acceptance that the reasons for increasing the council tax were valid albeit they will increase the payments to households significantly and questioning if the collection rate estimates are ambitious.
- (ii) Noting whilst the 4.99% was half of inflation it should really have been compared with the average wage increase which would have been more informative.
- (iii) Where is all the money going provided by taxes that is raised from all the new housing – it looks like excessive wastage.

(b) Services

- (i) A request for the council tax money to be used for more street scene services including drain clearing (particularly in tree lined streets) and maintenance of grass verges damaged from parking.
- (ii) Suggestion of making more drive ways for houses without drives if there is room to park and asking households to contribute 50%.
- (iii) Pavements need maintenance where tree roots are lifting them.

- (iv) Concern that personal savings may need to be used for social care and the unfairness when others haven't saved for their futures and will be council funded.
- (c) Consultation
  - (i) A comment that in the future consultation it needs to be more timely, understandable and relevant.
  - (ii) More notification of consultation required.

## Conclusion

- 84. The Council has faced significant financial challenges over the last decade, with reductions in government funding followed by the financial instability during the pandemic, but to date has risen to these challenges well which has enabled a balanced MTFP.
- 85. 2022 has presented further challenge with the Russia/Ukraine crisis and subsequent soaring energy prices, high inflation levels and demand on services in particular social care at an unprecedented level.
- 86. The Local Government finance settlement was better than expected with additional funding for Social care, and the Council can deliver a balanced position until 2025/26 utilising reserves as per our financial strategy. However, there is a substantial annual budget deficit which is not sustainable and will need to be addressed. Unless further funding is forthcoming the Council will need to fundamentally review services and both reduce expenditure and increase income to ensure we have a stable position moving forward.
- 87. Planning beyond the current year is extremely difficult given the uncertainty around future funding and the review of the new Local Government Financial system, inflation and economic uncertainty, the conflict in Ukraine which is putting significant pressure on our energy costs and the general cost of living crisis. Current planning suggests reserves will be depleted in 2026/27 and there will be a budget deficit of approximately £8m, however for the reasons above, this will almost certainly change. At this stage it is not possible to know whether this will be a positive or negative position.
- 88. In summary, the Council continues to face significant financial challenges, however, due to the healthy reserves position which now play a crucial role in the budget strategy, the Council can afford a 2023/24 budget and have reserves available enabling time to achieve the savings required in future years.
- 89. As the Council's Statutory Chief Financial Officer, the Group Director of Operations must advise the Council on the robustness of the budget and adequacy of reserves. The budget presented to Members in this report has been based on the most accurate information available at this point in time, therefore the Director is confident that they are an accurate reflection of the Council's financial position. Notwithstanding this there is a significant degree of uncertainty with regard to the future economic position and local government funding so this the position presented whilst as accurate as possible will change, however at this juncture I cannot be sure if that will be for the better or worse.

90. General Fund Reserves are adequate for the coming financial year; however, the Council is carrying a significant financial risk over the lifetime of the plan with an unsustainable annual deficit which will need to be met from efficiencies, service reductions and/or increased income if no further government funding is realised. It is essential we maximise income where possible, ensure we are providing our services in the most efficient manner, and address the growing pressures in social care through transformation.

## APPENDICES

Appendix 1	Detailed Estimates
Appendix 2	Budget Pressures / Savings
Appendix 3	Fees and Income Proposals
Appendix 4	Assumptions used to prepare estimates
Appendix 5	Projected Revenue Outturn 2022/23
Appendix 6	Proposed MTFP 2023 to 2027
Appendix 7	Capital programme
Appendix 8	Economy and Resources Scrutiny Committee Minutes 19 January 2023

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## Appendix 1

## REVENUE ESTIMATES 2023/24 - Summary

	2022/23 Net Budget	2023/24			
		Gross Budget	Income	Grants	Net Budget
	£000	£000	£000	£000	£000
People Group	69,291	136,822	(17,992)	(43,475)	75,355
Services Group	21,098	63,952	(43,122)	(81)	20,749
Operations Group	18,605	44,806	(3,924)	(21,505)	19,377
Chief Executive Office & Economic Growth Group	1,647	3,953	(2,235)	(184)	1,535
<b>Group Totals</b>	<b>110,641</b>	<b>249,534</b>	<b>(67,274)</b>	<b>(65,243)</b>	<b>117,016</b>
Financing Costs	637	3,477	0	0	3,477
Investment Returns - Joint Ventures	(1,864)	(1,816)	0	0	(1,816)
Council Wide Pressures / Savings	8	1,359	0	0	1,359
Contingencies	525	(69)	0	0	(69)
<b>Grand Total</b>	<b>109,947</b>	<b>252,485</b>	<b>(67,274)</b>	<b>(65,243)</b>	<b>119,967</b>

## PEOPLE GROUP - Revenue Estimates 2023/24

	2022/23 Net Budget	2023/24			
		Gross Budget	Income	Grants	Net Budget
	£000	£000	£000	£000	£000
<b><u>Group Director of People</u></b>	738	765	(53)	0	712
<b><u>Children &amp; Adult Services</u></b>					
Transformation & Performance	840	794	(46)	0	748
Business Support	1,484	1,580	(8)	0	1,572
<b><u>Children's Services</u></b>					
Children's Services Management & Other Services	619	692	0	(30)	662
Assessment Care Planning & LAC	4,165	4,327	0	0	4,327
First Response & Early Help	3,747	3,961	(1)	(127)	3,833
Adoption & Placements	14,061	16,856	0	(105)	16,751
Disabled Children	1,435	1,435	(205)	0	1,230
Youth Offending	322	684	(122)	(223)	339
Quality Assurance & Practice Improvement	145	263	(125)	0	138
<b><u>Development &amp; Commissioning</u></b>					
Commissioning	2,587	3,060	(736)	0	2,324
Voluntary Sector	272	351	0	(57)	294
Workforce Development	154	296	(102)	0	194
<b><u>Education</u></b>					
Education	639	27,208	(2,092)	(24,665)	451
Schools	0	8,785	0	(8,785)	0
Transport Unit	2,497	3,461	(369)	0	3,092
<b><u>Public Health</u></b>					
Public Health	0	8,831	0	(8,831)	0
<b><u>Adult Social Care &amp; Health</u></b>					
External Purchase of Care	28,984	44,323	(11,598)	(652)	32,073
Intake & Enablement	687	2,519	(1,842)	0	677
Older People Long Term Condition	1,600	1,779	(175)	0	1,604
Physical Disability Long Term Condition	5	42	(27)	0	15
Learning Disability Long Term Condition	1,967	2,065	(31)	0	2,034
Mental Health Long Term Condition	1,235	1,678	(461)	0	1,218
Service Development & Integration	1,109	1,068	0	0	1,068
<b>Total People Group</b>	<b>69,291</b>	<b>136,822</b>	<b>(17,992)</b>	<b>(43,475)</b>	<b>75,355</b>

**SERVICES GROUP - Revenue Estimates 2023/24**

	<b>2022/23 Net Budget</b>	<b>2023/24</b>			
		<b>Gross Budget</b>	<b>Income</b>	<b>Grants</b>	<b>Net Budget</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Group Director of Services</b>	162	174	0	0	174
<b><u>Transport &amp; Capital Projects</u></b>					
AD Transport & Capital Projects	132	136	0	0	136
Building Design Services	39	569	(515)	0	54
Capital Projects	345	634	(283)	0	352
Car Parking R&M	549	583	0	0	583
Concessionary Fares	3,486	2,774	0	0	2,774
Flood & Water Act	186	89	0	0	89
Highways	4,002	5,737	(960)	0	4,777
Highways - DLO	(338)	9,733	(10,211)	0	(478)
Investment & Funding	553	197	(180)	0	17
Sustainable Transport	53	70	(28)	0	43
<b><u>Community Services</u></b>					
AD Community Services	144	150	0	0	150
Allotments	13	26	(10)	0	16
Building Cleaning - DLO	196	835	(628)	0	207
Cemeteries & Crematorium	(939)	933	(1,907)	0	(974)
Dolphin Centre	1,204	4,275	(3,299)	0	976
Eastbourne Complex	(1)	245	(221)	0	24
Emergency Planning	101	103	0	0	103
Head of Steam	278	355	(63)	0	291
Hippodrome	461	5,540	(5,319)	0	221
Indoor Bowling Centre	23	19	0	0	19
Libraries	864	922	(24)	0	898
Move More	44	99	(51)	0	48
Outdoor Events	498	588	(22)	0	567
Community Catering - DLO	108	318	(240)	0	78
Strategic Arts	123	119	0	0	119
Street Scene	6,048	8,009	(1,948)	(14)	6,047
Transport Unit - Fleet Management	9	224	(69)	0	155
Waste Management	3,452	3,606	0	0	3,606
Winter Maintenance	589	586	(2)	0	584
<b><u>Community Safety</u></b>					
CCTV	230	683	(419)	0	264
Community Safety	749	832	(32)	(67)	732
General Licensing	30	170	(163)	0	7
Parking	(2,150)	281	(1,953)	0	(1,672)
Parking Enforcement	9	185	(172)	0	13
Private Sector Housing	121	117	(10)	0	107
Stray Dogs	49	51	(1)	0	50
Taxi Licensing	53	225	(183)	0	42
Trading Standards	247	264	(6)	0	258
<b><u>Building Services</u></b>					
Construction - DLO	(471)	7,925	(8,383)	0	(458)
Maintenance - DLO	(465)	5,333	(5,818)	0	(486)
Other - DLO	82	0	0	0	0
<b><u>General Support Services</u></b>					
Works Property & Other	112	114	0	0	114
<b><u>Joint Levies &amp; Boards</u></b>					
Environment Agency Levy	115	125	0	0	125
<b>Total Services Group</b>	<b>21,098</b>	<b>63,952</b>	<b>(43,122)</b>	<b>(81)</b>	<b>20,749</b>



**OPERATIONS Group - Revenue Estimates 2023/24**

	2022/23 Net Budget £000	2023/24			
		Gross Budget	Income	Grants	Net Budget
		£000	£000	£000	£000
<b>Group Director of Operations</b>	132	224	(94)	0	130
<b>AD Resources</b>					
AD Resources	148	120	0	0	120
Financial Services	1,615	1,959	(433)	0	1,526
Financial Assessments & Protection	299	358	(43)	(36)	279
Xentrall (D&S Partnership)	1,766	2,479	(649)	0	1,830
Human Resources	879	1,034	(352)	0	682
Health & Safety	175	232	(38)	0	193
<b>Head of Strategy Performance &amp; Communications</b>					
Communications & Engagement	1,252	1,125	(138)	0	987
Systems	1,397	1,037	0	(30)	1,007
<b>AD Law &amp; Governance</b>					
AD Law & Governance	129	131	0	0	131
Complaints & FOI	288	298	(1)	0	297
Democratic Services	1,278	1,335	(19)	0	1,316
Registrars	(25)	254	(277)	0	(23)
Administration	638	688	(93)	0	595
Legal	1,214	1,849	(180)	0	1,669
Procurement	176	296	(113)	0	183
Coroners	225	278	0	0	278
<b>AD Xentrall Shared Services</b>					
ICT	723	1,010	(200)	0	810
<b>Corporate Landlord</b>					
Corporate Landlord	4,801	6,042	(277)	0	5,765
<b>AD Housing &amp; Revenues</b>					
Local Taxation	923	889	0	0	889
Rent Rebates / Rent Allowances / Council Tax	(517)	20,659	(416)	(20,776)	(533)
Housing Benefits Administration	270	1,076	0	(663)	413
Customer Services	321	549	(220)	0	329
Homelessness	334	528	(184)	0	344
Service, Strategy & Regulation and General Services	164	358	(197)	0	161
<b>Total Operations Group</b>	<b>18,605</b>	<b>44,806</b>	<b>(3,924)</b>	<b>(21,505)</b>	<b>19,377</b>

**CHIEF EXECUTIVES OFFICE & ECONOMIC GROWTH - Revenue Estimates 2023/24**

	2022/23 Net Budget £000	2023/24			
		Gross Budget	Income	Grants	Net Budget
		£000	£000	£000	£000
<b>Chief Executive</b>					
Chief Executive	203	209	0	0	209
Darlington Partnership	69	136	(62)	0	74
<b>AD Economic Growth</b>					
AD - Economic Growth	147	149	0	0	149
Building Control	196	373	(205)	0	168
Consolidated Budgets	148	146	0	0	146
Development Management	(0)	723	(700)	0	23
Economy	321	349	0	(80)	269
Environmental Health	324	359	(25)	0	334
Place Strategy	640	834	(85)	(104)	645
Property Management & Estates	(402)	676	(1,158)	0	(482)
<b>Total Chief Executives Office &amp; Economic Growth</b>	<b>1,647</b>	<b>3,953</b>	<b>(2,235)</b>	<b>(184)</b>	<b>1,535</b>

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## APPENDIX 2

<b>Analysis of Pressures/Savings</b>				
	Estimate 23/24 £m	Estimate 24/25 £m	Estimate 25/26 £m	Estimate 26/27 £m
<b>Savings</b>				
Housing Related Support - reduced demand	(0.072)	(0.065)	(0.059)	(0.059)
Children Placements - reduction in residential and independent fostering placements	(0.288)	(0.576)	(0.864)	(1.152)
Children Placements - ending of a complex residential package	(0.110)	(1.425)	(1.425)	(1.425)
Advocacy - reduction in usage	(0.058)	(0.058)	(0.058)	(0.058)
Adult Services - reduced running costs	(0.202)	(0.268)	(0.347)	(0.348)
Education Services - reduced running costs	(0.076)	(0.068)	(0.059)	(0.049)
Children's Services - reduced running costs	(0.056)	(0.059)	(0.042)	(0.036)
Concessionary Fares - reduction in contributions	(0.713)	(0.548)	(0.650)	(0.650)
Operations - reduced postage and telephone usage	(0.067)	(0.067)	(0.067)	(0.067)
Investment Returns - increased joint venture returns	(0.336)	(0.588)	0.000	0.0000
Contingency - release of pension fund contingency following actuary review	(0.987)	(0.987)	(0.987)	0.0000
Superannuation - reduced employer contributions following triennial valuation	(0.439)	(0.448)	(0.457)	0.0000
Waste Disposal - reduction in household waste	(0.118)	(0.118)	(0.118)	(0.118)
Services - reduced running costs	(0.015)	(0.015)	(0.015)	(0.015)
Housing - reduced running costs	(0.030)	(0.030)	(0.025)	(0.012)
	<b>(3.567)</b>	<b>(5.320)</b>	<b>(5.173)</b>	<b>(3.989)</b>
<b>Increased Demand</b>				
Adults Packages of Care - increased overall package costs	0.199	0.288	0.275	0.362
School Transport - increase/changes in routes	0.378	0.387	0.397	0.407
Children Placements - increased number and complexity of placements	1.891	1.925	1.935	1.997
Children's Services - increased numbers of families/children requiring support	0.206	0.100	0.100	0.100
Strengthening Families Team - increase in children needing support	0.684	0.836	0.000	0.000
Waste Disposal - increased growth with new builds	0.000	0.000	0.000	0.024
Waste Disposal - LASPV contract support	0.000	0.000	0.000	0.033
Coroners Service - additional contribution	0.048	0.056	0.065	0.066
Legal Services - increased caseload demand	0.108	0.113	0.119	0.121
Children's legal fees - increased demand and complexity of cases	0.200	0.200	0.200	0.200
People Services - increase in ANEC support ADASS	0.010	0.010	0.010	0.010
Children's Services - continuation of the 4 Kids project	0.040	0.041	0.042	0.042
	<b>3.764</b>	<b>3.956</b>	<b>3.143</b>	<b>3.362</b>
<b>Price Inflation</b>				
Adults Packages of care - contractual inflation.	2.425	2.842	2.802	3.878
Fleet - increased costs of vehicle replacement	0.102	0.121	0.125	0.125
Children's Packages of care - contractual inflation.	0.392	0.524	0.612	0.591
School Transport - contractor inflation	0.168	0.173	0.178	0.183
Waste Disposal - contractor inflation	0.248	0.248	0.248	0.248
Highways - responsive Repairs inflation	0.202	0.206	0.210	0.214
Fleet - fuel inflation	0.030	0.030	0.030	0.030
Environment Agency - levy inflation	0.007	0.007	0.007	0.009
Corporate Landlord - R&M inflation	0.115	0.130	0.145	0.160
	<b>3.689</b>	<b>4.281</b>	<b>4.357</b>	<b>5.438</b>
<b>Reduced Income</b>				
Workforce Development Team - reduced income	0.025	0.025	0.025	0.025
Council Tax - reduction in house building due to Nutrient Neutrality	0.321	0.507	0.525	0.540
Adult Social Care - ending of grant funding	0.000	0.379	0.522	0.568
Library - reduced income during refurbishment	0.018	0.000	0.000	0.000
Car Parking - reduction in permits and contract parking	0.047	0.047	0.047	0.047
Taxi Licensing - reduction in private hire income	0.031	0.000	0.000	0.000
Legal Services - reduction in external legal income	0.051	0.051	0.051	0.051
	<b>0.493</b>	<b>1.009</b>	<b>1.170</b>	<b>1.231</b>
<b>Other and Contingencies</b>				
People - staffing changes, pensions	0.023	0.020	0.025	0.025
Enjoy Darlington campaign	0.050	0.050	0.050	0.050
Hippodrome - website ticket platform costs	0.040	0.000	0.000	0.000
Outdoor Events - increased security and operational costs and promoting economic growth	0.093	0.033	0.033	0.033
Services - staffing changes	0.093	0.100	0.103	0.104
Operations - staffing changes	0.027	0.037	0.053	0.055
Information Systems - additional systems software	0.032	0.033	0.034	0.036
ICT - additional mobile data and spam filtering requirements	0.113	0.115	0.116	0.116
Financing Costs - impact of interest rates increases	0.556	0.680	0.672	0.313
Revenues & Benefits - staffing changes	0.070	0.072	0.076	0.080
Economic Growth - staffing changes	0.010	0.010	0.010	0.010
Education - continue the Youth Employment Initiative scheme	0.168	0.000	0.000	0.000
Street Scene - fly tipping and back lane clearance	0.070	0.000	0.000	0.000
Discretionary cost of living support fund	0.100	0.000	0.000	0.000
	<b>1.445</b>	<b>1.151</b>	<b>1.172</b>	<b>0.822</b>
<b>Utilities</b>				
Utilities - Services	0.565	0.385	0.385	0.385
Utilities - Corporate Landlord	1.686	1.066	1.066	1.066
	<b>2.251</b>	<b>1.451</b>	<b>1.451</b>	<b>1.451</b>
<b>Pay Award</b>				
Pay Award 22/23	2.615	2.667	2.721	2.775
Additional Estimated Pay award 23/24	1.255	1.279	1.305	1.331
	<b>3.870</b>	<b>3.946</b>	<b>4.026</b>	<b>4.106</b>
<b>Total Net Pressures</b>	<b>11.945</b>	<b>10.474</b>	<b>10.146</b>	<b>12.421</b>

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SCHEDULE OF CHARGES 2023/24				
Description	Type*	Existing Charge £	New Charge £	Financial Effect £
*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed				
<b>LEARNING SKILLS - LEARNING FOR LIFE</b>				
Fees Policy: August 2022 to July 2023 (Next Review July 2023)				
Full Fees (including enrolment and tuition fees) per hour	L	3.00	3.00	NIL
<p><b>Accredited Learning</b>  <b>Full accreditation fee (if applicable) - if the course has a qualification there will be additional fees to pay for registration and certification.</b></p> <p><b>No fees will be charged for publicly subsidised courses where:</b></p> <ol style="list-style-type: none"> <li>Learners are aged 16-18 (on 31 August 2022)</li> <li>Learners are aged 19-24 (on 31 August 2022) with a learning difficulty and/or disability as evidenced through an Education, Health and Care (EHC) Plan</li> <li>Learners are aged 19 or older where the learning aim is up to and including level 2, and the learner is studying English or Maths</li> <li>Learners are aged 19-23 (on their first day of study) and are studying their first 'full' level 2 or first 'full' level 3, excludes English for speakers of Other Languages (ESOL)</li> <li>Learners are aged 19 or older where the learning aim is up to and including level 2 (including ESOL), the skills training will help them into work, and the learner is classed as unemployed and one or more of the following apply: <ol style="list-style-type: none"> <li>They receive Job Seeker's Allowance (JSA) - this includes those receiving National Insurance credits only, or</li> <li>They receive Employment and Support Allowance (ESA), or</li> <li>They receive Universal Credit and their earned income from employment (disregarding benefits) is less than £345 a month (learner is sole adult in their benefit claim) or £552 a month (learner has a joint benefit claim with their partner)</li> <li>They are released on temporary licence, studying outside a prison environment, and not funded by the Ministry of Justice</li> </ol> </li> <li>Learners are aged 19 or older where the learning aim is up to and including level 2 (including ESOL), they are employed and eligible for co-funding but earn less than £18,525 gross salary, based on the assumption of a 37.5 hour contract with paid statutory holiday entitlement.  <i>Evidence required: A wage slip within 3 months of the learning start date, or a current employment contract which states gross monthly / annual wages</i></li> <li>Learners aged 19-24 who are unemployed and on a Traineeship</li> </ol> <p><b>Courses with no public subsidy</b>  For learners aged 19 or above and where the learning aim is level 3 or above (except for exclusion above), learners will need to take out an Advanced Learning Loan, subject to funding availability. Further details can be found at: <a href="http://www.gov.uk/advanced-learning-loans">www.gov.uk/advanced-learning-loans</a></p> <p>Asylum Seekers – individuals will be assessed for eligibility in conjunction with ESFA guidance  Special Fees – some courses have special fees, cost on application  FE course – NVQ etc price on application</p> <p><b>The following courses are free:</b>  Family Learning, Functional Skills, Study Programmes and courses which are funded through external projects</p> <p><b>Additional Learning Support (ALS)</b> is intended to enable disadvantaged learners to achieve their learning goal by providing funding, on top of programme funds, to help them overcome their barriers to learning. The funding is intended to be flexible and to help support learners who have a range of learning difficulties and/or disabilities</p>				

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
<b>*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed</b>				
<b>REGISTRATION OF BIRTHS, DEATHS, MARRIAGES AND CIVIL PARTNERSHIPS</b>				
The following fees do not incur VAT				
<b>Marriages</b>				
Entering a Notice of Marriage or Civil Partnership	N			
For a Registrar to attend a Marriage at the Register Office	N			
Civil Partnership Registration	N			
Incumbents for every Entry Contained in Quarterly Certified	N			
Copies of Entries of Marriage	N			
Registrars fee for attending a marriage at a registered building or for the housebound or detained	N			
Superintendents Registrar fee for attesting a notice of marriage away from his office for housebound or detained	N			
Superintendents Registrar fee for attending the marriage of the housebound or detained	N	These charges set nationally by Statute and will be charged at the advised rate for 2022/23	These charges set nationally by Statute and will be charged at the advised rate for 2023/24	
<b>Certification for Worship and Registration for Marriages</b>				
Place of Meeting for Religious Worship	N			
Registration of Building for Solemnisation of Marriage	N			
<b>Certificates issued from Local Offices</b>				
Standard Certificate (SR)	N			
Standard Certificate (RBD) (at time of Registration)	N			
Standard Certificate (RBD) (after Registration)	N			
Short Certificate of Birth (SR)	N			
Short Certificate of Birth (RBD)	N			
Certificates of Civil Partnership (at time of Ceremony)	N			
Certificates of Civil Partnership (at later date)	N			
General Search fee	N			
Each Verification	N			
<b>Civil Partnership Ceremony</b>	N			
<b>All Ceremonies – Approved Premises</b>				
Application Fee for licence as an approved venue (valid for 3 years)	N	1,750.00	1,750.00	
Fee for Attendance - All days including Bank Holidays	L	555.00	580.00	
Non-refundable booking fee (inclusive of VAT)	L	N/a	50.00	
<b>All Ceremonies – Town Hall</b>				
The Council Chamber (Monday to Saturday)	L	295.00	310.00	
The Council Chamber Foyer (Monday to Saturday)	L	135.00	140.00	
<b>REGISTER OF ELECTORS, OPEN REGISTER AND MONTHLY UPDATES - SALE</b>				
The following fees do not incur VAT.				
Register – Printed Form	N	10.00	10.00	
Per 1,000 Names – Printed	N	5.00	5.00	
Register – Data Form	N	20.00	20.00	
Per 1,000 Names – Data	N	1.50	1.50	
<b>LIST OF OVERSEAS ELECTORS – SALE</b>				
The following fees do not incur VAT.				
List – Printed Form	N	10.00	10.00	
Per 1,000 Names – Printed	N	5.00	5.00	
List – Data Form	N	20.00	20.00	
Per 1,000 Names – Data	N	1.50	1.50	
<b>MARKED COPY OF THE REGISTER OF ELECTORS AND MARKED ABSENT VOTERS LIST - SALE</b>				
The following fees do not incur VAT				
Register – Printed Form	N	10.00	10.00	
Per 1,000 Names – Printed	N	2.00	2.00	
Register – Data Form	N	10.00	10.00	
Per 1,000 Names – Data	N	1.00	1.00	
				<b>22,000</b>

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
<b>*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed</b>				
<b>TOWN HALL</b>				
Hire of Committee Rooms – all charges shown exclusive of VAT. Charges will be made plus the appropriate VAT rate.				
All rooms are to be charged by the hour, rather than by session				
Committee Rooms per hour	L	33.00	33.00	
				NIL
<b>LAND CHARGES</b>				
<b>The following fees are inclusive of VAT</b>				
<b>Search Fees</b>				
Standard Search - Residential Property (post or DX)	L	91.80	95.50	
Standard Search – Residential Property (electronic)	L	89.80	93.50	
Standard Search – Commercial Property (post or DX)	L	139.80	145.50	
Standard Search – Commercial Property (electronic)	L	137.80	143.50	
<b>Con 29 Required</b>				
<b>Residential Property</b>				
One Parcel of Land	L	76.80	80.00	
Several Parcels of Land – Each Additional Parcel	L	24.00	25.00	
<b>Commercial Property</b>				
One Parcel of Land	L	124.80	130.00	
Several Parcels of Land – Each Additional Parcel	L	24.00	25.00	
<b>Con 29 Optional</b>				
Each Printed Enquiry	L	6.00	6.00	
Own Questions	L	6.00	6.00	
Official Search – LLCI	L	15.00	15.00	
Official Search – NLIS (National Land Information Service) or email	L	13.00	13.00	
Expedited Search (Residential)	L	165.00	172.00	
Expedited search (Commercial)	L	225.00	234.00	
Personal Search	L	No charge	No charge	
				2,400

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
<b>*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed</b>				
<b>FINANCIAL PROTECTION SERVICES</b>				
<b>Category</b>				
I. Work up to and including the date upon which the court makes an order appointing a deputy for property and affairs	N	745.00	745.00	
II. Annual management fee where the court appoints a local authority deputy for property and affairs, payable on the anniversary of the court order:				
- for the first year	N	775.00	775.00	
- for the second and subsequent years	N	650.00	650.00	
where the net assets are below £16,000, the local authority deputy for property and affairs will take an annual management fee not exceeding 3% of the net assets on the anniversary of the court order appointing the local authority as deputy				
Where the court appoints a local authority deputy for health and welfare, the local authority will take an annual management fee not exceeding 2.5% of the net assets on the anniversary of the court order appointing the local authority as deputy for health and welfare up to a maximum of £500.				
III. Annual property management fee to include work involved in preparing property for sale, instructing agents, conveyancers, etc or the ongoing maintenance of property including management and letting of a rental property	N	300.00	300.00	
IV. Preparation and lodgement of an annual report or account to the Public Guardian	N	216.00	216.00	
V. Conveyancing Costs				
Where a deputy or other person authorised by the court is selling or purchasing a property on behalf of P, the following fixed rates will apply except where the sale or purchase is by trustees in which case, the costs should be agreed with the trustees:	N	See Description	See Description	
A value element of 0.15% of the consideration with a minimum sum of £350 and a maximum sum of £1,500, plus disbursements				
Travel Rates are allowed at a fixed rate per hour for travel costs	N	40.00	40.00	
Please note that these rates are set by The Office of Public Guardian and are the rates as of 1st April 2017, these may be amended during 2023/24				
<b>Adminstration Fee</b>				
Adminstration fee for arranging the care and support needs for those with capital in excess of the upper capital limit or those who have chosen not to disclose their financial information.	L	108.00	119.00	
				<b>Minimal</b>
<b>DEFERRED PAYMENT FEES</b>				
Administration cost for setting up a Deferred Payment Agreement	L	331.00	365.00	
plus cost of valuation (this will be dependant on property type)	L	Actual cost of valuation	Actual cost of valuation	
				<b>Minimal</b>



Description	Type*	Existing Charge £	New Charge £	Financial Effect £
<b>*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed</b>				
<b>LIBRARIES</b>				
<b>Fines On Overdue Items</b>				
Adults – per day	L	No charge	No charge	
Maximum charge per book	L	No charge	No charge	
Senior Citizens – per day	L	No charge	No charge	
Children – per day	L	No charge	No charge	
<b>Non-collected reservations</b>				
Per item	L	0.50	0.50	
<b>Reservation Fees for Books Obtained from Outside the Authority</b>				
Single charge for all books obtained from other libraries	L	6.00	6.00	
<b>Repeat Fee for Renewal of Books from Outside the Authority</b>				
Single Charge for all books obtained from other local authorities	L	6.00	6.00	
<b>Replacement Tickets</b>				
Adults	L	1.50	1.50	
Senior Citizens	L	1.50	1.50	
Children/Unemployed	L	1.50	1.50	
<b>Language Courses (per element)</b>				
Subscription for whole course to be paid in advance	L	1.35	1.35	
<b>Local History Research</b>				
Look Up Service	L	5.00	5.00	
<b>Photocopies</b>				
A4 B&W	L	0.20	0.20	
A3 B&W	L	0.40	0.40	
<b>Printing</b>				
Text Printouts				
A4 B&W	L	0.20	0.20	
A3 B&W	L	0.40	0.40	
Test Printouts				
A4 colour	L	0.60	0.60	
<b>Reproduction of Images from Stock</b>				
Digital copies for Private/Study purposes – per photo	L	5.50	5.50	
Digital copies for small local commercial use – per photo	L	5.50 + 2 copies of publications	5.50 + 2 copies of publications	
Digital copies for local commercial use - per photo	L	10.50 + 2 copies of book	10.50 + 2 copies of book	
Digital copies for national/international commercial	L	110.00	110.00	
<b>Scan and e-mail Service</b>				
First sheet	L	1.00	1.00	
Each subsequent sheet	L	0.50	0.50	
<b>Hire of Locker</b>	L	0.50	0.50	
<b>Internet Use</b>				
Library members First 60 minutes FREE , Members & Non Members £1.00 per 30 minutes hereafter	L	1.00	1.00	
<b>Lost &amp; Damaged Items</b>	L	Full current Replacement Cost (non- refundable)	Full current Replacement Cost (non- refundable)	
<b>Room Hire</b>				
Not for profit organisations per hour	L	15.00	15.00	
Commercial organisations per hour	L	20.00	20.00	
				<b>NIL</b>

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
<b>*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed</b>				
<b>PLANNING FEES</b> Planning fees are set nationally				
<b>PLANNING – PRE APPLICATION ADVICE</b> All charges include VAT at 20%				
Large Major Development (200+) for a written response, including up to 2 meetings	L	1,200.00	1,200.00	
Small Major Development (10-199) for a written response, including up to 2 meetings	L	600.00	600.00	
Minor Development for a written response to include a meeting if necessary	L	400.00	400.00	
<b>Other Developments</b>				
Minerals Processing	L	Based on areas above	Based on areas above	
Change of use for a written response to include a meeting if necessary	L	50.00	50.00	
Householder developments	L	36.00	36.00	
Advertisements	L	25.00	25.00	
Listed Building consents (to alter/extend/demolish)	L	Free	Free	
Certificates of lawful development	L	Application advice not appropriate	Application advice not appropriate	
Telecommunications Notifications	L	126.00	126.00	
<b>Other Charges</b>				
Pre-Application meeting involving Planning Committee Members	L	1,000.00	1,000.00	
				<b>NIL</b>

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
<b>*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed</b>				
<b>LICENSING The following fees do not incur VAT</b>				
<b>Prosecution Costs</b>				
Hourly rate for Preparation of Case Reports	L	48.00	50.00	
<b>General Licensing</b>				
Pavement Café Licence, per person				
1-20	L	No charge	200.00	
21-40	L	No charge	230.00	
41-60	L	No charge	260.00	
61-80	L	No charge	290.00	
81-99	L	No charge	320.00	
100 or over	L	No charge	350.00	
Duplicate licence fee	L	No charge	50.00	
Transfer of licence	L	No charge	50.00	
Change of detail	L	No charge	30.00	
Variation of Covers	L	No charge	100.00	
Goods on Highway Licence	L	155.00	155.00	
Sex Shop Grant of application	L	3,700.00	3,885.00	
Sex Shop Renewal	L	1,200.00	1,260.00	
Sex Shop transfer	L	1,200.00	1,260.00	
<b>Cosmetics</b>				
Premise Grant	L	280.00	294.00	
Personal Grant	L	65.00	68.00	
Variation	L	65.00	68.00	
<b>Scrap Metal Dealers</b>				
Collectors Licence (3 years) - grant	L	150.00	158.00	
Collectors Licence (3 years) – renewal	L	150.00	158.00	
Major Variation	L	50.00	53.00	
Minor Variation	L	15.00	16.00	
Site Licence (3 years) Grant	L	350.00	368.00	
Additional Sites (per site per year of licence)	L	195.00	205.00	
Site licence (3 years) – renewal	L	270.00	284.00	
Additional sites (per site per year of licence)	L	195.00	205.00	
Minor Variation Site	L	15.00	16.00	
		50.00 + 65.00	53.00 + 68.00	
Major Variation Site	L	per additional site per year	per additional site per year	

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
<b>*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed</b>				
<b>Caravan Sites</b>				
New Application for a permanent residential site licence;	L			
1-5 pitches	L	200.00	210.00	
6-20 pitches	L	225.00	236.00	
21-50 pitches	L	240.00	252.00	
Greater than 50 pitches	L	260.00	273.00	
Annual Fees associated with administration and monitoring of site licences;				
1-5 pitches	L	No charge	No charge	
6-50 pitches	L	220.00	231.00	
Greater than 50 pitches	L	260.00	273.00	
Cost of Laying Site Rules	L	25.00	26.00	
Cost of Variation/Transfer	L	100.00	105.00	
<b>Zoo Licensing Act</b>				
New Application (4 years) or renewal (6 years) for a Zoo Licence (excluding the inspection costs of appointed inspector)	L	450.00	473.00	
<b>Animal Welfare</b>				
Breeding of Dogs - Grant of Licence				
1 Year Licence	L	245.00	258.00	
2 Year Licence	L	290.00	305.00	
3 Year Licence	L	335.00	352.00	
Breeding of Dogs - Renewal of Licence				
1 Year Licence	L	215.00	226.00	
2 Year Licence	L	260.00	273.00	
3 Year Licence	L	305.00	320.00	
Pet Vending Commercial - Grant of Licence				
1 Year Licence	L	252.00	265.00	
2 Year Licence	L	297.00	312.00	
3 Year Licence	L	342.00	359.00	
Pet Vending Commercial - Renewal of Licence				
1 Year Licence	L	222.00	233.00	
2 Year Licence	L	267.00	280.00	
3 Year Licence	L	312.00	327.00	
Pet Vending Home - Grant of Licence				
1 Year Licence	L	245.00	258.00	
2 Year Licence	L	290.00	305.00	
3 Year Licence	L	335.00	352.00	
Pet Vending Home - Renewal of Licence				
1 Year Licence	L	215.00	226.00	
2 Year Licence	L	260.00	273.00	
3 Year Licence	L	305.00	320.00	
Keeping or Training Animals for Exhibition - Grant of Licence				
3 Year Licence	L	235.00	247.00	
Keeping or Training Animals for Exhibition - Renewal of Licence				
3 Year Licence	L	215.00	226.00	
Hiring Out of Horses - Grant of Licence				
1 Year Licence	L	265.00	278.00	
2 Year Licence	L	310.00	325.00	
3 Year Licence	L	355.00	372.00	
Hiring Out of Horses - Renewal of Licence				
1 Year Licence	L	235.00	247.00	
2 Year Licence	L	280.00	294.00	
3 Year Licence	L	325.00	341.00	
Boarding of Dogs and Cats Commercial - Grant of Licence				
1 Year Licence	L	305.00	321.00	
2 Year Licence	L	350.00	368.00	
3 Year Licence	L	395.00	415.00	
Boarding of Dogs and Cats Commercial - Renewal of Licence				
1 Year Licence	L	275.00	289.00	
2 Year Licence	L	320.00	336.00	
3 Year Licence	L	365.00	383.00	

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
<b>*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed</b>				
Boarding of Dogs and Cats Home - Grant of Licence				
1 Year Licence	L	245.00	258.00	
2 Year Licence	L	290.00	305.00	
3 Year Licence	L	335.00	352.00	
Boarding of Dogs and Cats Home - Renewal of Licence				
1 Year Licence	L	215.00	226.00	
2 Year Licence	L	260.00	273.00	
3 Year Licence	L	305.00	320.00	
Boarding of Dogs Day Care Up to 7 Dogs - Grant of Licence				
1 Year Licence	L	245.00	258.00	
2 Year Licence	L	290.00	305.00	
3 Year Licence	L	335.00	352.00	
Boarding of Dogs Day Care Up to 7 Dogs - Renewal of Licence				
1 Year Licence	L	215.00	226.00	
2 Year Licence	L	260.00	273.00	
3 Year Licence	L	305.00	320.00	
Boarding of Dogs Day Care 8+ Dogs - Grant of Licence				
1 Year Licence	L	305.00	320.00	
2 Year Licence	L	350.00	367.00	
3 Year Licence	L	395.00	414.00	
Boarding of Dogs Day Care 8+ Dogs - Renewal of Licence				
1 Year Licence	L	275.00	289.00	
2 Year Licence	L	320.00	336.00	
3 Year Licence	L	365.00	383.00	
Dog Boarding Franchise in Darlington - Grant of Licence	L	130.00 + 10.00 per host + 65.00 per host inspection fee + 45.00 annual enforcement fee per year	137.00 + 11.00 per host + 68.00 per host inspection fee + 47.00 annual enforcement fee per year	
Dog Boarding Franchise in Darlington - Renewal of Licence	L	100.00 + 10.00 per host + 60.00 per host inspection fee + 45.00 annual enforcement fee per year	105.00 + 11.00 per host + 68.00 per host inspection fee + 47.00 annual enforcement fee per year	
Dog Boarding Franchise out of Darlington - Grant of Licence	L	60.00 + 65.00 per host	63.00 + 63.00 per host	
Dog Boarding Franchise out of Darlington - Renewal of Licence	L	55.00 + 60.00 per host	58.00 + 63.00 per host	
Additional Fees				
Cost per additional licensable activity - Grant and Renewal (each)	L	65.00	68.00	
Mandatory mid licence inspection fee - Grant and Renewal (each)	L	30.00	32.00	
Variation of licence where no inspection is required (each)	L	35.00	37.00	
Variation of licence where inspection is required (each)	L	90.00	95.00	
Application for Re-Rating (each)	L	70.00	74.00	
Copy Licence	L	15.00	16.00	
Administration Fee	L	35.00	37.00	
Dangerous Wild Animals (not including vets fee)	L	120.00	126.00	

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
<b>*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed</b>				
<b>Street Trading</b>				
November / December - Full Calendar Month	L	975.00	1,024.00	
- Week	L	385.00	404.00	
- Day (minimum of 4 days)	L	85.00	89.00	
January / October - Full Calendar Month	L	660.00	693.00	
- Week	L	270.00	284.00	
- Day (minimum of 4 days)	L	60.00	63.00	
Note- The above to apply to Itinerant traders. For regular all year round traders - fees as follows				
Annual Consent - Town Centre	L	7,000.00	7,350.00	
If Paying Monthly	L	620.00	651.00	
If Paying Weekly	L	170.00	179.00	
Buskers selling CD's – Half Day	L	25.00	25.00	
Full Day	L	45.00	45.00	
Mobile vehicles (moving or lay-by)	L	260.00	273.00	
New Vendor Permits	L	35.00	35.00	
<b>Skips, Scaffolding and Hoardings</b>				
Place a skip on the highway (less than 3 days notice)	L	30.00	40.00	
Place a skip on the highway (more than 3 days notice)	L	15.00	25.00	
Erection of scaffolding	L	50.00	60.00	
Hoardings	L	57.00	60.00	
Administration Charge (per hour or part thereof)	L	35.00	37.00	
<b>Statutory Fees</b>				
<b>Petroleum Licences</b>				
Less than 2,500 litres	L	44.00	45.00	
2,500 – 50,000 litres	L	60.00	61.00	
More than 50,000 litres	L	125.00	128.00	
<b>Gambling Act</b>				
<b>Statutory Fees- The following gambling fees are set within statutory bands and will be revised as changed nationally.</b>				
Adult Gaming Centres – Annual Fee	N	600.00	600.00	
New Application	N	1,300.00	1,300.00	
Variation	N	1,300.00	1,300.00	
Transfer	N	1,200.00	1,200.00	
Provisional Statement	N	1,300.00	1,300.00	
Licence Reinstatement	N	1,200.00	1,200.00	
Betting Shops - Annual Fee	N	550.00	550.00	
New Application	N	1,300.00	1,300.00	
Variation	N	1,300.00	1,300.00	
Transfer	N	1,200.00	1,200.00	
Provisional Statement	N	1,300.00	1,300.00	
Licence Reinstatement	N	1,300.00	1,300.00	
Bingo Halls - Annual Fee	N	600.00	600.00	
New Application	N	1,300.00	1,300.00	
Variation	N	1,300.00	1,300.00	
Transfer	N	1,200.00	1,200.00	
Provisional Statement	N	1,300.00	1,300.00	
Licence Reinstatement	N	1,200.00	1,200.00	
Family Entertainment Centres – Annual Fee	N	550.00	550.00	
New Application	N	1,300.00	1,300.00	
Variation	N	1,300.00	1,300.00	
Transfer	N	950.00	950.00	
Provisional Statement	N	1,300.00	1,300.00	
Licence Reinstatement	N	950.00	950.00	
Betting (tracks) – Annual Fee	N	550.00	550.00	
New Application	N	1,300.00	1,300.00	
Variation	N	1,300.00	1,300.00	
Transfer	N	950.00	950.00	
Provisional Statement	N	1,300.00	1,300.00	
Licence Reinstatement	N	950.00	950.00	

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
<b>*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed</b>				
<b><u>Permit Type – The following fees are set by statute and will be revised as changed nationally</u></b>				
Small Society Lottery Registration	N	40.00	40.00	
Small Society Annual Fee	N	20.00	20.00	
FEC gaming machine – Renewal fee	N	300.00	300.00	
FEC gaming machine – Change of name	N	25.00	25.00	
Prize gaming – Application fee	N	300.00	300.00	
Prize gaming – Renewal fee	N	300.00	300.00	
Prize gaming – Change of name	N	25.00	25.00	
Prize gaming – Copy permit	N	15.00	15.00	
Gaming machines (3 or more) - application Fee	N	100.00	100.00	
Gaming machines (3 or more) - variation Fee	N	100.00	100.00	
Gaming machines (3 or more) - transfer Fee	N	25.00	25.00	
Gaming machines (3 or more) - annual Fee	N	50.00	50.00	
Change of name	N	25.00	25.00	
Copy Permit	N	15.00	15.00	
Notice of intent 2 or less gaming machines available	N	50.00	50.00	
Club Premises cert (S 72f Licencing Act 2003) application fee	N	100.00	100.00	
Club Premises cert (S 72f Licencing Act 2003) renewal fee	N	100.00	100.00	
Other applicants - application fee	N	200.00	200.00	
Other applicants - renewal fee	N	200.00	200.00	
Variation fee	N	100.00	100.00	
Annual fee	N	50.00	50.00	
Copy permit	N	15.00	15.00	
Initial fee	N	40.00	40.00	
Annual fee	N	20.00	20.00	
Temporary use notice	N	500.00	500.00	
Copy/replacement/endorsed copy of notice	N	25.00	25.00	
<b>Licensing Act Fees</b>				
<b>Statutory Fees- The following gambling fees are set within statutory bands and will be revised as changed nationally.</b>				
<b>Premises Licences</b>				
Band A (RV £0 - £4,300) - Initial fee	N	100.00	100.00	
- Annual fee	N	70.00	70.00	
Band B (RV £4,301 - £33,000) - Initial fee	N	190.00	190.00	
- Annual fee	N	180.00	180.00	
Band C (RV £33,001 - £87,000) - Initial fee	N	315.00	315.00	
- Annual fee	N	295.00	295.00	
Band D (RV £87,001 - £125,000) - Initial fee	N	450.00	450.00	
- Annual fee	N	320.00	320.00	
Band E (RV > £125,001) - Initial fee	N	635.00	635.00	
- Annual fee	N	350.00	350.00	
Band D with Multiplier - Initial fee	N	900.00	900.00	
- Annual fee	N	640.00	640.00	
Band E with Multiplier - Initial fee	N	1,905.00	1,905.00	
- Annual fee	N	1,050.00	1,050.00	
<b>Club Premises Certificates</b>				
Band A (RV £0 - £4,300) - Initial fee	N	100.00	100.00	
- Annual fee	N	70.00	70.00	
Band B (RV £4,301 - £33,000) - Initial fee	N	190.00	190.00	
- Annual fee	N	180.00	180.00	
Band C (RV £33,001 - £87,000) - Initial fee	N	315.00	315.00	
- Annual fee	N	295.00	295.00	
Band D (RV £87,001 - £125,000) - Initial fee	N	450.00	450.00	
- Annual fee	N	320.00	320.00	
Band E (RV > £125,001) - Initial fee	N	635.00	635.00	
- Annual fee	N	350.00	350.00	

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
<b>*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed</b>				
<b>Large Scale Events</b>				
5,000 to 9,999 - Initial fee	N	1,000.00	1,000.00	
- Annual fee	N	500.00	500.00	
10,000 to 14,999 - Initial fee	N	2,000.00	2,000.00	
- Annual fee	N	1,000.00	1,000.00	
15,000 to 19,999 - Initial fee	N	4,000.00	4,000.00	
- Annual fee	N	2,000.00	2,000.00	
20,000 to 29,999 - Initial fee	N	8,000.00	8,000.00	
- Annual fee	N	4,000.00	4,000.00	
30,000 to 39,999 - Initial fee	N	16,000.00	16,000.00	
- Annual fee	N	8,000.00	8,000.00	
40,000 to 49,999 - Initial fee	N	24,000.00	24,000.00	
- Annual fee	N	12,000.00	12,000.00	
50,000 to 59,999 - Initial fee	N	32,000.00	32,000.00	
- Annual fee	N	16,000.00	16,000.00	
60,000 to 69,999 - Initial fee	N	40,000.00	40,000.00	
- Annual fee	N	20,000.00	20,000.00	
70,000 to 79,999 - Initial fee	N	48,000.00	48,000.00	
- Annual fee	N	24,000.00	24,000.00	
80,000 to 89,999 - Initial fee	N	56,000.00	56,000.00	
- Annual fee	N	28,000.00	28,000.00	
> 90,000 - Initial fee	N	64,000.00	64,000.00	
- Annual fee	N	32,000.00	32,000.00	
<b>Other Licensing Act 2003 Fees &amp; Charges</b>				
Minor Variations	N	89.00	89.00	
Personal Licence	N	37.00	37.00	
Provisional Statement	N	315.00	315.00	
Temporary Event Notice (TEN)	N	21.00	21.00	
Theft / Loss of Licence / Notice	N	10.50	10.50	
Variation of DPS	N	23.00	23.00	
Transfer of Premises Licence	N	23.00	23.00	
Change of Name / Address	N	10.50	10.50	
Notification of Interest	N	21.00	21.00	
Notification of Alteration of Club Rules	N	10.50	10.50	
Interim Authority Notice	N	23.00	23.00	
Explosives Act/Fireworks Annual Registration	N	52.00	52.00	
				<b>Minimal</b>



Description	Type*	Existing Charge £	New Charge £	Financial Effect £
<b>*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed</b>				
<b>HACKNEY CARRIAGES</b>				
<b>Taxi Licencing</b>				
Taxi licensing fees are agreed annually by licensing committee normally between January to March and will be published separately as part of this process. Existing licence holders will be notified accordingly.				
<b>ENVIRONMENTAL HEALTH</b>				
Pest Treatment Charges – All charges shown exclusive of VAT. Charges will be made plus the appropriate VAT rate				
Insects – per Treatment	L	58.50	58.50	
Rodents in Private Premises	L	8.33	8.33	
Re-rating Food Hygiene Inspections	L	150.00	150.00	
<b>Prosecution Costs</b>				
Hourly Rate for preparation of case reports and carrying out works in default of legal notices	L	48.00	50.00	
<b>Environmental Searches</b>				
Environmental search 1 or 2 report includes environmental information held by the Council on a site (additional charges apply for sites larger than 10,000m2 and distance buffer greater than 250m radius)	L	65.00	65.00	
Additional photocopying for example copies of site investigation reports;				
A4 B&W	L	0.10	0.10	
A3 B&W	L	0.20	0.20	
A4 Colour	L	1.00	1.00	
A3 Colour	L	2.00	2.00	
Scanned Copy	L	Free	Free	
<b>LAPPC and LAIPPC Permits</b>				
Charges are annually set by Defra in March and are subject to change. Current charges as known are;				
<b>LAPPC Charges</b>				
Application Fee;				
Standard process (includes solvent emission activities)	N	1,650.00	1,650.00	
Additional fee for operating without a permit	N	1,188.00	1,188.00	
PVRI, SWOBs and Dry Cleaners	N	155.00	155.00	
PVR I & II combined	N	257.00	257.00	
VRs and other Reduced Fee Activities	N	362.00	362.00	
Reduced fee activities: additional fee for operating without a permit	N	71.00	71.00	
Mobile plant**	N	1,650.00	1,650.00	
for the third to seventh applications	N	985.00	985.00	
for the eighth and subsequent applications	N	498.00	498.00	
Where an application for any of the above is for a combined Part B and waste application add an extra to the above amounts	N	310.00	310.00	
Annual Subsistence Charge;				
Standard process Low*	N	772.00 (+104.00)	772.00 (+104.00)	

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
<b>*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed</b>				
Standard process Medium*	N	1,161.00 (+156.00)	1,161.00 (+156.00)	
Standard process High*	N	1,747.00 (+207.00)	1,747.00 (+207.00)	
*the additional amounts must be charged where a permit is for a combined Part B and waste installation				
PVRI, SWOBs and Dry Cleaners Low	N	79.00	79.00	
PVRI, SWOBs and Dry Cleaners Medium	N	158.00	158.00	
PVRI, SWOBs and Dry Cleaners High	N	237.00	237.00	
PVR I & II combined Low	N	113.00	113.00	
PVR I & II combined Medium	N	226.00	226.00	
PVR I & II combined High	N	341.00	341.00	
VRs and other Reduced Fees Low	N	228.00	228.00	
VRs and other Reduced Fees Medium	N	365.00	365.00	
VRs and other Reduced Fees High	N	548.00	548.00	
Mobile plant, for the first and second permits Low**	N	626.00	626.00	
for the third to seventh permits Low	N	385.00	385.00	
eighth and subsequent permits Low	N	198.00	198.00	
Mobile plant, for the first and second permits Medium**	N	1,034.00	1,034.00	
for the third to seventh permits Medium	N	617.00	617.00	
eighth and subsequent permits Medium	N	316.00	316.00	
Mobile plant, for the first and second permits High**	N	1,551.00	1,551.00	
for the third to seventh permits High	N	924.00	924.00	
eighth and subsequent permits High	N	473.00	473.00	
Late payment fee	N	52.00	52.00	
Where a Part B installation is subject to reporting under the E-PRTR Regulation add an extra to the above amounts	N	104.00	104.00	
Transfer and Surrender;				
Standard process transfer	N	169.00	169.00	
Standard process partial transfer	N	497.00	497.00	
New operator at low risk reduced fee activity	N	78.00	78.00	
Surrender: all Part b activities	N	0.00	0.00	
Reduced fee activities: transfer	N	0.00	0.00	
Reduced fee activities: partial transfer	N	47.00	47.00	
Temporary transfer for mobiles;				
First transfer	N	53.00	53.00	
Repeat following enforcement or warning	N	53.00	53.00	
Substantial change;				
Standard process	N	1,050.00	1,050.00	
Standard process where the substantial change results in a new PPC activity	N	1,650.00	1,650.00	
Reduced fee activities	N	102.00	102.00	
**Not using simplified permits				
<b>LAPPC mobile plant charges (not using simplified permits)</b>				
Number of permits 1 to 2;				
Application fee	N	1,650.00	1,650.00	
Subsistence fee Low	N	646.00	646.00	
Subsistence fee Medium	N	1,034.00	1,034.00	
Subsistence fee High	N	1,506.00	1,506.00	
Number of permits 3 to 7;				
Application fee	N	985.00	985.00	
Subsistence fee Low	N	385.00	385.00	
Subsistence fee Medium	N	617.00	617.00	
Subsistence fee High	N	924.00	924.00	
Number of permits 8 and over;				
Application fee	N	498.00	498.00	
Subsistence fee Low	N	198.00	198.00	
Subsistence fee Medium	N	316.00	316.00	
Subsistence fee High	N	473.00	473.00	

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
<b>*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed</b>				
<b>LA-IPPC charges</b>				
Every subsistence charge below includes the additional £104 charge to cover LA extra costs in dealing with reporting under the E-PRTR Regulation				
Application	N	3,363.00	3,363.00	
Additional fee for operating without a permit	N	1,188.00	1,188.00	
Annual Subsistence Low	N	1,447.00	1,447.00	
Annual Subsistence Medium	N	1,611.00	1,611.00	
Annual Subsistence High	N	2,334.00	2,334.00	
Late Payment Fee	N	52.00	52.00	
Variation	N	1,368.00	1,368.00	
Transfer	N	235.00	235.00	
Partial Transfer	N	698.00	698.00	
Surrender	N	698.00	698.00	
Subsistence charges can be paid in four equal quarterly instalments paid on 1st April, 1st July, 1st October and 1st January. Where paid quarterly the total amount payable to the local authority will be increased by £38.00				
Newspaper adverts may be required under EPR at the discretion of the LA as part of the consultation process when considering an application. This will be undertaken and paid for by the LA and the charging scheme contains a provision for the LA to recoup its costs				
				<b>Minimal</b>
<b>TRADING STANDARDS</b>				
Please note that VAT may be added to some charges. Check with the service before the work is agreed.				
<b>Prosecution Costs</b>				
Hourly rate for Preparation of Case Reports	L	48.00	50.00	
<b>Measures</b>				
Linear measures not exceeding 3m each scale	L	15.00	15.00	
Not exceeding 15kg	L	40.50	40.50	
Exceeding 15kg but not exceeding 100kg	L	70.50	70.50	
Exceeding 100kg but not exceeding 250kg	L	84.50	84.50	
Exceeding 250kg but not exceeding 1 tonne	L	147.00	147.00	
Exceeding 1 tonne but not exceeding 10 tonnes	L	235.50	235.50	
Exceeding 10 tonnes but not exceeding 30 tonnes	L	494.00	494.00	
Exceeding 30 tonnes but not exceeding 60 tonnes	L	734.00	734.00	
Charge to cover any additional costs involved in testing incorporating remote display or printing facilities based on the above fee plus a charge per hour (minimum charge of 2 hours)	L	65.00 per hour	70.00 per hour	
<b>Measuring Instruments for Intoxicating Liquor</b>				
Not exceeding 150ml	L	23.50	23.50	
Other	L	27.00	27.00	

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
<b>*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed</b>				
<b>Measuring Instruments for Liquid Fuels and Lubricants</b>				
Container Type (un-subdivided)				
Multi-grade (with price computing device):	L	102.00	102.00	
Single Outlets	L	139.50	139.50	
Solely Price Adjustment	L	255.00	255.00	
Otherwise				
Other Types – Single Outlets				
Solely Price Adjustment	L	112.00	112.00	
Otherwise	L	152.00	152.00	
Other Types – Multi Outlets:				
1 Meter Tested	L	162.50	162.50	
2 Meters Tested	L	267.00	267.00	
3 Meters Tested	L	365.00	365.00	
4 Meters Tested	L	465.00	465.00	
5 Meters Tested	L	562.00	562.00	
6 Meters Tested	L	660.00	660.00	
7 Meters Tested	L	746.00	746.00	
8 Meters Tested	L	861.00	861.00	
Charge to cover any additional costs involved in testing ancillary equipment such as payment acceptors based on the above fee plus a charge per hour (minimum of 2 hours)	L	65.00 per hour	70.00 per hour	
<b>Special Weighing and Measuring Equipment</b>				
For all specialist work undertaken by the service which is not included above a charge per hour on site (minimum charge of 2 hours) plus cost of provision of testing equipment applies	L	65.00 per hour	70.00 per hour	
Discounts				
Fees from Measures to Certification Calibration will be discounted as follows :-				
a) Where more than a single item is submitted on one occasion the second and subsequent fees will be reduced by 20%				
b) Where tests are undertaken using appropriately certified weights and equipment not supplied by the Borough Council the fees will be reduced by 20%				
c) Special rates can be negotiated for multiple submissions or where assistance with equipment or labour is provided				
NB – Where different fees are involved the highest fee will be charged in full and any discounts calculated from the remaining lesser fees				
<b>Licensing – VAT not applicable</b>				
<b>Explosives and Fireworks Licences (Statutory Fee)</b>				
Licence for the storage of explosives	N	**See Note	**See Note	
Licence for the sale of fireworks all year round	N	**See Note	**See Note	
**These are statutory rates that are set centrally in April				
				<b>Minimal</b>

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
<b>*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed</b>				
<b>PARKING – all off-street charges are inclusive of VAT at 20%</b>				
<b>Car Parks (Short Stay) – per hour (Mon to Sun)</b>				
Abbotts Yard	L	1.00	1.00	
Commercial Street East & West	L	1.00	1.00	
Feethams Multi Storey Car Park	L	1.00	1.00	
Winston Street North & South & West	L	1.00	1.00	
Town Hall	L	1.00	1.00	
<b>Car Parks – Mixed Charges (Mon to Sat)</b>				
Archer Street, Garden Street, Kendrew Street East & West, Hird Street, St Hilda's & Park Place East & West				
Per hour	L	1.00	1.00	
Per day	L	4.00	4.00	
Per week	L	16.00	16.00	
East Street				
Per hour	L	1.00	1.00	
Per day	L	2.00	2.00	
<b>Sunday</b>				
Archer Street, Garden Street, Kendrew Street East & West, Hird Street, St Hilda's & Park Place East & West & East Street				
	L	1.00	1.00	
<b>Car Parks – Long Stay (Mon to Sun)</b>				
Chestnut Street				
Cars per hour	L	1.00	1.00	
Cars per day	L	2.00	2.00	
Cars per week	L	8.00	8.00	
HGV/coach per day	L	Free	Free	
HGV/coach per night (6pm-8am)	L	4.00	4.00	
Park Lane				
Per day	L	5.00	5.00	
Central House				
Saturday all day	L	4.00	4.00	
Bank Holiday all day	L	4.00	4.00	
<b>On Street Parking Mon to Sun (up to 2 hours no return within 1 hour EXCEPT for Grange Road &amp; Northumberland Street up to 3 hours no return within 1 hour and East Row 30 minutes maximum no return within 1 hour)</b>				
Per 30 mins	L	0.50	0.50	

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
<b>*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed</b>				
<b>Car Parks – Contract Parking – all charges are inclusive of VAT at 20%</b>				
Parking locations as determined by the Director of Services.				
Per year one space	L	950.00	950.00	
Per year two spaces	L	900.00	900.00	
Per year three spaces	L	860.00	860.00	
Per year four spaces	L	830.00	830.00	
Per year five to nine spaces	L	800.00	800.00	
Per year ten or more spaces	L	700.00	700.00	
Four Riggs				
Per calendar month	L	64.00	64.00	
Morton Palms				
Per year one space	L	300.00	300.00	
Silver Street				
Per year one space	L	600.00	600.00	
<b>Car Parks – Staff &amp; Members per year</b>	L	173.04	173.04	
<b>Residents Parking Permits (excluding Town Centre)</b>				
3 month temporary permit	L	12.00	12.00	
6 month permit	L	24.00	24.00	
12 month permit	L	40.00	40.00	
<b>Residents Parking Permits (Town Centre only)</b>				
12 month permit	L	N/a	350.00	
<b>Tradesmen Parking Permits</b>				
Daily Waiver	L	5.00	5.00	
3 month permit	L	50.00	50.00	
6 month permit	L	90.00	90.00	
12 month permit	L	150.00	150.00	
				<b>NIL</b>

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
<b>*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed</b>				
<b>BUILDING CONTROL</b> Items inclusive of VAT at 20% Letter confirming exemption Letter confirming enforcement action will not be taken	L L	Free Free	Free Free	
<b>Decision/Approval Notice (Building Control)</b> Responding to request for historical information from electronic databases (email response) Responding to request for historical information from electronic databases (letter response) Responding to request for historical information from manually recorded data (email response) Personal searches (email response)	L L L L	Free 1.00 Free Free	Free 1.00 Free Free	
<b>The Building (Local Authority Charges) Regulations 2010 Plus VAT at 20%</b> Work charged on individual job basis	L	As agreed with client	As agreed with client	
				<b>NIL</b>

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
<b>*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed</b>				
<b>DOLPHIN CENTRE</b>				
Pricing based on the introduction of a leisure card.				
<b>Swimming</b>				
Adult swim				
Card holder	L	4.10	4.40	
Non card holder	L	4.75	5.05	
Concession	L	3.15	3.30	
Junior Swim	L	2.75	2.80	
Family swim junior rate discount (up to 4 children accompanying 1 adult)				
Per card holder	L	1.95	2.00	
Per non card holder	L	2.35	2.45	
Under 12 months	L	Free	Free	
Lessons	L	47.50	50.00	
<b>Fitness Areas</b>				
The Gym				
Card holder	L	5.00	5.50	
Non card holder	L	5.45	5.95	
Concession	L	3.70	4.10	
Junior Gym	L	4.00	4.10	
Concession	L	3.10	3.20	
<b>Health &amp; Fitness Classes</b>				
Health & Fitness Classes				
Card holder	L	4.35	4.55	
Non card holder	L	5.00	5.25	
Concession	L	3.30	3.45	
<b>Half Main Hall</b>				
Adult				
Card holder	L	43.50	44.50	
Non card holder	L	50.00	51.00	
Junior (1 hour courts only)	L	30.00	31.00	
Weekday lunchtime				
Card holder	L	38.00	39.00	
Non card holder	L	42.00	43.00	
<b>Badminton</b>				
Adult				
Card holder	L	8.65	8.85	
Non card holder	L	9.90	10.10	
Concession	L	6.50	6.70	
Junior (1 hour courts only)	L	4.80	5.00	
Concession (1 hour courts only)	L	3.65	3.85	
<b>Equipment Hire</b>				
Footballs	L	Free	Free	
Footballs – Deposit (FOC for card holders)	L	5.00	5.00	
Badminton	L	2.00	2.00	
Badminton – Deposit (FOC for card holders)	L	5.00	5.00	
Table Tennis Bats	L	1.40	1.40	
Table Tennis Bats – Deposit (FOC for card holders)	L	5.00	5.00	
Pram Lock	L	Free	Free	
Pram Lock – Deposit (FOC for card holders)	L	5.00	5.00	



Description	Type*	Existing Charge £	New Charge £	Financial Effect £
<b>*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed</b>				
<b>Children's Activities</b>				
Soft play admissions	L	4.75	5.25	
Sensory Room	L	4.75	5.25	
Parent/toddler (Soft play)	L	4.75	5.25	
<b>Other Activities</b>				
Showers				
Card holders	L	2.00	2.50	
Non card holders	L	2.35	2.85	
<b>Fit 4 Life Packages</b>				
12 month Full Membership	L	299.40	323.40	
12 month Seniors	L	228.00	252.00	
12 month Student	L	180.00	204.00	
6 Month Full	L	195.00	207.00	
12 Month Upfront	L	275.00	299.00	
<b>Swimming Pools</b>				
Main Pool - per hour	L	100.00	105.00	
Diving Pool - per hour	L	57.00	60.00	
Teaching Pool - per hour	L	57.00	60.00	
<b>Gala - per hour</b>				
Swimming Galas - whole complex				
Normal opening hours - per hour	L	320.00	335.00	
Outside normal opening hours - per hour	L	168.00	176.00	
<b>Swimming Galas - Schools, Junior Clubs and Organisations</b>				
Main Pool - Peak	L	224.00	235.00	
Main Pool - Off Peak	L	158.00	166.00	
Main Pool and Teaching Pool - Peak	L	187.00	196.00	
Main Pool and Teaching Pool - Off Peak	L	193.00	202.00	
Electronic Timing	L	94.00	99.00	
<b>Ten Pin Bowling</b>				
Adult Standard - 1 game	L	7.00	7.45	
Juniors (under 16) - 1 game	L	5.95	5.95	
Students & Seniors - Off Peak - 1 game	L	5.95	5.95	
Family Package - Peak - 1 game	L	23.00	23.50	
Family Package - Off Peak -1 game	L	21.00	21.50	
Adult, Students, Seniors - Peak - 2 game	L	14.00	14.90	
Adult, Student, Seniors - Off Peak - 2 game	L	10.50	10.50	
Juniors (under 16) - Peak - 2 game	L	11.90	11.90	
Juniors (under 16) - Off Peak - 2 game	L	10.50	10.50	
Disabled and carer - Off Peak - 1 game (per person)	L	4.95	4.95	
Disabled and carer - Off Peak - 2 game (per person)	L	9.90	9.90	
<b>Dry Sports Hall</b>				
Main Sports Hall - per hour	L	105.00	110.00	
Special Events - per hour Weekends	L	345.00	362.00	
Preparation - per hour Weekends	L	180.00	189.00	
Special Events - Schools - per hour off peak	L	49.00	49.00	
Meeting Room	L	36.00	36.00	
Seminar Room/Stephenson Suite	L	36.00	36.00	
<b>Central Hall</b>				
All Events (except commercial, exhibitions and local societies)	L	110.00	115.00	
Exhibitions - commercial - per hour	L	143.00	150.00	
Local Societies event - per hour	L	76.00	80.00	
				<b>72,000</b>

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
<b>*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed</b>				
<b>PARKS</b>				
Football - Hire of Hundens Park Pitch Seniors' Match	L	25.00	25.00	
Juniors Match	L	15.00	15.00	
				<b>NIL</b>
<b>EASTBOURNE SPORTS COMPLEX</b>				
<b>3G Pitch</b>				
All charges shown exclusive of VAT. Charges will be made plus the appropriate VAT rate				
Non Charter Standard Pay and Play				
1/2 3G Pitch - Adult (1 hour)	L	46.00	50.00	
1/2 3G Pitch - Junior (1 hour)	L	35.00	40.00	
Full 3G pitch per hour – Adult	L	77.00	80.00	
Full 3G pitch per hour – Junior	L	50.00	55.00	
Charter Standard and Partner Clubs				
1/2 3G Pitch (1 hour)	L	25.00	25.00	
Full 3G pitch per hour	L	50.00	50.00	
Off Peak Summer Prices (May to August) Charter Standard and Partner Clubs				
1/2 3G Pitch (1 hour)	L	25.00	25.00	
Full 3G pitch per hour	L	50.00	50.00	
Off Peak Summer Prices (May to August) Non Charter Standard				
1/2 3G Pitch (1 hour)	L	35.00	40.00	
Full 3G pitch per hour	L	65.00	70.00	
All charges shown inclusive of VAT unless otherwise stated. Charges will be made plus the appropriate VAT rate				
<b>Grass Pitch</b>				
Adult per match	L	25.00	25.00	
Junior per match	L	15.00	15.00	
<b>Athletics Track (following completion of refurbishment in 2023)</b>				
Non club rate				
Adult	L	4.00	5.00	
Junior	L	3.60	4.00	
Full track per hour	L	35.00	120.00	
Club rate				
Adult	L	3.00	4.00	
Junior	L	3.00	4.00	
Full track per hour	L	35.00	90.00	
<b>Other</b>				
Shower	L	2.00	2.20	
Function room and pavilion hire per hour (exclusive of VAT)	L	21.00	22.00	
Multi Purpose Studio per hour (exclusive of VAT)	L	15.00	16.00	
				<b>1,000</b>

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
<b>*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed</b>				
<b>HIPPODROME &amp; HULLABALOO</b> Hire & Conferencing (all pricing exclusive of VAT)				
John Wade Group Lounge - max capacity 40 (theatre style) - per hour	L	36.75	38.75	
John Wade Group Lounge - max capacity 40 (theatre style) - day hire**	L	220.50	231.75	
Living Water Tower Room - max capacity 18 - per hour	L	31.50	33.25	
Living Water Tower Room - max capacity 18 - day hire**	L	189.00	198.50	
Hippo Lounge - max capacity 70 - per hour	L	44.00	46.25	
Hippo Lounge - max capacity 70 - day hire**	L	264.50	277.75	
Hippo Education Space - max capacity 40 (workshop of approx. 25) - per hour	L	36.75	38.75	
Hippo Education Space - max capacity 40 (workshop of approx. 25) - day hire**	L	220.50	231.75	
Hullabaloo Rehearsal Space - max capacity 35 - per hour	L	36.75	38.75	
Hullabaloo Rehearsal Space - max capacity 35 - day hire**	L	220.50	231.75	
Hullabaloo Café - max capacity 70 - per hour	L	44.00	46.25	
Hullabaloo Café - max capacity 70 - day hire**	L	264.50	277.75	
Hippodrome Theatre Hire - max capacity 1,000 - w/end full day	L	1,995.00	2,095.00	
Hippodrome Theatre Hire - max capacity 1,000 - w/end half day	L	997.50	1,047.50	
Hippodrome Theatre Hire - max capacity 1,000 - w/day full day	L	1,837.50	1,929.50	
Hippodrome Theatre Hire - max capacity 1,000 - w/day half day	L	918.75	965.00	
Hullabaloo Theatre Hire - max capacity 150 - per hour	L	65.00	68.50	
Hullabaloo Theatre Hire - max capacity 150 - day hire**	L	472.50	496.50	
**day hire - 9am to 6pm				
Community Rate may be applicable for charities, NHS, children's groups and local artists if qualifying criteria met. This equates to 30% reduction on the above charges.				
				<b>1,000</b>

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
<b>*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed</b>				
<b>HEAD OF STEAM (closed during 2023/24 for refurbishment)</b>				
<b>REFUSE COLLECTION AND DISPOSAL</b>				
Refuse sacks (per 25) (Exclusive of VAT)	L	107.50	118.50	
Garden Waste Sacks (Non VATable) (for collection of 10 bags)	L	11.60	12.80	
Bulky Household Collection up to 6 items	L	19.40	21.40	
Garden Waste Service	L	37.00	39.00	
Cost of replacement (inclusive of 20% VAT)				
360L Wheeled Bin	L	54.95	60.60	
240L Wheeled Bin	L	21.65	23.90	
Caddie	L	5.55	8.50	
Glass Box	L	3.55	6.00	
55L Box	L	3.55	6.00	
Lid for recycling box	L	1.50	2.50	
Lid for 240L bin	L	5.40	6.00	
				<b>21,000</b>

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
<b>*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed</b>				
<b>CEMETERIES</b>				
Burial fees without exclusive right of burial (these fees will be tripled where the deceased is a non-resident of Darlington at time of death)				
Individual foetal remains	N	No Charge	No Charge	
Stillborn or child not exceeding 12 months	N	No Charge	No Charge	
Person over 12 months up to 18 years	N	No Charge	No Charge	
Person over 18 years	L	960.00	990.00	
Burial fees with exclusive right of burial (these fees will be doubled where the deceased is a non-resident of Darlington at time of death)				
Individual foetal remains	N	No Charge	No Charge	
Child not exceeding 12 months	N	No Charge	No Charge	
Person over 12 months up to 18 years	N	No Charge	No Charge	
Person over 18 years	L	960.00	990.00	
Cremated remains	L	210.00	220.00	
Exclusive rights of burial (these fees will be doubled if the purchaser is a non-resident of Darlington if not purchased at time of first interment).				
Exclusive burial rights (50 years)	L	980.00	1,010.00	
Exclusive burial rights for a bricked grave	L	1,960.00	2,020.00	
<b>Other charges</b>				
Scattering of cremated remains	L	50.00	50.00	
Indemnity form (to produce duplicate grant)	L	50.00	50.00	
Use of Cemetery Chapel	L	100.00	120.00	
After post mortem remains	L	210.00	220.00	
Exhumation of a body (excl. re-interment)	L	2,100.00	2,150.00	
Exhumation of cremated remains (excl. re-interment)	L	525.00	550.00	
<b>Grave Maintenance (inclusive of 20% VAT)</b>				
Initial payment	L	50.00	50.00	
Annual Maintenance	L	37.00	38.00	
<b>Memorials (fees will be doubled where the deceased to whom the memorial/inscription refers was non-resident of Darlington at time of death)</b>				
Memorial rights including first inscription (30 years)	L	220.00	220.00	
Provision of kerbs – traditional sites only)	L	100.00	100.00	
Vases not exceeding 300mm	L	80.00	80.00	
Additional inscription	L	80.00	80.00	
<b>Total financial effect for Cemeteries</b>				<b>6,000</b>

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
<b>*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed</b>				
<b>CREMATORIUM</b>				
Crematorium fees (inclusive of certificate of cremation, use of organ and scattering of remains in Gardens of Remembrance at an unreserved time)				
Individual foetal remains	N	No charge	No charge	
Hospital arrangement – foetal remains	L	210.00	220.00	
Stillborn or child not exceeding 12 months	N	No charge	No charge	
Person over 12 months up to 18 years	N	No charge	No charge	
Person over 18 years	L	875.00	900.00	
Direct Cremation	L	675.00	700.00	
After post mortem remains	L	210.00	220.00	
<b>Other charges</b>				
Medical Referee Fee	N	22.00	22.00	
Environmental Surcharge	L	58.00	60.00	
Postal Carton	L	20.00	20.00	
Metal Urn	L	40.00	40.00	
Wooden Casket	L	50.00	50.00	
Baby Urn	L	10.00	10.00	
Crematorium Chapel	L	100.00	120.00	
Scattering of remains at reserved time	L	50.00	50.00	
<b>Webcasts (inclusive of 20% VAT)</b>				
Live Webcast	L	48.00	48.00	
Live Webcast and watch again	L	54.00	54.00	
Keepsake (DVD, Blu-ray, USB or audio CD)	L	60.00	60.00	
Extra copies of Keepsake	L	30.00	30.00	
<b>Book of Remembrance (inclusive of 20% VAT)</b>				
Single Entry (2 lines)	L	70.00	70.00	
Double Entry (3 or 4 lines)	L	110.00	110.00	
Additional lines	L	25.00	25.00	
Crest or floral emblem	L	115.00	115.00	
<b>Memorial Cards (inclusive of 20% VAT)</b>				
Single entry card (2 lines)	L	25.00	25.00	
Double entry card (3 or 4 lines)	L	30.00	30.00	
Additional lines	L	5.00	5.00	
Crest of floral emblem	L	70.00	70.00	
Personal photographs – set up	L	50.00	50.00	
Additional photographs – after set up	L	10.00	10.00	
<b>Memorial Books (inclusive of 20% VAT)</b>				
Single entry book (2 lines)	L	80.00	80.00	
Double entry card (3 or 4 lines)	L	85.00	85.00	
Additional lines	L	5.00	5.00	
Crest of floral emblem	L	70.00	70.00	
Personal photographs – set up	L	50.00	50.00	
Additional photographs – after set up	L	10.00	10.00	
<b>Other Memorial Schemes</b>				
Replacement kerb vase plaque	L	300.00	300.00	
Replacement flower holder	L	5.00	5.00	
Wall plaques	L	245.00	250.00	
Planter plaques	L	365.00	370.00	
Lease of space for memorial plaques (per annum)	L	25.00	26.00	
<b>Total financial effect for Crematorium</b>				<b>32,000</b>

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
<b>*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed</b>				
<b>ALLOTMENTS &amp; STABLES</b>				
Rent per year	L	185.60	195.00	
				<b>Minimal</b>
<b>HIGHWAYS</b>				
Private apparatus in the Highway (Section 50 Licence, new installations)	L	550.00	550.00	
Private Road Openings (repair existing)	L	225.00	225.00	
Vehicle Crossings – estimate fee (taken as part of payment if go ahead with the works)	L	25.00	25.00	
Vehicle Crossings (plus actual construction costs)	L	100.00	100.00	
Vehicle Crossings if planning permission required on a classified road (plus actual construction costs)	L	150.00	150.00	
Temporary Traffic Regulation Notices (road closures etc)	L	175.00	175.00	
Temporary Traffic Regulation Orders (road closures etc) (plus advertising)	L	288.00	288.00	
Emergency Traffic Regulation Orders	L	136.00	136.00	
Application to Secretary of State for TTRO extension (plus advertising)	L	100.00	100.00	
Personal Search - Highways (by email) per question	L	6.00	6.00	
Street Naming Royal Mail Income (per address, Nationally agreed price LGIH)	L	1.00	1.00	
Street Naming & Numbering of Properties:				
- Per road name (developer suggests)	L	165.00	173.00	
- Per road name (council names)	L	200.00	210.00	
- Per plot	L	15.00	16.00	
Street Naming & Numbering of Properties:				
- Per plot or renaming of a property	L	35.00	37.00	
Rechargeable Works	L	Actual cost + 10%	Actual cost + 10%	
Temporary Traffic Light Applications	L	No Charge Individually priced based	No Charge Individually priced based	
Section 50 Licence associated bond costs	L	on requirements	on requirements	
Access protection markings	L	No charge	No charge	
Tourist Sign (plus actual cost of sign)	L	£75.00 + VAT	£75.00 + VAT	
Accident Data Requests	L	£75.00 + VAT	£75.00 + VAT	
Traffic Count Data	L	75.00 Individually priced based	75.00 Individually priced based	
Street Lighting Design Service	L	on charge out rate	on charge out rate	
Oversailing Licence	L	No charge	No charge	
Banner Licence	L	No charge	No charge	
Placing Goods on the Highway	L	155.00	155.00	
Deposits upon the Highway	L	No charge	No charge	
Temporary Development Signs – Admin Fee	L	200.00	200.00	
Temporary Development Signs – DBC undertake work on behalf of developer	L	Actual costs	Actual costs	
Switch off / on traffic signal / pelican crossings – per visit	L	150.00	150.00	
Unauthorised marks or affixing of signs to street furniture	L	No charge	No charge	

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed				
Section 278 Highway works agreement	N	6% of works + legal if delivered by developer	6% of works + legal if delivered by developer	
Section 116 Stopping Up of the Highway	N	Actual Costs	Actual Costs	
Section 38 Road Adoption agreement	N	6% of works + legal if delivered by developer	6% of works + legal if delivered by developer	
NRSAWA Defect Charges	N	Nationally set scale of charges	Nationally set scale of charges	
NRSAWA Road Opening Inspection Charges (sample)	N	Nationally set scale of charges	Nationally set scale of charges	
Section 74 – charges for overstay	N	Nationally set scale of charges	Nationally set scale of charges	
				Minimal
PUBLIC RIGHTS OF WAY				
Public Path Orders (HA 80 S 118 and 119, TCPA 90 s247, 257)				
Actual cost based on charge out rate plus advertising and legal costs		2,200.00 (minimum)	3,000.00 (minimum)	
PROW Temporary Closures – as Highways fees and charges				
Landowner Rights of Way Statement and Declaration s31.6				
One parcel of land, includes 2 notices	L	250.00	250.00	
Additional parcel	L	50.00	50.00	
Additional notice	L	50.00	50.00	
Authorisation for installing a new gate or stile (HA 80 s147)	L	100.00	100.00	
Path Orders under Deregulation Act				
Actual cost based on charge out rate plus advertising and legal costs, to include but not restricted to pre-application advice, processing the application, resolving objections, making the order, confirmation of the order, and any subsequent Public Inquiry or Hearing				
				Minimal
SUSTAINABLE TRANSPORT				
Charges for Concessionary Travel (ENCTS);				
Replacement pass for lost/stolen without a CRN	L	10.00	10.00	
Learn to Ride per session (child)	L	3.00	3.00	
Production, placement and retrieval of notices when bus stops are temporarily per bus stop	L	60.00	60.00	
Production and placement of bus timetable information when bus services have to be re-registered due to road closures – up to 6 timetables	L	84.00	84.00	
				NIL



Description	Type*	Existing Charge £	New Charge £	Financial Effect £
<b>*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed</b>				
<b>TRANSPORT SERVICES</b>				
Charges for Taxi Licensing;				
Taxi Vehicle Test	L	50.00	53.00	
Taxi Vehicle Test and MOT	L	60.00	63.00	
Failure to attend (less than 48 hours' notice)	L	50.00	53.00	
Re-test	L	25.00	26.00	
Re-test including emissions	L	35.00	37.00	
Re-test emissions only	L	10.00	11.00	
Charges for General Public;				
MOT for Motorbike Class I & II	L	25.00	25.00	
MOT for Standard Car Class IV	L	35.00	35.00	
MOT for Class V Vehicles	L	40.00	40.00	
MOT for Class VII Vehicles	L	40.00	40.00	
				<b>Minimal</b>
<b>PRIVATE SECTOR HOUSING</b>				
Works in default & statutory activities per hour	L	48.00	50.00	
Housing inspections & consultancy per hour (inclusive of VAT)	L	57.60	60.00	
Charge for the service relevant Housing Act 2004 legal notice	L	432.00	450.00	
Securing empty homes (addition of VAT by agreement)	L	288.00	300.00	
Houses in Multiple Occupation Activities;				
HMO licence fee per letting/let/tenancy	L	187.00	187.00	
Other relevant HMO activities per hour	L	47.00	50.00	
Variation of HMO licence	L	Free	50.00	
Housing Immigration Inspections;				
Within 10 working days (including VAT)	L	144.00	150.00	
Fast Track within 5 working days (including VAT)	L	192.00	200.00	
General Enforcement Activities:				
Hourly rate for preparation of case reports/prosecutions	L	48.00	50.00	
Additional copies of legal notices via post	L	10.00	10.00	
Additional copies of legal notices - Scanned copy by Email	L	Free	Free	
<b>The Smoke and Carbon Monoxide Alarm (Amendment) Regulations 2022</b>				
Fines for failing to provide a working smoke or carbon monoxide alarm. Offence by the same individual or organisation;				
First	N	500.00	500.00	
Second	N	1,000.00	1,000.00	
Third	N	2,000.00	2,000.00	
Fourth	N	3,000.00	3,000.00	
Fifth or more	N	5,000.00	5,000.00	
The Redress Schemes for Letting Agency Work and Property Management Work (England) Order 2014;				
Fines for failing to join an approved letting and management redress scheme;				
Businesses that have been served with a notice of intent and failed to join an approved scheme	N	5,000.00	5,000.00	
Businesses that have joined an approved scheme following the service of the notice of intent	N	4,000.00	4,000.00	
Businesses that have joined an approved scheme prior to enforcement action being taken, after the 1st October 2014	N	3,000.00	3,000.00	
<b>**The Redress Scheme is currently undergoing a national review and may be replaced prior to April 2023 by a new civil penalty policy</b>				

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
<b>*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed</b>				
<b>Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015</b>				
Penalty (less than 3 months in breach) renting a non-compliant property	N	Up to 2,000.00 and/or publication penalty	Up to 2,000.00 and/or publication penalty	
Penalty (3 months or more in breach) renting out a non-compliant property	N	Up to 4,000.00 and/or publication penalty	Up to 4,000.00 and/or publication penalty	
Providing false or misleading information on the PRS Exemptions Register	N	Up to 1,000.00 and/or publication penalty	Up to 1,000.00 and/or publication penalty	
Failing to comply with a compliance notice	N	Up to 2,000.00 and/or publication penalty	Up to 2,000.00 and/or publication penalty	
<b>Housing and Planning Act 2016</b>				
Failure to comply with an Improvement Notice (under section 30 of the Housing Act 2004)				
Failure to comply with a Prohibition Order (under section 32 of the Housing Act 2004)				
Breach of a banning order made under section 21 of the Housing and Planning Act 2016	N	Civil penalties of up to 30,000 per offence as an alternative to prosecution	Civil penalties of up to 30,000 per offence as an alternative to prosecution	
Using violence to secure entry to a property (under section 6 of the Criminal Law Act 1977)				
Illegal eviction or harassment of the occupiers of a property (under section 1 of the Protection from Eviction Act 1977)				
<b>COST OF REVENUE COLLECTION</b>				<b>Minimal</b>
<b>Council Tax – All Charges do not incur VAT</b>				
Issue of Summons for Liability Order	L	33.50	38.00	
Issue of Liability Order	L	44.00	47.00	
Issue of Summons for Committal Hearing	L	90.00	99.00	
Issue of Statutory Demand	L	157.50	173.00	
<b>Business Rates (NNDR) – All Charges do not incur VAT</b>				
Issue of Summons for Liability Order	L	33.50	38.00	
Issue of Liability Order	L	44.00	47.00	
Issue of Summons for Committal Hearing	L	90.00	99.00	
Issue of Statutory Demand	L	157.50	173.00	
				<b>50,000</b>

## APPENDIX 4

**KEY ASSUMPTIONS USED IN PROJECTED  
RESOURCES, EXPENDITURE AND INCOME 2023/24-2026/27**

<b>Factor</b>	<b>Assumption</b>
<b>Resources</b>	
Council Tax base	Variable depending on projected additional properties.
Council Tax	2.99% increase in 2023/24 & 2024/25 and then 1.99% to 2026/27
Adult Social Care Precept	2% increase in 2023/24 & 2024/25 and then 1% to 2026/27
Council Tax collection	99% collected
Government Grants	Government grants for 2023/24 as indicated in the provisional local government finance settlement 2023 and indicative figures for 2024/25 – 2026/27.
	Increase in Business Rates Scheme Top Up Grant of 11.8% in 2023/24, 5.4% in 2024/25, reset in 2025/26 & 5.4% in 2026/27.
	Revenue Support Grant as per the settlement 2023/24 and then uplifted by 2% for inflation to 2026/27.
	Continuation of Improved Better Care Fund (iBCF) at 2023/24 rates.
	Continuation of 2023/24 Adult Social Care Support Grant of £3.753m in total, flatlined and assumed to continue to 2026/27.
	Spending Review 21 Government Funding of £1.162m to continue at 23/24 rates until 2026/27.
	Services Grant reduced to £0.890m per 2023 settlement and assumed to continue until 2026/27 at same rate as 2023/24
	Social Care Grant as per Settlement, £2.781m in 2023/24, £4.123m in 2024/25 to 2026/27.
	New Homes Bonus (NHB) – assumed scheme will finish after 2023/24.
<b>Expenditure</b>	
Pay inflation	2023-24 5% and thereafter 2% in line with national scheme.
Price inflation	Only contractual inflation on running costs
Local Government Pension Scheme	Contribution rate of 18.3% for 2023/24 until next triennial revaluation in 25/26.
<b>Financing Costs</b>	
Interest rates payable	Average rate on existing debt 2023/24 of 3.50%; 2024/25 of 3.46%, 2025/26 of 3.28% & 2026/27 of 3.15%.
Interest rates payable on new debt – 10 year rate	2023/24 of 4.20%; 2024/25 of 3.45%, 2025/26 of 3.13% & 2026/27 of 2.68%.
Interest rates receivable	4.60% in 2023/24, 3.20% in 2024/25, 2.80% in 2025/26 & 2.80% in 2026/27.
<b>Income</b>	
Inflationary increases	Various based on individual service considerations

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**REVENUE BUDGET MANAGEMENT 2022/23****Projected General Fund Reserve at 31st March 2023**

	2022-26 MTFP (Feb 2022) £000
<b>Medium Term Financial Plan (MTFP) :-</b>	
MTFP Planned Opening Balance 01/04/2022	24,595
Approved net contribution from balances	(582)
<b>Planned Closing Balance 31/03/2023</b>	<b>24,013</b>
Increase in opening balance from 2021-22 results	384
Projected corporate underspends / (overspends) :-	
Council Wide	653
Contingencies	323
Additional income received	230
Pay Award	(2,079)
<b>Projected General Fund Reserve (excluding Departmental) 31st March 2023</b>	<b>at 23,524</b>
<b>Planned Balance at 31st March 2023</b>	<b>24,013</b>
<b>Improvement/(Decline)</b>	<b>(489)</b>

**Departmental projected year-end balances**

	Improvement / (decline) compared with 2022-26 MTFP £000
People Group	(1,028)
Services Group	610
Operations Group	(17)
Chief Executive	308
<b>TOTAL</b>	<b>(127)</b>

**Summary Comparison with :-**

	2022-26 MTFP £000
Corporate Resources - increase in opening balance from 21/22 results	384
Corporate Resources - additional in-year Improvement/(Decline)	(873)
Departmental - Improvement / (Decline)	(127)
Improvement / (Decline) compared with MTFP	<b>(616)</b>
<b>Projected General Fund Reserve at 31st March 2023</b>	<b>23,397</b>

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**MEDIUM TERM FINANCIAL TERM 2023 TO 2027**

	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
People Group	75.355	77.591	79.264	81.759
Chief Executives Office & Economic Growth	1.535	1.571	1.664	1.716
Services Group	20.749	21.054	21.386	21.855
Operations Group	19.377	19.155	19.473	19.865
Financing costs	3.477	3.613	3.664	3.364
Investment Returns - Joint Venture	(1.816)	(1.718)	(1.130)	(1.130)
Council Wide Pressures/(savings)	1.359	1.283	1.309	1.335
Council Wide Contingencies	(0.069)	(0.246)	(0.255)	1.189
Contribution to/(from) revenue balances	(8.640)	(5.535)	(8.081)	(8.399)
<b>Total Net Expenditure</b>	<b>111.327</b>	<b>116.768</b>	<b>117.293</b>	<b>121.554</b>
<b><u>Resources - Projected and assumed</u></b>				
Council Tax	61.877	65.556	68.461	71.568
Business rates retained locally	23.021	23.481	16.407	16.735
Top Up	8.156	8.596	13.703	14.440
RSG	4.133	4.219	4.306	4.395
NHB	0.567	0.000	0.000	0.000
BCF	4.488	4.488	4.488	4.488
Adult Social Care Support Grant	3.753	3.753	3.753	3.753
Spending Review 21 Government Funding	1.162	1.162	1.162	1.162
Services Grant	0.890	0.890	0.890	0.890
Social Care Grant	2.781	4.123	4.123	4.123
Supporting Families Grant	0.500	0.500	0.000	0.000
<b>Total Resources</b>	<b>111.327</b>	<b>116.768</b>	<b>117.293</b>	<b>121.554</b>
<b><u>Balances</u></b>				
<b>Opening balance</b>	<b>23.397</b>	<b>17.122</b>	<b>12.587</b>	<b>4.506</b>
<b>Release of Earmarked Reserve - LCTS</b>	<b>1.415</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Net contribution to GF from Collection Fund</b>	<b>1.000</b>	<b>1.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Transfer to Stronger Communities Fund</b>	<b>(0.050)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Contribution to/(from) balances</b>	<b>(8.640)</b>	<b>(5.535)</b>	<b>(8.081)</b>	<b>(8.399)</b>
<b>Closing balance</b>	<b>17.122</b>	<b>12.587</b>	<b>4.506</b>	<b>(3.893)</b>

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## Capital Medium Term Financial Plan 2023/24 - 2026/27

## Appendix 7

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Total £'000
<b>Children, Families &amp; Learning</b>					
School Condition Allocations	<i>159</i>	<i>159</i>	<i>159</i>	<i>159</i>	<b>636</b>
	<i>159</i>	<i>159</i>	<i>159</i>	<i>159</i>	<b>636</b>
<b>Housing</b>					
Adaptations / Lifts	200	212	218	225	<b>855</b>
Heating replacement programme	1,225	1,295	1,334	1,374	<b>5,227</b>
Structural works	400	424	437	450	<b>1,711</b>
Lifeline Services	150	159	164	169	<b>641</b>
Repairs before painting	60	66	68	70	<b>264</b>
Roofing	1,000	1,100	683	703	<b>3,485</b>
Garages	25	27	52	53	<b>156</b>
External Works (footpaths, fencing, etc.)	200	210	221	232	<b>862</b>
Pavement Crossing	32	34	36	37	<b>138</b>
Window and Door Replacement Programme	1,400	1,484	1,558	1,605	<b>6,047</b>
IPM works	2,760	2,898	3,043	3,134	<b>11,835</b>
Energy Efficiency	1,000	1,060	1,092	1,125	<b>4,276</b>
Communal Works	150	159	164	169	<b>641</b>
New build (net of HE grant)/regeneration	15,673	11,546	11,138	-	<b>38,357</b>
Fees	310	326	333	340	<b>1,309</b>
	<b>24,585</b>	<b>20,999</b>	<b>20,538</b>	<b>9,684</b>	<b>75,806</b>
<b>Transport</b>					
Highway Maintenance	<i>1,206</i>	<i>1,206</i>	<i>1,206</i>	<i>1,206</i>	<b>4,824</b>
Integrated Transport	<i>893</i>	<i>893</i>	<i>893</i>	<i>893</i>	<b>3,572</b>
Pothole Funding	<i>969</i>	<i>969</i>	<i>969</i>	<i>969</i>	<b>3,876</b>
	<b>3,068</b>	<b>3,068</b>	<b>3,068</b>	<b>3,068</b>	<b>12,272</b>
<b>Other Capital Programmes</b>					
Disabled Facility Grants	<i>1,063</i>	<i>1,063</i>	<i>1,063</i>	<i>1,063</i>	<b>4,252</b>
	<i>1,063</i>	<i>1,063</i>	<i>1,063</i>	<i>1,063</i>	<b>4,252</b>
<b>Council funded Schemes</b>					
Whinfield School Roof Replacement	1,124	-	-	-	<b>1,124</b>
Essential Works to Skerne river bridge	50	-	-	-	<b>50</b>
Essential Play area equipment replacement	60	50	40	50	<b>200</b>
Total Council Funded Schemes	<b>1,234</b>	<b>50</b>	<b>40</b>	<b>50</b>	<b>1,374</b>
<b>Self Financing schemes</b>					
Development of Office Block at Priestgate	-	2,000	8,000	-	<b>10,000</b>
Northern Echo Building refurbishment	3,000	2,500	-	-	<b>5,500</b>
Skinnergate office/commercial space	1,000	600	-	-	<b>1,600</b>
Total Council Self Financing Schemes	<b>4,000</b>	<b>5,100</b>	<b>8,000</b>	<b>-</b>	<b>17,100</b>
<b>Total Spending Plans</b>	<b>34,109</b>	<b>30,439</b>	<b>32,868</b>	<b>14,024</b>	<b>111,440</b>
<b>Funded by:</b>					
Capital Grants	7,890	7,290	6,290	4,290	<b>25,760</b>
HRA Revenue Contributions	12,609	12,150	12,097	9,381	<b>46,237</b>
HRA Capital Receipts	303	303	303	303	<b>1,212</b>
Borrowing	11,673	8,546	8,138	-	<b>28,357</b>
Corporate Resources	1,234	50	40	50	<b>1,374</b>
Self Financing	400	2,100	6,000	-	<b>8,500</b>
<b>Total Resources</b>	<b>34,109</b>	<b>30,439</b>	<b>32,868</b>	<b>14,024</b>	<b>111,440</b>
<b>Commitments - see above</b>	<b>34,109</b>	<b>30,439</b>	<b>32,868</b>	<b>14,024</b>	<b>111,440</b>
<b>Resources Available for Investment</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>0</b>

Figures shown in italics are estimates, awaiting confirmation of funding streams.

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## **ECONOMY AND RESOURCES SCRUTINY COMMITTEE**

Thursday, 19 January 2023

**PRESENT** – Councillors Mrs H Scott (Chair), Boddy, Crudass, Harker, L Hughes, Mrs D Jones, Lee and McEwan.

**APOLOGIES** – Councillors Mills.

**ABSENT** – Councillors Paley and Wright.

**ALSO IN ATTENDANCE** – Councillors Holroyd, Keir (Local Services Portfolio), Snedker, Donoghue, Newall and Tait.

**OFFICERS IN ATTENDANCE** – Brett Nielsen (Assistant Director Resources), Anthony Sandys (Assistant Director - Housing and Revenues), Michael Conway (Mayoral and Democratic Officer) and Paul Dalton (Elections Officer).

### **ER35 DECLARATIONS OF INTEREST**

There were no declarations of interest reported at the meeting.

### **ER36 MEDIUM TERM FINANCIAL PLAN - TO CONSIDER A RESPONSE TO CABINET ON THE PLAN TAKING INTO ACCOUNT THE VIEWS OF ALL OF THIS COUNCIL'S SCRUTINY COMMITTEES :-**

**Submitted** – The Minutes (previously circulated) of meetings of this Council's Scrutiny Committees which had been held to discuss the proposals contained within the draft Medium-Term Financial Plan (MTFP) for 2023/24-26/27.

It was reported that each of the Council's Scrutiny Committees had been requested to consider the MTFP 2023/24 to 2026/27, and to forward any views, particularly in relation to those services and finances which were specifically within their remit, to this Scrutiny Committee for consideration.

Each of the Chairs in attendance gave an overview of the discussions which had taken place at their meetings, together with the agreed response to this Scrutiny Committee.

#### **(a) Economy and Resources Scrutiny Committee**

It was reported that the following views had been proposed at the meeting held on 5 January 2023:-

(a) That the proposals contained within MTFP 2023/24 to 2026/27, in relation to those services and finances which are specifically within the remit of this Scrutiny Committee, be agreed, and that this Scrutiny Committee will formulate a final recommendation to Cabinet on behalf of all the Scrutiny Committees at a Special Meeting of the Economy and Resources Scrutiny Committee scheduled to be held on 19 January 2023, once the views of the Adults Scrutiny Committee, the Children and Young People Scrutiny Committee, the Communities and Local Services Scrutiny Committee and the Health and Housing Scrutiny Committee have been taken into consideration.

Members accepted the recommendation, and no further discussion ensued on this item.

#### **(b) Children and Young People Scrutiny Committee**

It was reported that the following views had been proposed at the meeting held on 9 January 2023:-

(a) That the proposals contained within MTFP 2023/24 to 2026/27, in relation to those services and finances which are specifically within the remit of this Scrutiny Committee, be agreed.

(b) That this Scrutiny Committee agree that all future discretionary spending should improve the lives of children and families and recommend that Cabinet considers the impact on Children's Social Care when making any discretionary spending decisions.

The Chair of the Children and Young People Scrutiny Committee advised that discussion had taken place on the lack of resources and funding for nursery schools and Early Years provision, and reiterated the views of the Committee, in that all discretionary spending should have children and young people as a focus. Further discussion ensued on discretionary spending and investing in the future. Members of the Economy and Resources Scrutiny Committee accepted the recommendations of the Children and Young People Scrutiny Committee.

#### **(c) Adults Scrutiny Committee**

It was reported that the following views had been proposed at its meeting held on 10 January 2023:-

(a) That this Scrutiny Committee accept the proposals contained within the draft MTFP 2023/24 to 2026/27 for the initial year 2023/24, however retain reservations over future years.

The Chair of the Adults Scrutiny Committee advised that Members of the Adults Scrutiny Committee accepted the proposals for the initial year 2023/24, contained within the MTFP, however retained some reservations going forward beyond that in terms of funding and assumptions.

Discussion ensued on the potential to make savings in the current year, spend to save schemes, and the use of charitable foundations for service provision. Members of the Economy and Resources Scrutiny Committee accepted the recommendations of the Adults Scrutiny Committee.

#### **(iv) Health and Housing Scrutiny Committee**

It was reported that the following views had been proposed at the meeting held on 11 January 2023:-

(a) That the Economy and Resources Scrutiny Committee be advised that the majority view

of this Scrutiny Committee is :-

- i. That the report be noted; and
- ii. That it be noted that whilst additional funding from the Local Government finance settlement has improved the position of the MTFP for 2023/24, Members remain concerned regarding the medium to long term and the potential requirement for a review of service provision.

(b) That the Economy and Resources Scrutiny Committee be advised that the minority view of this Scrutiny Committee is that the Council Tax increase of 2.99 per cent plus a 2 per cent Adult Social Care Precept, and the Schedule of Charges be accepted.

Members accepted the recommendations, and no further discussion ensued on this item.

#### **(v) Communities and Local Services Scrutiny Committee**

It was reported that the following views had been proposed at the meeting held on 12 January 2023:-

(a) That the Economy and Resources Scrutiny Committee be advised that the majority view of the Communities and Local Services Scrutiny Committee is :-

- i. That this Scrutiny Committee is dismayed at the lack of consultation with residents on the MTFP and in particular the services and finances which are specifically within the remit of this Scrutiny Committee;
- ii. That this Scrutiny Committee does not support the proposed Council Tax increase of 2.99 per cent plus a 2 per cent Adult Social Care Precept in light of the cost living crisis and the impact of the proposed increases on residents; and
- iii. That this Scrutiny Committee is concerned regarding the reliance on positive assumptions in the MTFP which may not come to fruition, and the potential increased risk in the future.

(b) That the Economy and Resources Scrutiny Committee be advised that the minority view of the Communities and Local Services Scrutiny Committee is that this Scrutiny Committee supports the MTFP 2023/24 to 2026/27.

Members entered into discussion on (i) and it was confirmed that the same level of consultation had taken place on this occasion as it had done last year, with information appearing on social media, within the 'One Darlington' magazine, and on the Council's website. Members also heard that, although there was challenge on the level of consultation, no further alternative budget was proposed. Consideration was also given to the need to increase the Adult Social Care precept, the impact of Council Tax increases on those with the lowest incomes, the fees and charges for car parking compared to other services, and the budget allocated for Street Scene services, particularly in terms of waste collection, waste disposal, recycling, 'leaf litter', and the associated increased costs especially in relation to increased house building.

Members also considered the need for a national solution to the increasing costs of social care, and the levels of funding from local authorities and the National Health Service in terms of Adult Social Care. Members of the Economy and Resources Scrutiny Committee accepted the recommendations of the Communities and Local Services Scrutiny Committee.

Taking into account the above and the discussions which had taken place, the Economy and Resources Scrutiny Committee gave consideration to the views it wished to put forward to Cabinet on behalf of all of the Scrutiny Committees.

**RESOLVED** - That Cabinet be advised that the following is the response of the Economy and Resources Scrutiny Committee on behalf of all of the Council's Scrutiny Committees in relation to the Medium Term Financial Plan 2023/24 to 2026/27 consultation :-

(a) That, taking into consideration the views of all the Scrutiny Committees, the majority view of this Scrutiny Committee is that the Medium Term Financial Plan 23/24-26/27 provides the best solution going forward.

(b) That the minority view of this Scrutiny Committee is that:

- i. It notes the many and various concerns raised at the Children and Young People, Adults, Communities and Local Services and Health and Housing Scrutiny Committee meetings, specifically highlighting:
  - the long-term affordability of services, in particular Children and Adults Social Care;
  - the unsustainability of the revenue budget;
  - that residents are facing unprecedented financial difficulties.
- ii. It notes Cabinet's draft 4-year financial plan is based on spending nearly £10m more than our income every year, at the same time as raising Council Tax by 5% every year.
- iii. It is gravely concerned that Cabinet's draft financial plan puts forward no new ideas as to how to bring under control four years of overspending.

**CABINET  
7 FEBRUARY 2023**

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**HOUSING REVENUE ACCOUNT – MTFP 2023-24 TO 2025-27**

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**Responsible Cabinet Member - Councillor Kevin Nicholson,  
Health and Housing Portfolio**

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

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**SUMMARY REPORT**

**Purpose of the Report**

1. To consider 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 to 2026-27 and the 30-year Business Plan, following consultation with Council Tenants.

**Summary**

2. Darlington Borough Council is the largest provider of social housing in the borough, providing 5,291 homes to local residents. Our homes offer a high standard of accommodation that meets the Decent Homes Standard and we provide a range of quality services to tenants, including a responsive repairs and maintenance service, lifeline services and emergency call out provision.
3. We are proud of our housing and want to continually improve so in addition to the day to day maintenance, significant investment is made in our housing stock each year to maintain and improve those standards, enhance the energy efficiency of our homes to reduce our carbon impact and help our tenants reduce their energy consumption and bills, whilst ensuring we have the financial capacity to continue with our ambitious programme of building new Council homes.
4. The great quality of our homes and the services provided mean they are in high demand, which is why we have an ambitious programme to build new Council homes in Darlington. Our new build Council housing programme is funded through capital receipts from right to buy sales, grant funding from Homes England and through estimated borrowing of £11.7m.
5. This report sets out the key decisions for the HRA for 2023-24, which includes:
  - (a) Proposed revenue expenditure of £26.557m, including
    - (i) £5.539m to fund our responsive repairs and maintenance service, and
    - (ii) £12.609m contribution to the capital programme.

- (b) A proposed capital programme of £24.585m, including
- (i) £1.225m for heating system replacements,
  - (ii) £1.800m for property adaptations, structural works, external works and roofing,
  - (iii) £1.400m for windows and door replacements,
  - (iv) £2.760m for kitchen and bathroom replacements,
  - (v) £1.000m to deliver energy efficiency measures to tackle climate change,
  - (vi) £15.673m to deliver our new build Council housing programme.
6. The key decision regarding the HRA each year is the balance between setting rent and service charge levels that are affordable to our tenants, whilst ensuring we have sufficient resources to invest in our housing stock, tackle climate change and maintain services.
7. Councils usually have the discretion to increase rents each year by the Consumer Price Index (CPI) plus 1%. CPI for September 2022 was 10.1%, which means for 2023-24 Members would usually be able to increase rents by up to 11.1%.
8. However, the Government consulted on proposals to place a cap on social housing rent increases for 2023-24, and a decision to cap rent increases at 7% has been made.
9. Members will recall that a 2% rent increase was decided in February 2022 for the current financial year, although rents could have been increased by 4.1%. This was in recognition of the economic pressures facing our residents in the aftermath of Covid.
10. The Council has also faced substantial financial pressures over the last 12 month particularly around inflation and the cost of materials and services to maintain our homes, the most significant increases being in roofing, door and window replacements, and general day to day repairs, with an average overall increase in cost of 8.4%. These costs are anticipated to increase by a further 6.1% in 2023/24, as detailed in the main report.
11. Members discounted the option of CPI plus 1+ at an early stage, acknowledging this would be unaffordable for our tenants. Given the government consultation options, a 5% increase a 3% increase and a 2% increase have been considered and taking into account the current economic pressures facing our tenants and balancing this with the increased costs of maintaining and improving our housing and the need to deliver our ambitious capital and energy efficiency programmes, an increase of 5% is recommended, or an average of £3.69 each week. This is lower than CPI and lower than the Government's rent increase cap. It is also recommended to increase service charges by an appropriate inflationary amount.
12. Council tenants have been consulted about these proposals and the outcome of this consultation is given at paragraphs 51 to 52. The proposed rent increase and spending plans received support from the Tenants Panel, although some concerns were raised by tenants about the current cost of living and whether the proposed rents would be affordable.
13. This report was considered by Health and Housing Scrutiny Committee on 11 January 2023. The Committee supported the recommendations in this report but raised concerns about the increases in services charges and the impact on those residents.



## Recommendations

14. It is recommended that Cabinet consider the following proposals and recommend their onward submission for approval to Council:-
- (a) An average weekly rent increase of 5% 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 are increased as shown in **Table 3**.
  - (c) The revenue budget at **Appendix 1** is approved.
  - (d) The Housing Business Plan at **Appendix 2** is agreed.
  - (e) The Capital programme at **Appendix 3** is agreed and if subsequently approved by council the expenditure is released.

## Reason

15. The recommendations are supported by the following reasons:
- (a) To enable the Council to deliver an appropriate level of services 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.

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

## Background Papers

Regulator of Social Housing - Rent Standard

Anthony Sandys: Ext 6926

S17 Crime and Disorder	There are no issues
Health and Well Being	By ensuring our housing stock is in good condition we are making a positive contribution to the health and well-being of our tenants
Carbon Impact	There are a range of energy efficiency measures included in the business plan which will have a positive carbon impact
Diversity	There are no diversity issues
Wards Affected	This will have an effect on all Wards in the Borough with Council Housing
Groups Affected	All Council tenants and Lifeline service users
Budget and Policy Framework	The issues contained within this report require Council approval and the report will be presented to Council on 17 February 2023
Key Decision	This is not a key decision for Cabinet, as the approval of Council on 17 February 2023 will be required
Urgent Decision	This is not an urgent decision for Cabinet, as the approval of Council on 17 February 2023 will be required
Council Plan	This report contributes to the Council Plan by involving Members in the plans to build new Council houses and ensuring the existing Council housing stock is maintained to a high standard and is environmentally friendly by maximising rental and service charge income
Efficiency	As the HRA is a ring fenced budget every effort is made to maximise income and identify savings in order to maintain a high quality service
Impact on Looked After Children and Care Leavers	No impact

## MAIN REPORT

### Background

16. Darlington Borough Council is the largest provider of social housing in the borough, providing 5,291 homes to local residents. Our homes offer a high standard of accommodation that meets the Decent Homes Standard and provides a range of quality services to tenants including a responsive repairs and maintenance service, lifeline services and emergency call out provision.
17. In addition, significant investment is made in our housing stock each year to maintain and improve those standards. A comprehensive capital programme delivers a range of home improvements to tenants, improves the energy efficiency of our homes to reduce our carbon impact and reduce the bills of our residents, whilst ensuring we have the financial capacity to continue with our ambitious programme of building new Council homes. Over 50% of households in Council housing have one or more person with a disability and we are therefore committed to providing good quality homes with generous space standards and lifetime homes principles to support people to live independently and maintain a good quality of life.
18. The great quality of our homes and the services provided mean they are in high demand, which is why we have an ambitious programme to build new Council homes in Darlington.
19. The key decision regarding the HRA each year is the balance between setting rent and service charge levels that are affordable to our tenants, whilst ensuring we have sufficient resources to invest in our housing stock, tackle climate change and maintain services.

### Setting the MTFP for the HRA

#### Projected HRA Expenditure for 2023-24

20. Detailed estimates have been prepared based on current service levels and the following expenditure amounts for the revenue account are proposed for 2023-24:

Area	£m	Description
Operational costs	4.441	This includes all the costs associated with the provision of our housing management, housing income, tenancy sustainment and tenancy enforcement services, central support services and other associated support costs such as ICT, buildings and insurance.
Service charges	3.654	This covers services charged to tenants such as grounds maintenance and Lifeline charges to a range of clients. All service charges are fully recoverable. It also includes recharges that will be recovered through additional income including court costs and recharges to the General Fund for grounds maintenance.

Responsive repairs and maintenance	5.539	This covers the on-going general repairs to our 5,291 Council properties, which is an average of £1,047 for each property in 2023-24. The continued investment in a good quality repairs and maintenance service is essential to maintaining the high standards of our housing stock, whilst also ensuring we meet all the statutory requirements to provide for the health and safety of our tenants.
Capital financing	3.447	Historic and ongoing cost of paying for borrowing undertaken to fund capital expenditure.
Bad debt provision	0.250	Provision to cover rents that are deemed to be unrecoverable.
Revenue contribution to the capital programme	12.609	This represents the amount by which the HRA can fund major capital works. A breakdown of the proposed Capital Programme for 2023-24 is given below in 'Housing Business Plan'.

### Housing Business Plan

21. All Housing Capital schemes are funded fully from the HRA and this section explains what future capital investment is planned. The priorities are identified through the Housing Business Plan, which is constantly reviewed to ensure investment is targeted in the area of most need. The funding proposals for 2023-24 are:

Area	£m	Description
Adaptations and lifts	0.200	This budget delivers adaptations to Council homes to enable tenants with a disability to remain in their own home and live independently. In addition, the budget also covers any unplanned works to passenger lifts within sheltered and extra care schemes.
Heating replacement	1.225	To fund new condensing boilers and central heating upgrades that are due for replacement and in addition, to any unplanned replacements required due to boiler failure before their due replacement date.
Structural works	0.400	This budget will be used to address structural issues identified within the year.
Lifeline services	0.150	This budget will to continue fund any upgrades required to Lifeline equipment.
Repairs before painting	0.060	This budget will be invested in joinery repair works in anticipation of the cyclical external painting programme.

Roofing and repointing work	1.000	This budget will fund the replacement of flat and pitched roofs and the replacement of fascia's, soffits and rainwater goods. In addition, it will also fund loft insulation work, where appropriate.
Garages	0.025	This budget will be invested in improvements to the Council's garage blocks including demolition where they are beyond economical repair.
External works	0.200	Used to provide new rear dividing fences and new footpaths to Council properties based on their condition, in various locations across the borough.
Pavements	0.032	To fund any identified work to upgrade or adapt any pavements (including requirements for dropped kerbs for Council properties) across the Borough.
Window and door replacement	1.400	To fund the window and external door replacement programme, including replacement fire doors in communal areas. This budget will also fund any window and door replacements required as a result of a responsive repair.
Internal planned maintenance (IPM)	2.760	This budget will fund kitchen and bathroom replacements that are due. This budget will also fund any kitchen and bathroom renewal works for properties as required, including any void properties that require this work before letting.
Communal works	0.150	This budget will fund any work required to communal areas and will also be used to carry out upgrades to card entry systems.
Energy efficiency improvements	1.000	This budget will continue to fund energy efficiency improvements such insulation and heating systems. This will also include any match funding required for Government energy grant bids (see the 'Climate Change' section below).
New build	15.673	This budget will continue to fund the new build Council housing programme (see the 'New Build' section below).

22. The purpose of the Housing Business Plan is to ensure that Housing Services has a sustainable medium-term financial plan, which focuses investment towards our strategic priorities. The following proposals will outline our strategic priorities and how resources will be aligned against these priorities (subject to final decisions on rent levels).

### **New Build**

23. Darlington Borough Council has set an ambitious programme to build additional new Council homes to meet increasing demand for social housing in the area. Since the programme began, 293 new Council properties have already been delivered at various

locations around Darlington, providing exceptionally high quality homes to local residents. Demand for our properties continues to be high, with over 1,100 Darlington residents on the Housing Allocations register.

24. Since the abolition of the HRA borrowing cap, we have been able to prudentially borrow and have included additional borrowing of £11.7m in 2023-24 to build new affordable homes. Our new build council housing programme is funded through capital receipts from right to buy sales, grant funding from Homes England and prudential borrowing.
25. The Housing Business Plan is funded by the rents and service charges received from Council properties and the loss of income from ongoing right to buy sales would put the Business Plan at risk if these properties were not replaced.
26. The following new build work is planned to be delivered in 2023-24:
  - (a) Phase 2 of the Sherbourne Close site is due to commence, providing an additional 14 new homes. Phase one of this site has already delivered 18 new homes.
  - (b) Work on the Skinnergate site is due to commence, delivering 15 new homes and will initially require some demolition work of existing commercial buildings.
  - (c) Work on the Neasham Road site commenced in September 2022 and will deliver 150 new homes by 2026. The first new Council homes on the site are due to be completed in 2023-24.
27. As noted previously, the new build programme for 2023-24 will partly be funded through additional borrowing. In addition, grant funding bids to Homes England's Affordable Housing Programme will also provide around 25% of the overall costs. It is difficult to predict exact grant funding levels as decisions are made by Homes England on a site by site basis, therefore grant projections are based on previous successful bids. In order to reduce financing costs, unallocated balances will be used before borrowing, however this is purely for treasury management purposes, as all new build schemes are self-financing.
28. Several new build 'pipeline' sites have been identified and are currently being worked up in more detail to enable planning permission to be sought.

### **Housing for Vulnerable People**

29. Each year, Housing Services complete a range of minor and major adaptations to individual Council properties where a need has been identified by an Occupational Therapist. Works range from the provision of lever taps and grab rails to semi-permanent ramps, stair lifts, hoists and ground floor extensions.
30. The HRA adaptations budget reflects the fundamental role adaptations play in supporting vulnerable people to continue to live independently, reducing the need for expensive care packages and prevent a premature move into residential or care accommodation. These high levels of need have also been considered in developing our new build housing programme and properties are built in accordance with Lifetime Homes standards.
31. Inexpensive features include flush door entrances at the front and rear for wheelchair access, and raised sockets, as well as low level windowsills and openings. Increased space

standards allow for hallways wide enough for 360° wheelchair turning circles, wider doors, and ground floor toilets. Occupational Therapists and Housing Officers also work closely with individuals to meet their needs where appropriate, such as bespoke lowered kitchens and specific bathing requirements before they move in, wherever possible.

### **Existing Stock Investment and Responsive Repairs**

32. In accordance with good practice, our housing stock is surveyed by an independent specialist organisation every five years and detailed analysis of the data takes place to help inform our priorities. Overall, our properties have been assessed as being in good condition, reflecting our significant annual investment as part of a structured programme for both on-going capital improvements and responsive repairs and maintenance. A new stock condition survey is currently taking place and data from this will continue to shape our Business Plan and energy efficiency priorities.
33. All of our properties reached the basic Decent Homes Standard in 2006 and continue to do so. This can be largely attributed to a central heating programme providing A-rated combi-boilers and a planned maintenance programme which ensures properties benefit from cavity wall insulation and 300mm of loft insulation. Properties have also been targeted in recent years for a more comprehensive package of energy efficiency measures including double glazed UPVC windows, composite doors and loft insulation.
34. The Housing Business Plan identifies a capital works budget of around £76m over the next four years and £477m budget for capital works over the next 30 years, including the New Build Programme (see **Appendix 2**).
35. The Business Plan also anticipates the number of responsive repairs will remain at current levels, with an annual inflationary increase for costs and so allocates a budget of £24m for responsive repairs and maintenance over the next four years.

### **Climate Change**

36. We are committed to improve the energy efficiency of our homes, reduce our carbon impact and help tackle climate change and reduce tenant's fuel bills. However, significant investment is required to achieve Government targets to ensure all of our homes:
  - (a) Achieve a minimum Energy Performance Certificate (EPC) rating of C by 2030.
  - (b) Achieve a net zero carbon rating by 2050.
37. An independent consultant was commissioned in 2022 to produce a zero carbon study and our zero carbon plan, to retrofit our housing stock to meet Government targets over the next 30 years. The full cost of retrofitting all properties is difficult to determine at this stage, but estimates are in excess of £100m. The study recognised that the majority of this amount will need to come from Government funding.
38. The Council has already committed £1m of capital expenditure to tackle climate change in 2022-23 and this has been supplemented with Government funding from successful bids through the Local Authority Delivery (LAD) scheme and the Social Housing Decarbonisation Fund (SHDF) to deliver improvements to Council homes as follows:

- (a) The LAD(1b) scheme delivered loft insulation and double glazed windows to 709 Council homes using £1.26m of Government funding and £0.71m of capital expenditure.
  - (b) The LAD(2) scheme delivered Air Source Heat Pumps, Smart heating controls, loft insulation and solar panels to 28 Council homes using £0.26m of Government funding and £0.07m of capital expenditure.
  - (c) The SHDF (wave 1) scheme is currently delivering external and cavity wall insulation, Air Source Heat Pumps, loft insulation and solar panels to 23 Council homes using £0.25m of Government funding and £0.25m of capital expenditure.
  - (d) The SHDF (wave 2) scheme (currently awaiting approval) is proposing to deliver external and cavity wall insulation, solar panels, loft insulation, double glazing and low energy lighting to 130 Council homes using £1.2m of Government funding and £1.2m of capital expenditure.
39. In addition, all single glazed windows in Council properties are currently being replaced with double glazing and this work will be completed in 2023. A further £1m investment is recommended for each year in the HRA MTFP, which will help to deliver the following improvements:
- (a) Replacing timber front and back doors with composite doors.
  - (b) Improvements to external wall insulation.
  - (c) Installation of solar panels and air source heat pumps.
  - (d) Loft insulation upgrades as part of our roofing and IPM programmes.
40. All Government funding bids require match funding from the Council. Our initial objective is to ensure the EPC rating for all our Council homes is at a minimum of C. Over 3,400 Council properties currently have an EPC rating of D or lower, although it is recognised that many of these properties just fall short of an EPC rating of C where minimal investment is required to achieve this. Our zero carbon plan, currently being developed, will identify what actions are required from 2023-24 onwards to deliver this.

## **Income**

### **Rents**

41. All registered providers of social housing (including Councils) must set rents in accordance with the Government's Rent Standard guidance. The guidance allows social housing providers to increase rents, usually by CPI plus 1%, which means for 2022-23, Councils would have the discretion to increase rents by up to 11.1%.
42. However, the Government consulted on proposals to place a cap on social housing rent increases for 2023-24, and a decision to cap rent increases at 7% has been made.



43. Members will recall that a 2% rent increase was decided in February 2022 for the current financial year, although rents could have been increased by 4.1%. This was in recognition of the economic pressures facing our residents in the aftermath of Covid.
44. The Council has faced substantial financial pressures over the last 12 month around inflation, energy and the rising cost of materials and services to maintain our homes, the most significant increases being in roofing, door and window replacements, and responsive day to day repairs, with an average overall increase in costs of 8.4% (see **Table 1**). These costs are anticipated to increase by a further 6.1% in 2023/24, as shown in **Table 2** below.

**Table 1: Cost increases 2022-23**

Item	Average cost 21-22	Average cost 22-23	Estimated properties	Total cost 21-22	Total cost 22-23	Percentage increase
Roofing	£6,569	£8,000	100	£656,900	£800,000	21.8%
Kitchen / bathroom	£8,782	£9,329	220	£1,932,040	£2,052,380	6.2%
Heating	£3,387	£3,600	200	£677,400	£720,000	6.3%
External doors	£595	£737	230	£136,850	£169,510	23.9%
Windows	£2,700	£3,000	250	£675,000	£750,000	11.1%
Painting	£250	£255	1,000	£250,000	£255,000	2.0%
Responsive repairs and maintenance	£159	£170	25,000	£3,975,000	£4,250,000	6.9%
<b>Total</b>				<b>£8,303,190</b>	<b>£8,996,890</b>	<b>8.4%</b>

**Table 2: Estimated cost increases 2023-24**

Item	Total cost 22-23	Estimated total cost 23-24	Percentage increase
Roofing	£800,000	£880,000	10.0%
Kitchen / bathroom	£2,052,380	£2,169,389	5.7%
Heating	£720,000	£759,056	5.4%
External doors	£169,510	£181,351	7.1%
Windows	£750,000	£833,250	11.1%
Painting	£255,000	£280,245	9.9%
Responsive repairs and maintenance	£4,250,000	£4,440,512	4.5%
<b>Total</b>	<b>£8,996,890</b>	<b>£9,543,803</b>	<b>6.1%</b>

45. The option of CPI plus 1+ was discounted at an early stage acknowledging this would be a significant pressure on tenants. Given the government consultation, a number of options were considered including a 5% increase, a 3% increase and a 2% increase for 2023-24. The Council recognises that the last 18 month have been a difficult time for all our tenants and in the current economic climate the pressures on fuel and price inflation in general puts a strain on family finances. Conversely, rising prices also means the cost of repairs, maintenance, contractor and material costs to maintain and invest in our stock are also increasing. Without any rise, there would be an impact on our ability to maintain and

invest in our tenant's homes and the ability to implement the required energy efficiency measures to tackle climate change. It is worth noting that over 70% of our tenants will have their rent and most service charges covered by Universal Credit or Housing Benefit payments. This means that the full amount of any increase will be covered by those benefits.

46. Taking into account the current economic pressures facing our tenants, the recent increase in CPI and balancing this with the need to deliver our ambitious capital and energy efficiency programmes, an increase of 5% is recommended for 2023-24, an average of £3.69 each week. This is lower than CPI and lower than the Government's rent increase cap. It is also recommended to increase service charges by an appropriate inflationary amount. The proposed increases reflect the rising cost of wages, building materials and contracted services. Examples of the proposed weekly rent charges for 2023-24 are given at **Appendix 4**.
47. In addition to the income from rent and service charges, in 2023-24 we plan to borrow an additional £11.7m to help fund our new build programme. This will be supplemented with grants from Homes England, which usually cover around 25% of the new build costs. We also plan to continue to bid for Government funding through the SHDF to improve the energy efficiency of our homes and reduce our carbon impact.

#### **Garage Rents and Service Charges**

48. The proposed service charges shown at **Table 3** below and achieves full recovery of costs from those tenants who directly benefit from the services provided. In most cases, this means an inflationary increase is necessary that either matches or is below CPI but in some instances, a higher increase is needed to maintain current levels of service and these are detailed below:
- (a) Heating – The heating charge for sheltered and extra care schemes covers the cost of heating the individual apartments, as well as the communal areas of the schemes. The heating charge for blocks of apartments only covers the cost of heating the communal areas. The price of gas over the past 12 months for these buildings, has increased by 43% and is estimated by NEPO (North East Procurement Organisation) to increase by a further 263% in 2023-24. The service charges for 2023-24 have been adjusted to reflect these increases. However, if the actual heating costs are lower than these forecasts in 2023-24, the service charge will be amended to reflect this change.
  - (b) Lifeline – The Lifeline service charges have been increased to take into account a re-grading of Lifeline staff following a job evaluation exercise, which has increased the cost of salaries to run the service. In addition, all Lifeline equipment (assistive technology and personal alarms) will need to be replaced over the next 3 years to ensure that it continues to operate under the national switch from analogue to digital telephony services by 2025. The Lifeline charge for sheltered and extra care schemes also includes the electricity costs relating to communal areas (lighting and other equipment). The price of electricity over the past 12 months for these buildings, has increased by 118% and is estimated by NEPO to increase by a further 142% in 2023-24. These costs and charges will be reviewed in 2023-24 (in line with the heating charges above).

49. Any additional costs will be covered by Housing Benefit or Universal Credit for the approximate 70% of tenants who are eligible. The HRA funds a Tenancy Sustainment Service and Income Management Team to address the financial challenges facing a significant number of Council tenants. Referrals are also made to CAB for independent financial advice as well as to food banks and furniture recycling schemes. Those tenants, particularly first-time tenants who require more sustained intensive support, will be referred to the Housing Plus Team.

**Table 3: Garage Rents and Service Charges**

Description	Current Weekly Charge (22-23)	Proposed Weekly Charge (23-24)	Percentage increase
	£	£	%
Garage Rents	8.33	8.74	5
Building Cleaning – Blocks of Flats	2.11	2.30	9
Building Cleaning – Sheltered and Extra Care Schemes	3.86	4.09	6
Building Cleaning – Extra Care Schemes	13.74	14.56	6
Grounds Maintenance – General Housing	1.80	2.06	14
Grounds Maintenance – Blocks of Apartments	1.80	2.06	14
Heating – Sheltered and Extra Care Schemes	12.86	42.88	233
Heating – Blocks of Apartments	1.70	6.21	266
Administration – Leaseholders	1.81	1.99	10
Furnishings and Fittings – Sheltered and Extra Care Schemes	2.30	2.42	5
Furnishings and Fittings – Good Neighbour Schemes	1.06	1.11	5
Lifeline Response	6.27	7.58	21
Lifeline – Sheltered and Extra Care Schemes	18.96	27.59	46
Pavement Crossings and Hard standings	4.50	4.72	5
Mid-day Meals – Extra Care Schemes (Residents only)	40.56	45.43	12
Mid-day Meals – Extra Care Schemes (Non-Residents only)	48.67	54.51	12
Guest Rooms in Sheltered Schemes	89.06	98.85	11
Door Entry Systems	0.82	0.86	5
TV Aerials	0.20	0.24	19
Housing Plus Service	19.78	20.62	4

### Consultation

50. The Annual Review of the HRA Business Plan, together with the recommendation to increase rents and service charges is developed in consultation with Council tenants through our Tenants Panel and tenant surveys. Consultation on the proposals for 2023-24 has taken place during December 2022 and January 2023.

### Outcome of Consultation

51. The Tenants Panel were consulted about the proposals in December 2022, with the Panel fully supporting the proposed rent increase of 5%. They appreciate that the proposed increase is less than the maximum rent cap allowance and that it is an acceptable level to increase rents by. The Panel also supports the spending priorities for 2023-24 and the

energy efficiency work planned to help reduce tenant's energy bills. The Panel's comments included the following:

- (a) "The rent increase is understandable; things have to go up and always will. DBC always explains why the prices are increasing and what the money will be spent on, but I particularly like that the money will be spent on warming people's homes this year."
  - (b) "In general, I am happy with the percentage...it seems in line with everything and, although it is more than previously, I have no issues with this."
  - (c) "I did think that the increase would be somewhere between 5% and 7%, so this increase is acceptable. Darlington has a few services, so an increase needs to be factored in at some point."
  - (d) "Although the rent increase is larger than in previous years, it is still a lot smaller and more affordable than private renting. We all knew that it was going to go up but that is in line with the cost of living; you are seeing it everywhere. It looks like next year is going to be a lot better....and it looks like the money is being spent wisely."
52. An on-line consultation on the proposals was also conducted with Council tenants, which closed in January 2023. 50 responses were received and a summary of those responses is set out below:
- (a) 44% of respondents agreed with the 5% rent increase. Those that didn't agree cited the cost of living and that everything else was going up, which could make the proposed increase unaffordable.
  - (b) 64% of respondents agreed that the increase is necessary for us to maintain services and invest in our homes.
  - (c) 62% of respondents agreed with the spending proposals.
  - (d) 74% of respondents agreed that the rent is affordable.

### **Financial Implications**

53. The estimates included in this report represent a fair view of ongoing plans and commitments although Members will appreciate some budgets are subject to volatility and will continue to be monitored closely.
54. With the proposed increase in rents, the expenditure plans presented are affordable and the level of revenue balances projected in this report represent an adequate level of risk.

## HOUSING REVENUE ACCOUNT – REVENUE BUDGET

	2023/24	2024/25	2025/26	2026/27
	£000	£000	£000	£000
<b><u>Income</u></b>				
Rents of Dwellings (Gross)	(21,964)	(23,328)	(24,342)	(24,967)
Sundry Rents (Including Garages and Shops)	(422)	(498)	(514)	(530)
Charges For Services and Facilities	(3,654)	(4,091)	(4,272)	(4,479)
Contribution towards expenditure	(928)	(966)	(980)	(994)
Interest Receivable	(6)	(6)	(6)	(6)
<b>Total Income</b>	<b>(26,974)</b>	<b>(28,889)</b>	<b>(30,114)</b>	<b>(30,976)</b>
<b><u>Expenditure</u></b>				
Operational Costs	4,441	4,719	4,871	5,009
Service Charges	3,654	4,091	4,272	4,479
Capital Financing Costs	3,447	3,926	4,371	4,337
Bad Debt Provision	250	263	270	278
Responsive Repairs and Maintenance	5,539	5,818	5,992	6,335
Revenue Contribution to Capital (RCCO)	12,609	12,150	12,097	9,381
Contribution to/(from) balance	(2,966)	(2,077)	(1,760)	1,157
<b>Total Expenditure</b>	<b>26,974</b>	<b>28,889</b>	<b>30,114</b>	<b>30,976</b>
<b>(Surplus) / Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Opening balance</b>	<b>11,811</b>	<b>8,845</b>	<b>6,768</b>	<b>5,008</b>
<b>Contribution to/(from) balance</b>	<b>(2,966)</b>	<b>(2,077)</b>	<b>(1,760)</b>	<b>1,157</b>
<b>Closing balance</b>	<b>8,845</b>	<b>6,768</b>	<b>5,008</b>	<b>6,165</b>
<b>Estimated closing dwelling numbers</b>	<b>5,291</b>	<b>5,324</b>	<b>5,400</b>	<b>5,471</b>
<b>Closing balance for each dwelling</b>	<b>£1,671.76</b>	<b>£1,271.21</b>	<b>£927.41</b>	<b>£1,126.94</b>

**30 YEAR HOUSING BUSINESS PLAN 2023/24 - 2052/53**

	<b>Years 1-10 (£000)</b>	<b>Years 11-20 (£000)</b>	<b>Years 21-30 (£000)</b>	<b>Total Spend (£000)</b>
Adaptations and Lifts	2,354	3,171	4,262	9,787
Communal Works	1,765	2,378	3,269	7,412
Decoration following IPM	408	862	1,170	2,440
External Works (footpaths, fencing, etc.)	2,405	3,264	4,453	10,122
Garages	509	748	983	2,240
Heating Replacements	14,379	19,368	26,618	60,365
Internal Planned Maintenance (IPM)	32,716	50,062	66,435	149,213
Repairs before painting	730	986	1,296	3,012
Roofing and Repointing Work	8,169	9,911	13,520	31,600
Structural Works	4,707	6,342	8,716	19,765
Lifeline Services	1,765	2,378	3,269	7,412
Energy Efficiency	28,509	38,484	51,937	118,929
Professional Fees	3,574	4,794	6,844	15,212
Pavements	383	517	711	1,611
New Build	38,357	0	0	38,357
<b>Total expenditure</b>	<b>140,730</b>	<b>143,264</b>	<b>193,483</b>	<b>477,477</b>

**HOUSING REVENUE ACCOUNT – CAPITAL PROGRAMME**

	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	£000's	£000's	£000's	£000's
<b><u>Scheme / Project</u></b>				
Adaptations and Lifts	200	212	218	225
Heating Replacement	1,225	1,295	1,334	1,374
Structural Works	400	424	437	450
Lifeline Services	150	159	164	169
Repairs before painting	60	66	68	70
Roofing	1,000	1,100	683	703
Garages	25	27	52	53
External Works	200	210	221	232
Pavements	32	34	36	37
Window and Door Replacement	1,400	1,484	1,558	1,605
Internal Planned maintenance	2,760	2,898	3,043	3,134
Energy Efficiency	1,000	1,060	1,092	1,125
Communal Works	150	159	164	169
New build (net of HE grant)	15,673	11,546	11,138	0
Fees	310	326	333	340
<b>Total spend</b>	<b>24,585</b>	<b>20,999</b>	<b>20,538</b>	<b>9,684</b>
<b><u>Resourced by:</u></b>				
Capital Receipts	303	303	303	303
RCCO	12,609	12,150	12,097	9,381
Additional Borrowing	11,673	8,546	8,138	0

## Appendix 4

Examples of Weekly Rent Changes for 2023/24						
Area		Property Type	Approved Rent 2022/23	Proposed Rent 2023/24	Increase between 22/23 & 23/24 £	Increase between 22/23 & 23/24 %
<b>Middleton St George</b>						
	Mount Pleasant Close	1 Bedroom Bungalow	85.00	89.25	4.25	5.0%*
	Pounteys Close	2 Bedroom House	79.54	83.52	3.98	5.0%
	Thorntree Gardens	3 Bedroom House	90.74	95.27	4.54	5.0%
<b>Cockerton</b>						
	Newton Court	1 Bedroom Flat	65.69	68.98	3.28	5.0%
	Elvet Place	2 Bedroom House	76.93	80.78	3.85	5.0%
	Minors Crescent	3 Bedroom House	82.88	87.03	4.14	5.0%
<b>Haughton</b>						
	Ted Fletcher Court	1 Bedroom Flat	66.24	69.56	3.31	5.0%
	Lyonette Road	2 Bedroom Flat	75.03	78.78	3.75	5.0%
	Nightingale Avenue	1 Bedroom Bungalow	79.72	83.71	3.99	5.0%*
	Rockwell Avenue	2 Bedroom House	78.94	82.89	3.95	5.0%
	Dunelm Walk	3 Bedroom House	88.25	92.67	4.41	5.0%
<b>Branksome</b>						
	Branksome Hall	1 Bedroom Flat	65.79	69.08	3.29	5.0%
	Whitby Way	1 Bedroom Bungalow	72.77	76.41	3.64	5.0%
	Malvern Crescent	2 Bedroom House	75.46	79.24	3.77	5.0%
	Rosedale Crescent	3 Bedroom House	85.79	90.08	4.29	5.0%
	Sherborne Close	2 Bedroom Flat	90.92	95.46	4.55	5.0%*
<b>Lascelles</b>						
	Coxwold House	1 Bedroom Flat	65.03	68.28	3.25	5.0%
	Gilling Crescent	2 Bedroom Flat	72.52	76.14	3.63	5.0%
	Aldbrough Walk	2 Bedroom House	85.38	89.65	4.27	5.0%*
	Caldwell Green	3 Bedroom House	82.39	86.51	4.12	5.0%
	Fenby Avenue	3 Bedroom House	102.78	107.92	5.14	5.0%*
<b>Bank Top</b>						
	Graham Court	1 Bedroom Flat	66.21	69.52	3.31	5.0%
	Graham Court	3 Bedroom House	94.27	98.99	4.71	5.0%*
<b>Redhall</b>						
	Bramall House	1 Bedroom Flat	79.08	83.03	3.95	5.0%*
	Aviemore Court	2 Bedroom Flat	69.85	73.35	3.49	5.0%
	Murrayfield Way	1 Bedroom Bungalow	67.35	70.72	3.37	5.0%
	Aintree Court	2 Bedroom House	71.40	74.97	3.57	5.0%
	Aintree Court	3 Bedroom House	93.80	98.49	4.69	5.0%*
<b>Eastbourne</b>						
	West Moor Road	1 Bedroom Flat	62.40	65.52	3.12	5.0%
	Tansley Gardens	2 Bedroom Flat	69.49	72.97	3.47	5.0%
	Firthmoor Crescent	2 Bedroom House	72.37	75.99	3.62	5.0%
	Brignall Moor Crescent	3 Bedroom House	78.34	82.25	3.92	5.0%
<b>Skerne Park</b>						
	Trent Place	2 Bed House	73.18	76.84	3.66	5.0%
	Humber Place	3 Bed House	79.08	83.03	3.95	5.0%
<b>Parkside</b>						
	Wordsworth Road	1 Bedroom Flat	66.30	69.61	3.31	5.0%
	Shakespeare Road	2 Bedroom House	82.94	87.08	4.15	5.0%*
	Ruskin Road	3 Bedroom House	86.61	90.94	4.33	5.0%
* Affordable rent properties - these rents include applicable service charges.						



**CABINET  
7 FEBRUARY 2023**

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**LAND AT BLACKWELL – PROPOSED DEVELOPMENT AND PARKLAND RESTORATION**

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**Responsible Cabinet Member –  
Councillor Jamie Bartch, 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 present to Members the parkland restoration plan shown at **Appendix 1** so that a planning application can be submitted for these proposals and for new housing on site 403, shown circled in red on the plan at **Appendix 2**.
2. To note the intention to sell site 403 to the Council's Joint Venture vehicle (to be established subject to a further cabinet report and approvals) on the terms and conditions detailed in **Appendix 3** of this report.
3. Members to note that a further Cabinet report will be prepared for Members identifying the net capital receipt for the Council, seeking final approval to establish the new Joint Venture Company and for approval to funding arrangements for the housing development and parkland restoration plan. No disposal of the land will take place until further approval from Cabinet has been obtained.

**Summary**

4. Cabinet Approval was obtained on 22 June 2022 for the disposal of circa. 5.2 Hectares (13 acres) of land with the intention that a new Joint Venture company (formed in conjunction with the Councils joint venture partner Esh) 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.
5. Feasibility work and plans for the parkland restoration scheme have now been completed. It is proposed that the new Joint Venture company would be responsible for delivering the parkland restoration plan and it is intended the restoration works would be funded from the sale of site 403. Once costs have been finalised this will be included in a subsequent Cabinet approval.

6. A planning application for site 403 and the parkland restoration is proposed to be submitted. Through the planning process, the public and residents will be able to comment in the normal manner. Initial engagement with local members and interest groups have commenced with favourable feedback. The Economy Portfolio Holder would like to thank the Park West Ward Councillors for their support, and it is anticipated that local members will arrange further engagement exercises with residents.

### **Recommendations**

7. It is recommended that Cabinet:
  - (a) Supports the submission of the parkland restoration plan and new housing on site 403, within a planning application as shown at Appendix 1.
  - (b) Notes the principle and intention that site 403 will be sold to a new Joint Venture company on terms and conditions outlined in Appendix 3 which will be subject to a further Cabinet report on funding once all costs have been determined.
  - (c) The Chief Executive to have delegated authority to prepare the terms of the disposal, in consultation with the Portfolio Holders and the details will be reported back in due course.
  - (d) The Assistant Director – Law and Governance be authorised to execute the necessary documents to facilitate future development.

### **Delegations**

8. Delegation authority to the Chief Executive as detailed in para 7(c) above.

### **Reasons**

9. The recommendations are supported by the following 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.

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

### **Background Papers**

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

Jane Sutcliffe Extension: 5746

S17 Crime and Disorder	The report has no implications for crime and disorder
Health and Wellbeing	The report has no implications for health and well being
Carbon Impact and Climate Change	Nutrient Neutrality and biodiversity loss mitigation are addressed in the proposals
Diversity	No impact
Wards Affected	Park West
Groups Affected	Persons who visit the parkland at Blackwell Grange
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	There are no issues adversely affecting the Council Plan
Efficiency	An investment return from the JV will help the Council's MTFP position.
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

10. Homes by Esh Limited and the Council have undertaken the necessary survey work on site 403 in order that a site layout plan for the residential development on the circa. 5.2 Hectares (13 acres) and the parkland restoration plan are ready for submission of a planning application.
11. The sale of site 403 is required to provide new executive homes and also to fund the parkland restoration plan and its future maintenance.
12. The parkland proposals will aim to retain the openness and green infrastructure functions so their relationship and importance to the character of Darlington is protected and enhanced.
13. A further cabinet report will be submitted seeking Members' approval to the establishment of a new Joint Venture Company following the planning process.

### Financial Implications

14. It is proposed that the landscape restoration works as set out in Appendix 3 of the report, are to be funded from the capital receipts as the site is developed.
15. The expected capital receipt for the Council is not yet known – this will be provided in a subsequent report which will seek authorisation to form a new Joint Venture company with the Council's joint venture partner (Esh).

16. The ongoing maintenance arrangements for the parkland once completed and site 403 have currently not been finalised. The proposed arrangements and costs will be reported back to Cabinet for approval prior to the disposal of the land.

### **Legal Implications**

17. Under the provisions of the Local Government Act 1999 the Council is subject to a general duty to obtain 'best value' in the exercise of its functions.

### **Estates and Property Advice**

18. It is intended that one planning application is submitted for both schemes and that the works are undertaken in accordance with detailed contracts to protect the Council's position.

### **Procurement Advice**

19. All procurement activity will be undertaken in accordance with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015.

### **Carbon Impact and Climate Change**

20. The parkland restoration is expected to have a positive impact on the land.

### **Consultation**

21. Some initial engagement on the proposals has taken place but further consultation will be undertaken through the normal planning process.



# Proposals to create a naturalistic parkland at Blackwell Grange



The following proposals have been developed over a number of years and have been based on information contained within the "Blackwell Grange Statement of Significance" by Archaeo-Environment and "An Ethnohistoric Study in the Community of Park West and the Parish of Blackwell, Darlington County Durham" by A & M Green, independent studies by TGP Landscape Architects and meetings and dialogue between Darlington Borough Council, the design team and Historic England.

The restoration of the parkland surrounding Blackwell Grange presents a fantastic opportunity to reverse the inevitable loss of biodiversity that will have occurred when the site was converted into a golf course back in 1971. The floristically species-poor, intensively managed grassland, which covers most of the site, currently provides few opportunities for wildlife to thrive. The restoration plans therefore include the creation of a naturalistic landscape through large expanses of colourful wildflower meadows, which will attract a wide range of invertebrates such as butterflies, moths and bees, as well as the smaller insects that birds and bats feed on. These grasslands require specific management to allow the flowering plants to proliferate and annual hay cuts are planned.

The restoration will also see improvements to the original park infrastructure such as the Ha-Ha around the hotel and boundary walls to ensure their continued survival. New surfaced footpaths will be created to improve circulation and links to the wider town via a new pedestrian entrance on Grange Road. Mown grass footpaths will be created throughout the wildflower meadows to maximise the recreational use of the parkland.

The small pond to the south of Blackwell Grange Hotel has become overgrown with dense common reed, and this will be removed and the pond re-instated to its original, larger size. The waterbody is known to be used by great crested newts and other amphibians and the pond will incorporate a range of features that provide habitat niches to maximise the value of the pond to wildlife. Elements will include the introduction of a variety of aquatic plants that are favoured by newts for egg-laying, shallow water areas for frogs to spawn in and deeper water for frogs and invertebrates to use in the winter. Emergent plants will also be introduced, which are used by some dragonfly and other invertebrate larvae to climb out of the water before suzanne and emerald as adults.

Most of the trees in the parkland, including the peripheral boundary woodland belts, will be retained and managed, although some of the more recent soft course plantings will be removed to reinstate the form of the original lime avenue. A number of additional trees will be planted to provide replacements for the mature specimens that will eventually succumb to old age. These trees will be large parkland species and a mix of native trees and more exotic ones to maximise species diversity, laid out in a naturalistic style to reflect the design influences from the parkland's history. A community orchard is proposed within the parkland or possibly the walled garden to the rear of the hotel. This would see the introduction of fruit and nut trees, some of which could be heritage varieties, which will further improve biodiversity and provide food for wildlife and people alike.

New habitat features will be created in addition to the meadows and tree planting, bird and bat boxes for a wide variety of bird and bat species will be sited around the parkland on the existing trees and hibernaculum for hedgehogs and amphibians will be installed in suitable locations to provide shelter over winter for these species.

Interpretation boards will be installed throughout the parkland explaining the historic features such as the former ice house and line of Mill Lane and ecological benefits of the proposals.



Wildflower Meadow



Bird Boxes and Bat Boxes



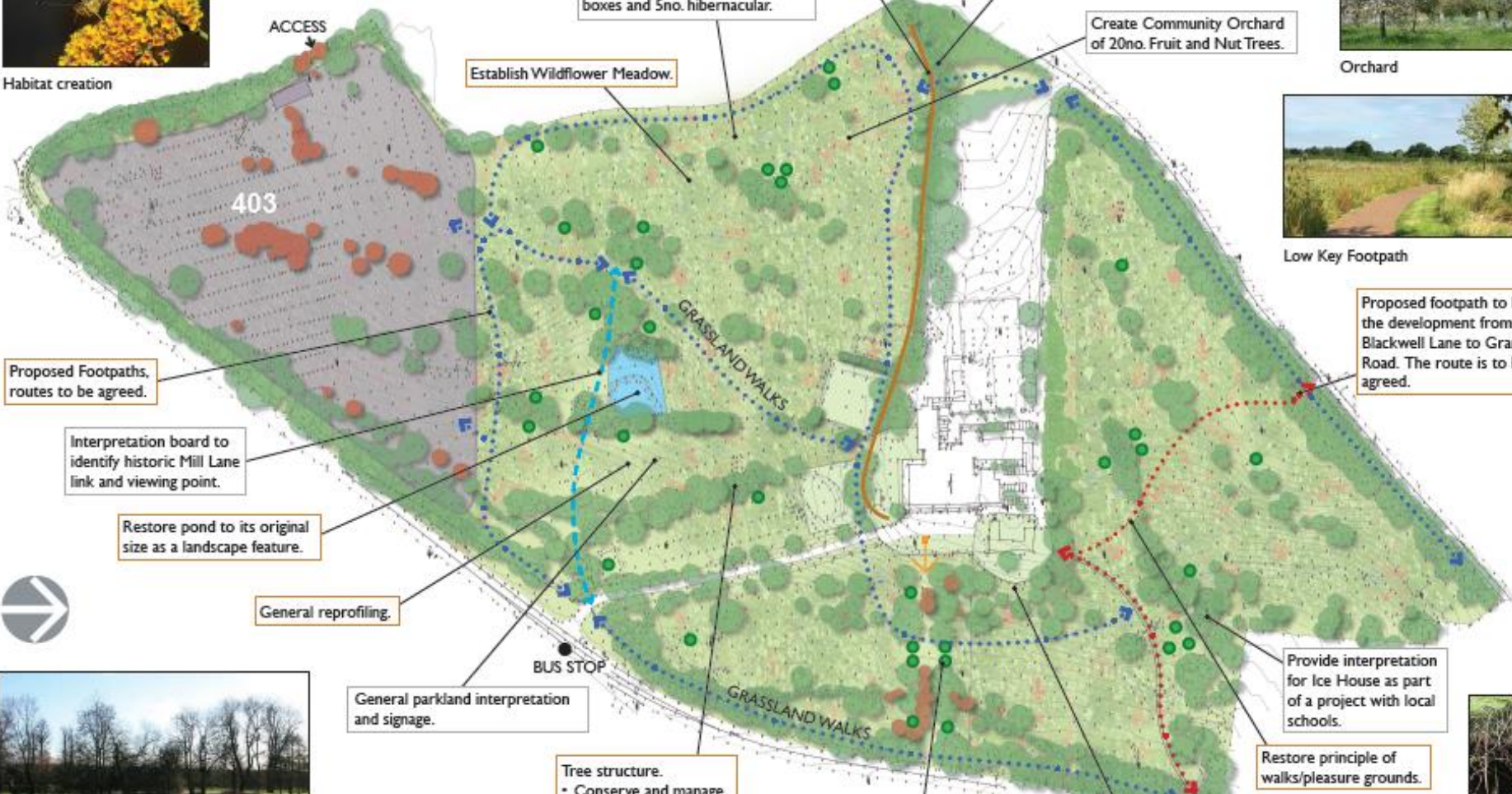
Hibernaculum



Espalier Fruit Trees



Habitat creation



- KEY
- Trees to be retained.
  - Trees to be removed.
  - Proposed trees.
  - Re-establish historic views.
  - Indicative Development areas.
  - Existing Ha Ha.
  - Existing footpaths / grassland walks.
  - Proposed hard surfaced footpaths.



Low Key Footpath



Mown Grass Paths



Existing Ha Ha



Existing Ha Ha



Existing Ha Ha



1790 Map of Blackwell Grange



1802 Map of Blackwell Grange



Existing Pond



Wetland Pond Restoration



Interpretation Board



Common Alder



Horse Chestnut



Common Hornbeam



Small Leaved Lime



Common Lime



Weeping Willow



English Walnut



# Proposals to create a naturalistic parkland at Blackwell Grange



The final phases of work on the restoration of Blackwell Grange Parkland will see the introduction of new seating and litter bins throughout the park, allowing people to rest and take in the surroundings and views.

The boundary walls of the parkland will be repointed, stabilised and missing sections will be replaced, ensuring the long term survival of this original feature. The existing railings along the entrance driveway will be removed and replaced with new estate rails to match the existing.

The initial works to restore the parkland will be carried out over a few years but in order to ensure the proposals are established sustainably, there will need to be a long term management and maintenance programme in place over the following 30 years. For example the wildflower meadow areas may well take 5 years to establish.



Timber Seating



Cast Iron Seating



Timber Litter Bin



Cast Iron Litter Bin

- KEY
- Trees to be retained.
  - Trees to be removed.
  - Proposed trees.
  - Re-establish historic views.
  - Indicative Development areas.
  - Existing Ha Ha.
  - Existing footpaths / grassland walks.
  - Proposed hard surfaced footpaths.



Scarlet Oak



Copper Beech



Cedar of Lebanon



Rowan



Sweet Chestnut



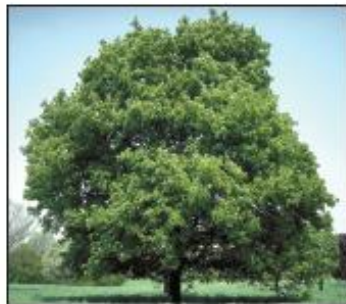
European Larch



Tulip Tree



Dawn Redwood



Norway Maple



Common Beech



English Oak



Existing Estate Railing



New Estate Railing



Existing Boundary Wall

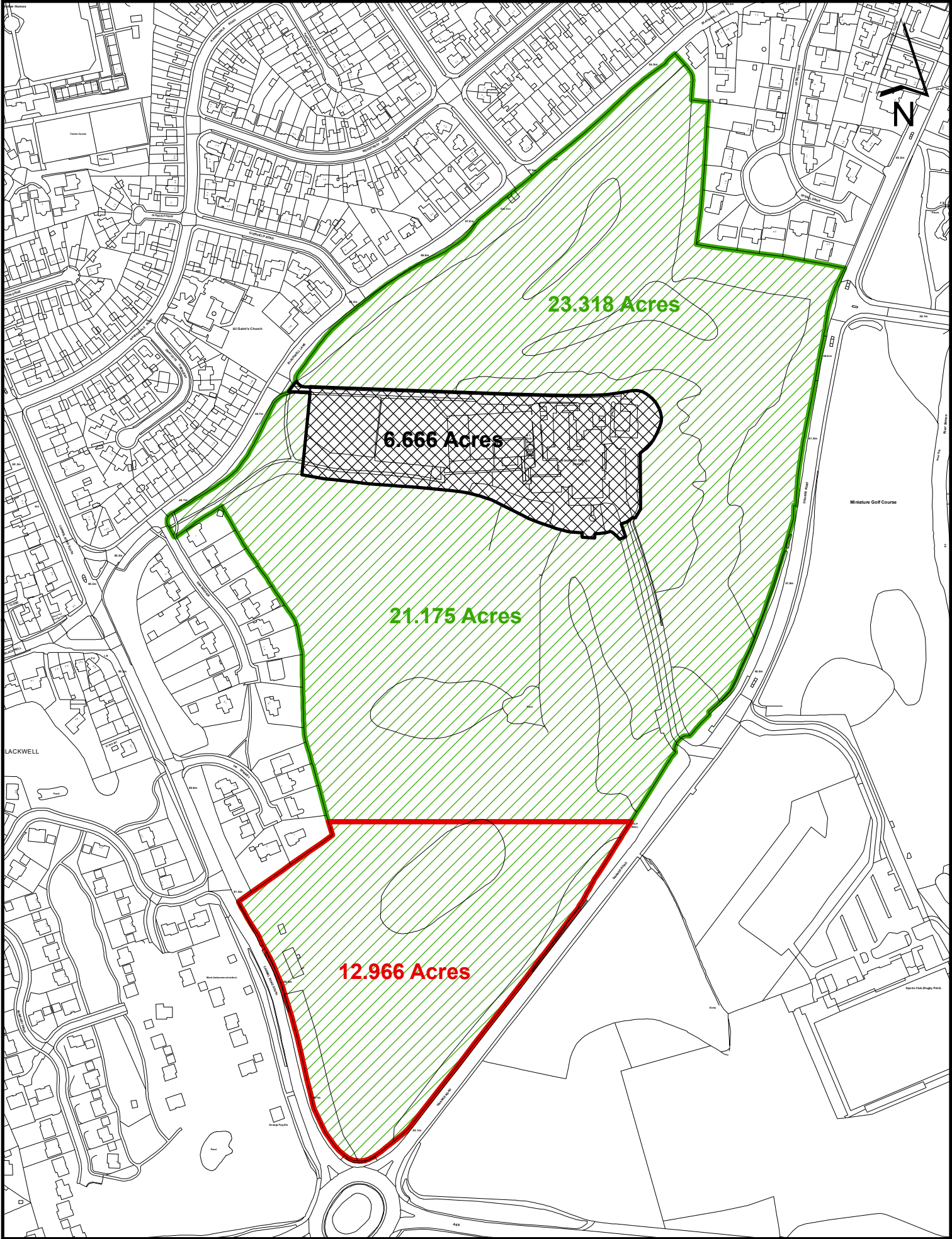


Existing Boundary Wall



Existing Boundary Wall





DARLINGTON BOROUGH COUNCIL ECONOMIC GROWTH GROUP CORPORATE LANDLORD TEAM ESTATES & PROPERTY, TOWN HALL FEETHAMS, DARLINGTON Co. DURHAM, DL1 5QT	Project Title:	DBC OWNED LAND - FORMER BLACKWELL GOLF COURSE		Scale: 1 : 4000	Ref: AT A4
	Drawing Title:	RESIDENTIAL DEVELOPMENT AREA - OUTLINED IN RED		Date: 12/10/22	Area:
				Drawn: RMH	

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**APPENDIX 3**

**Schedule of Terms and Conditions**  
**Land at Blackwell – Disposal to a new JV Company**

**Background**

1. Subject to Cabinet approval, it is proposed that a planning application would be submitted for residential development on site 403 and for the restoration of the parkland surrounding Blackwell Grange Hotel, as shown on the plans at **Appendix 1**.
2. Principle heads of terms can be finalised once the planning application has been through the planning process and costs relating to the development identified. Tendered costs for the parkland will also need to be obtained as it is proposed that the parkland restoration is funded from the sale of the land.

<b>SALE HEADS OF TERMS</b>	
Buyer	The new JV company when established, subject to a further Cabinet approval
Seller	Darlington Borough Council
Property	Land At Blackwell, site 403
Completion Date	The date that all the Conditions have been either satisfied or waived (where permitted)
Purchase Price	To be agreed
Conditionality	Completion is to be conditional upon: a) Planning consent being obtained, and b) Funding
s.106 Obligations/Payments	In order to secure the grant of planning, DBC (as landowner) will need to commit (by way of cabinet resolution) to be responsible for all the s.106 planning obligations relating to the whole site.  On this basis the contract may require that: (a) On exchange the Buyer will enter into a s.111 Agreement with the Local Planning Authority annexing the agreed form of s.106 Agreement which will be entered on completion
Reports/Warranties/Letters of Reliance	Warranties for the works undertaken by the Buyer to be provided to the Council
Description of Buyer's Works , the Parkland Restoration Works	The Buyer's Works to be detailed in the Contract of sale

Long Term Maintenance of the Parkland	The parties to make arrangements for the future management of the parkland
Management and maintenance of site 403	It is proposed that a levy arrangement would be applied with appointment of a management company
Seller	Darlington Borough Council
Buyer	A JV company (ESH and Darlington Borough Council)
Restrictive Covenants	It is proposed that site 403 would be developed for circa 44 dwellings – subject to planning.
Rights for Services	To be agreed
Overage Beneficiary	Darlington Borough Council
Overage Terms	To be agreed (b) the calculation of overage payment (c) the duration of the agreement (d) the restrictions on disposals
Thresholds	Overage Thresholds to be agreed.
Provisions	Charge over Land to protect the Council's position.

3. A further report will be submitted to Cabinet with the proposed sale price and seeking approval to establish a new Joint Venture company with Homes by ESH to undertake the parkland restoration and development of site 403. This is subject to the viability of the proposals.

**CABINET**  
**7 FEBRUARY 2023**

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**PROJECT POSITION STATEMENT & CAPITAL PROGRAMME MONITORING**  
**QUARTER 3 2022/23**

---

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

**Responsible Director -**  
**Dave Winstanley, Group Director of Services**  
**Elizabeth Davison, Group Director of Operations**

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**SUMMARY REPORT**

**Purpose of the Report**

1. This report provides:
  - (a) A summary of the latest Capital resource and commitment position, to inform monitoring of the affordability and funding of the Council's capital programme.
  - (b) An update on the current status of all construction projects currently being undertaken by the Council.
2. It also seeks approval for a number of changes to the programme.

**Summary**

3. The projected outturn of the current Capital Programme is £277.981m against an approved programme of £279.857m. The investment is delivering a wide range of improvements to the Council's assets and more critically, to Council services. Refurbishment of council homes, improved learning environments in schools, better traffic flows and opportunities for sustainable travel have been achieved and are detailed within the report. The programme, including commitments, remains affordable within the Medium Term Financial Plan (MTFP) for 2022/23 – 2025/26.
4. The Council has a substantial annual construction programme of work. The current project position statement (PPS) shows there are 44 live projects currently being managed by the Council with an overall projected outturn value of £183.507m. The majority of projects are running to time, cost and quality expectations but are being monitored given the current pressures on resources in the construction sector nationally.
5. The projects are managed either by the Council's in-house management team, a Framework Partner or by Consultants sourced via an open/OJEU tender process.

## **Recommendations**

6. It is recommended that Cabinet:
- (a) Note the attached status position on construction projects.
  - (b) Note projected capital expenditure and resources.
  - (c) Approve the adjustments to resources as detailed in paragraph 21.

## **Reasons**

7. The recommendations are supported by the following 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.

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

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

## **Background Papers**

- (i) Capital Medium Term Financial Plan 2022/23 – 2025/26
- (ii) Project Position Statement November 2022

Brian Robson : Extension 6608  
Claire Hayes : Extension 5404

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 carbon impact implications in this report
Diversity	There are no specific implications for diversity
Wards Affected	All wards are affected.
Groups Affected	The proposals do not affect any particular groups within the community
Budget and Policy Framework	This report does not represent a change to the budget and policy framework.
Key Decision	The report does not represent a key decision
Urgent Decision	For the purpose of the 'call-in' procedure this does not represent an urgent matter.
Council Plan	The Capital Programme referred to in the report supports delivery of the Council plan.
Efficiency	The recommendations support the effective and efficient use of resources.
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

#### 2022/23 Capital Spend and Resources

### Information and Analysis

8. **Appendix 1** is for information and lists all live construction projects and provides details on numbers, type and details of the key individuals responsible for the delivery of the projects. It also provides a statement on the current status position on each project, details of actions being taken, where required and any current issues.
9. **Appendix 2** summarises the Council's capital commitments which are yet to be financed and also shows how it is intended for them to be financed. The total value of commitments, including available resources brought forward from previous years and 2022-23 schemes previously released by Cabinet, is £183.291m.
10. **Appendix 3** shows the Council's projected capital receipts and how they are going to be utilised to help finance the capital programme over the life of the MTFP.

### Project Position Statement

11. Project management procedures require the production by project managers of a Project Position Statement (PPS) for all projects over £75,000. This report brings together the pertinent data from the current PPS with financial information from the Financial Management System (FMS) and approvals by Cabinet.

12. The Project Position Statement (Appendix 1) details the current live construction projects, up to the end of November 2022, by delivery area, and provides details on numbers, type and details of the key individuals responsible for the delivery of the projects. It also provides a statement on the current status position on each project, details of actions being taken, where required and any current issues. The statement excludes any completed projects or those on hold.

13. The overview of live construction projects is as follows:

	Projects	Current Approved Budget £ / p	Projected Outturn £ / p	Variance %	Variance (Value) £ / p
Chief Executive & Economic Growth	16	54,276,914	54,125,032	(0.3)	(151,882)
Operations	16	52,275,256	52,214,116	(0.1)	(61,140)
People	2	4,154,566	3,973,654	(4.4)	(180,912)
Services	10	72,894,473	73,193,881	0.4	299,408
<b>TOTAL</b>	<b>44</b>	<b>183,601,209</b>	<b>183,506,683</b>		<b>(94,526)</b>

14. The table shown above includes a column for current approved budget. In certain cases this budget figure may be different from the original approved budget. This could be as a result of variances identified during construction or other variables not known at the initiation stage. The original budget and all subsequent changes have been reported to and approved by Cabinet.

15. The live projects are at the following stages:

Department	Brief	CP1	CP2	CP3	CP4	CP5	Total
Chief Executive & Economic Growth	0	4	1	6	3	2	16
Operations	0	4	0	8	4	0	16
People	0	0	0	0	1	1	2
Services	0	3	0	3	1	3	10
<b>TOTAL</b>	<b>0</b>	<b>11</b>	<b>1</b>	<b>17</b>	<b>9</b>	<b>6</b>	<b>44</b>

**Control Point 1 (CP1) – Start Up:** is used to define the position of a project at its conception stage.

- (a) **Control Point 2 (CP2) – Initiate:** defines a project at feasibility stage and will likely include a desktop assessment of a project and the use of informed estimates.
- (b) **Control Point 3 (CP3) – Define:** the point that the project is progressed to RIBA Stage F, i.e. detailed design.

- (c) **Control Point 4 (CP4) – Construction Phase:** is the stage at which work begins on the project, i.e. for a construction project on site through to build completion.
- (d) **Control Point 5 (CP5) – Evaluate:** is the stage post completion of the project at which time the project is reviewed and lessons learned are discussed in order that they can be taken to the next or similar projects.

16. The status on live projects is as follows:

Department	▲	●	★
Chief Executive & Economic Growth	2	13	2
Operations	0	15	1
People	0	1	1
Services	3	6	0
<b>TOTAL</b>	<b>5</b>	<b>35</b>	<b>4</b>

- (a) Star and triangle symbols (star better than, triangle worse than) are used to identify projects that have variances which are:
  - (i) More than £5,000, if the variance is also more than 5% of the approved budget for the project, or
  - (ii) More than £50,000 regardless of the percentage variance
- (b) Projects that are within these margins are symbolised with circles.
- (c) In addition to cost, the same symbols are used to indicate similar levels of variances in time and quality/outputs/outcomes.

17. Current projects with the triangle symbol are as follows:

Project	Reason for Variance	Action
Skinnergate Re-development Housing	A delay was encountered following the production of a revised design to satisfy concerns raised by English Heritage at the planning application stage	The design team are working on the Stage 4 design and reviewing the programme to see if there is an opportunity to save time. The team are also working through issues with Nutrient Neutrality
Ingenium Parc Masterplan + Infrastructure	Delays encountered due to ground conditions, phase II works underway	Contractor on site to complete drainage works by end of February 2023

Demolition of 12-18 King Street	The expected outturn cost currently sits above the initial budget, this will be market tested in the new year	Demolition cannot proceed until a Bat License has been issued and a Party Wall agreement has been finalised, current programme to start the works is April 2023
Crown Library Refurbishment	Delays and additional costs have been encountered from the withdrawal of the originally appointed roofing contractor	Building Services are now working with a new roofing contractor and the scheme is progressing
A68 Woodland Road Outram Street Duke Street	A delay has been encountered due to the need for a public Inquiry for the Duke Street proposals	Works due to commence on Outram Street/Duke Street in January 2023

### Reconciliation of Project Position Statement to Capital Programme

18. The table shown below reconciles the differences between the Capital Programme (CP) and the Project Position Statement (PPS). Differences occur because the Project Position Statement includes all construction projects over £75,000 in value funded from Capital and Revenue sources. Spending within the Capital Programme is not always of a construction nature, can be of any value and excludes Revenue funded schemes.

	Value £m
<b>Live Projects from Project Position</b>	183.507
Schemes closed or on hold within CP but awaiting PPS post project review.	6.830
Annualised Schemes excluded from PPS - Housing Repairs & Maintenance	0.267
Annualised Schemes excluded from PPS - Highways Maintenance	7.113
Annualised Schemes excluded from PPS - Childrens Services School Maintenance	0.253
Non construction excluded from PPS	15.194
Capital Investment fund excluded from PPS	25.694
Projects under 75k excluded from PPS	2.161
Capital Schemes not yet integrated into PPS reporting	32.377
Included in PPS & CMR	0.469
Funding not yet allocated	4.116
<b>Capital Programme</b>	<b>277.981</b>



19. The table below shows the split of the approved capital programme of £279.857m, between the different service areas and also the various categories of spend. When compared to the table above it shows that there is a projected £1.876m underspend on the approved capital programme.

	Construction							
	Live Schemes 75k & Over	Annualised Schemes	Completed Schemes awaiting review	Live Schemes under 75k	Non construction	Capital investment fund	Housing New Build not yet allocated	Total
Area	£m	£m	£m	£m	£m	£m	£m	£m
Housing	67.078	0.267	2.204	0.161	1.205	0.000	0.303	71.218
Economic Growth	54.999	0.000	0.498	0.318	9.876	25.693	3.368	94.752
Highways/Transport	64.129	7.113	7.553	1.252	1.334	0.000	2.361	83.742
Leisure & Culture	22.351	0.000	0.073	0.175	0.000	0.000	0.000	22.599
Education	3.970	0.253	0.000	0.255	0.053	0.000	0.289	4.820
Adult Social Care	0.000	0.000	0.000	0.000	0.071	0.000	0.000	0.071
Other	0.000	0.000	0.000	0.000	2.655	0.000	0.000	2.655
<b>Total</b>	<b>212.527</b>	<b>7.633</b>	<b>10.328</b>	<b>2.161</b>	<b>15.194</b>	<b>25.693</b>	<b>6.321</b>	<b>279.857</b>

### Capital Programme

20. Paragraph 21 shows the movements in the Capital Programme since the approval of the 2022/23 Capital MTFP, some of which have not yet been approved by Members

21. Adjustment to resources requested by departments:

### Adjustments needing approval release















Department	Scheme	Value £	Reason for adjustment	Resource type adjusted
Operations	LAD Phase 2	£121,338	TVCA LAD Phase 2 grant funding	Release
Chief Executive & Economic Growth	West Park JV	(£5,577,000)	Funds no longer required	Funds returned to centre/investment fund
Services	Crown Street Library	£4,190	RCCO 22/23	Release
<b>TOTAL</b>		<b>(£5,451,472)</b>		

## Virements

Department	Scheme	Value £	Reason for adjustment	Impact on budget
Services	Skinnergate & Indoor Market	(£120,000)	Funds no longer Required - returned to Advanced Design	Nil Effect
Services	Advanced Design	£120,000	Funds from Skinnergate & indoor market scheme no longer Required - returned to Advanced Design	Nil Effect
Services	White Horse Junction	(£7,500)	Funds no longer Required - returned to Advanced Design	Nil Effect
Services	Advanced Design	£7,500	Funds from White horse Junction no longer Required - returned to Advanced Design	Nil Effect
<b>TOTAL</b>		<b>£0</b>		

## Outcome of Consultation

22. There has been no consultation in the preparation of this report.

Project	CP1 Start Up	CP2 Initiate	CP3 Design	CP4 Delivery	CP5 Review	Status Symbol	Status	Client Department	Delivery Department	Internal Project Sponsor	Internal Project Manager	Cost Centre	Feasibility Budget	Original Approved Budget	Increase To Initial Approved Budget	Current Approved Budget	Project Expected Out Turn Cost	Variance (%)	Variance (value)	Original Planned Project Completion Date	Revised Approved Project Completion Date	Anticipated Project Completion Date	Schedule Variation (Days)	CDM Notifiable Project	Principal Designer	Previous Plan Progress	Plan Progress	Budget Progress Report	Issue Status Report	Lead Consultant	Contracts in place	Contract Type/Form	Contract With	Contract Value
Yards Phase 2							Live	Economic Growth & Neighbourhood Services	Economic Growth	Mark Ladyman	Mike Bowron	R0180	£0	£800,000	£0	£800,000	£800,000	%	£0	31-Mar-23	31-Mar-23	31-Mar-23	0		DBC	Agreed completion programmes are being made with the contractor for existing works. New properties identified are currently being consulted on with the property owners and/or landlords. Site project of Awing installation is being looked at with a specialist awing company. This fits in with the Project Darling and the Skewenagie Neighbourhood Concepts. It will be subject to business agreement and technical acceptance as well as formal permissions.	Some difficulties are being experienced with businesses both not being available when works are to take place as well as some businesses unfortunately closing because of the current economic climate. This has been reflected in the volume of works being able to be carried out which is less than anticipated. Businesses are already raising concerns about any disruption over the build up and the Christmas period. Requests are being made to delay some works until after the new year, putting pressure to carry out more works at the back end of the financial year and increasing the risk of not achieving the desired spend levels.		Businesses have started to raise concerns about works affecting the Christmas period, major works are to be delayed until after Christmas but existing works including appropriate street signage promoting the Yards is being completed as soon as possible.	Lee Davill	Main Contract	JCT	DBC Contract Services	£600,000
Yards Phase 1							Live	Economic Growth & Neighbourhood Services	Economic Growth	Mark Ladyman	Michael Bowron	R0176	£350,000	£488,000	£12,000	£500,000	£488,000	-2%	£-12,000	30-Nov-21	31-Mar-22	31-Mar-22	0	Yes	DBC	Remaining works have been completed and a post project review is being arranged.	Remaining works have been completed and a post project review is being arranged.		Works not able to be achieved in 2021/2 have been committed and carried forward.		Main Contract	JCT	DBC Contract Services	£357,853
West Cemetery Development							Live	Services	Services	Ian Thompson	Brian Robson	R0154	£0	£4,911,795	£1,750,000	£6,661,795	£6,661,795	%	£0	13-Jun-22	04-Nov-22	20-Jan-23	46	Yes	Todd McBurn	Chapel handover Inc external - 231/222 delays due to materials not being ordered or paid for on time. Burial Area's Handover - 231/222	Burial Area's Handover - Anticipated 20/01/23 delayed due to inclement weather.		Building Control certificate and H&S / O&M's files still outstanding for the Crematorium along with snagging items.	Align	Architect	Standard DBC T&C	Align	£500,539
Skinnergate Re-development Housing							Live	Services	Services	Anthony Sandys	Brian Robson	H6748	£0	£4,950,000	£0	£4,950,000	£4,950,000	%	£0	31-Mar-22	31-Oct-23	31-Oct-23	0	Yes	Andrew Burnford	The scheme has been caught in the Nutrient Neutrality (NN) issue which may have an impact on start on site date. JBA consulting have been appointed to work through the NN calculator process with Natural England. Due to the NN issue it is unlikely that the foundations can be cast prior to the current Building Regulations deadline of June 2023. Therefore some re-design work will be required.	The scheme has been caught in the Nutrient Neutrality (NN) issue which will have an impact on start on site date. JBA consulting have been appointed to work through the NN calculator process and indicators are some mitigation work will be required. Once the NN work is complete discussions will be held with Natural England. Due to the NN issue it is unlikely that the foundations can be cast prior to the current Building Regulations deadline of June 2023.		1. Initial surveys undertaken, which reveal major loss of structure to heritage building and adjacent property. 2. Historic England opposition to designs are now addressed but significant delays have ensued.		Design Work	Bloom Framework	Design Services	£368,795
Rowan East Extension							Live	Economic Growth & Neighbourhood Services	Economic Growth	Guy Metcalfe	Richard Storey	D0192	£10,000	£10,000	£0	£10,000	£10,000	%	£0			0	Yes	Mike Johnson	2 feasibility options presented: 1. mirroring phases 1&2 with 22 plots with amenity blocks. Estimate £2.1m. 2. option chalet style plots 14 number with lesser amenity block - estimate being worked up	CP2 to be authorised with preferred option 1.		Initial plan for site extension agreed in principle with Homes England. Surveys completed. Design work ongoing. Decision required on which option to proceed with following 2nd estimate.		Main Contract	JCT	DBC Contract Services	£357,853	
Railway Heritage Quarter							Live	Services	Services	Ian Thompson	Brian Robson	R0155	£210,000	£20,000,000	£15,140,000	£35,140,000	£35,140,000	%	£0	30-Sep-24	30-Sep-24	30-Sep-24	0	Yes	Space Architects	Works are ongoing on the new engineering shed on Bonnow Way. An access issue has delayed the start of works on the 1861 shed. An inspection of Olney Terrace rail has now been completed	The Steel frame for the new engineering shed is now complete and cladding work to the external elevations is now ongoing. Access has been granted to the 1861 shed from 30 October so works are underway to clear the internal area.		Issues with land acquisition with Network Rail is now resolved		Main Works	Scope	Wilnott Dixon	£30,334,766
Chesham Rd							Live	Operations	Operations	Anthony Sandys	Richard Storey	H6745	£0	£31,069,000	£1,008,203	£32,077,203	£31,975,954	%	£-101,249	02-May-25	02-May-25	05-Dec-24	148	Yes	Lee Davill	Roadworks on Neasham Road not to adoptable standards. Report being drafted for allocation of further funds from JV.	Works to lay raft foundations have progressed well over the last month despite weather. However, due to time lost to foundation design delays and gas venting redesign available float is at a minimum and sub-contractor may be asked to accelerate in the new year to for all rafts to be poured. Sufficient contingency is available for this. ESH SUDS work and 278 work complete for sign off.		Deadline for laying foundations by June 23 now constrained - plans in place for contract acceleration.		Internal	Internal	Internal	27992683
Information Central							Live	Economic Growth & Neighbourhood Services	Economic Growth	Anthony Hewitt	Joanne Wood	R0157	£500,000	£50,000	£8,287,854	£8,337,854	£8,337,854	%	£0	31-Dec-21	31-Aug-22	31-Aug-22	0	Yes	Napper Architects	The project is now in a 12 month defect period until end of August 2023. The Operator has 5 business occupiers, 4 within office spaces and 1 within a lab space. The telephone mast is still to be constructed and installed on the building. The delay has been caused through the telephone provider not undertaking the correct fibre survey. This is hopefully due to take place to enable the build team to construct and install.	The project is now in a 12 month defect period until end of August 2023. The Operator has 5 business occupiers, 4 within office spaces and 1 within a lab space. The telephone mast is still to be constructed and installed on the building. The delay has been caused through the telephone provider not undertaking the correct fibre survey. This is hopefully due to take place to enable the build team to construct and install.			Napper Architects	SCAPE	NEC Engineering & Construction Contract Option A	Wilnott Dixon	£7,223,510
Ingenium Parc Masterplan + Infrastructure							Live	Economic Growth & Neighbourhood Services	Economic Growth	Anthony Hewitt	Joanne Wood	R0144	£0	£611,500	£4,265,593	£4,877,093	£4,877,093	%	£0	31-Aug-18	31-Aug-22	23-Dec-22	0		Noel Walcott	Drainage work is continuing, however, a live water main was discovered within the proposed basin area so the design had to be altered slightly to take this into account. Costs have been received for the additional 3 ponds and approval for these have been given. These ponds can only be constructed between Nov/22 and end of Feb 23.	The drainage work is continuing, however, the bad weather is causing major issues with the digging out of the basin as it is totally flooded and waterlogged. Awaiting contact from the Contracts Manager to discuss the site.		The recent storms have caused problematic ground conditions although work has continued additional costs have been realised. Due to the weather conditions it is possible that phase 2 works will go beyond the programme.	Lynas	Spine Road, Phase 2 Ecological mitigation planting & seeding	Short Term NEC	DBC Highways / Birmingham	£1,109,897
Eastbourne Sports Pitches & Drainage							Live	Economic Growth & Neighbourhood Services	Economic Growth	Ian Thompson	Rebecca Robson	L0154	£0	£1,610,000	£740,000	£2,350,000	£2,350,001	%	£0	31-Mar-23	31-Jul-23	31-Jul-23	0	Yes	SPACE	Planning Application - September 2022 Start on Site Phase 1 Athletics Track - April 2023 Start on Site Phase 2 Changing & Parking April 2023 Start on Site Phase 3 3G & pitches - Mid April 2023 Handover - August 2023	Planning Application - September 2022 to December 2022 Tender Process - January 2023 Start on Site - April 2023 - August 2023		Planning Validated in September 2022 - Decision due by end of December 2022	Space	Bloom	Standard BOC T&C	Space Architects Design Fees - SPACE Planning up to completion stage 4-7	£95,000.0
Dolphin Centre M & E Refurb							Live	Services	Services	Lisa Soderman	Ben Waide	D0191	£230,000	£2,300,000	£0	£2,300,000	£2,300,000	0%	£0			0	Yes	AN Consultants Andrea Nicholas	Oct 22 - M&E DTA reviewing options across electrical scope due to cost increases. ROI exercise underway to assess feasibility of PV cells. Pool Repairs programme of works under review due to extent of concrete repairs & required lifting works.	Nov 22 - M&E Client to review investment/term cost saving information provided to allow brief to be redefined & project programme developed. Pool repairs Client target to commence operations before end of Oct 2022. Tiling design options being formatted to allow costings to commence		Nov 22 update: Pool repairs: Client requires option appraisal for tiling of full pool movement joints only. Cost assessment to be provided in December for direction. M&E Client to review investment/cost saving proposals provided by consultant to inform project scope.	DTA					
Demolition Sports Direct Building							Live	Economic Growth & Neighbourhood Services	Economic Growth	Guy Metcalfe	Brian Robson	R0177	£0	£300,000	£0	£300,000	£220,000	-27%	£-80,000	30-Jun-22	30-Jun-22	30-Jun-22	0	Yes	A & N Consultants	Demolition works now complete	Demolition works now complete		Contractor will be working to DBC Building Services		Main Works	Nepe Framework	R&B Ltd	£178,350
Demolition of 12-18 King Street							Live	Economic Growth & Neighbourhood Services	Economic Growth	Guy Metcalfe	Rebecca Robson	R0163	£0	£220,000	£0	£220,000	£290,000	32%	£70,000	31/07/2023	31/07/2023	31/07/2023	0	Yes	A & N Consultants	Party wall works have been commissioned	Party wall works ongoing and awaiting planning permission. CP1 needs signing and returning to PM.		Demolition cannot proceed until a Bat License has been issued and the party wall agreement has been drawn up, current programme to start the works is April 2023.	Sourator	Party Wall	DBC T&C's		
Darlington Station Gateway West							Live	Economic Growth & Neighbourhood Services	Economic Growth	Dave Winstanley	Julia McCabe	R0169	£1,600,000	£1,915,246	£172,287	£2,087,533	£1,996,770	-4%	£-90,763	15-Apr-24	15-Apr-24	15-Apr-24	0	Yes	Fairhurst	Applications for the discharge of pre commencement planning conditions been made where appropriate.	Stage 4 Design assessment being undertaken		Programming of the construction works awaiting advice from TVCA, Network Rail and LNER.		Stage 3 & 4 Design	NEC	Fairhursts through Wilnott Dixon	£45,450



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### 2022/23 Capital Resources Summary

Row Ref.		Approved Commitments £M	Virement of Resources £M	Variance £M	Total £M
1	<b>Capital Commitments</b>				
2	Brought forward from 2021/22	159.678			
3	2022/23 Capital Programme (released by Cabinet)	23.613			<b>183.291</b>
4	Projected (Under)/Over Spend				
5	<b>Total Commitments</b>	<b>183.291</b>	<b>0.000</b>	<b>0.000</b>	<b>183.291</b>
	<b>To Be Funded By:</b>				
	<b>External and Departmental Resources</b>				
6	External Funding and Departmental Supported Borrowing	2.676	-	-	<b>2.676</b>
7	Departmental Unsupported Borrowing	0.000	-	-	<b>(0.000)</b>
8	Capital Grants	88.989	-	-	<b>88.989</b>
9	Capital Contributions	1.848	-	-	<b>1.848</b>
10	Revenue Contributions	20.393	-	-	<b>20.393</b>
11	Capital Receipts - HRA	0.303	-	-	<b>0.303</b>
	<b>Total</b>	<b>114.209</b>	<b>0.000</b>	<b>0.000</b>	<b>114.209</b>
	<b>Corporate Resources</b>				
12	Capital Receipts (General Fund)/ Prudential Borrowing	69.082	-	-	<b>69.082</b>
	<b>Total</b>	<b>69.082</b>	<b>0.000</b>	<b>0.000</b>	<b>69.082</b>
13	<b>Total Resources</b>	<b>183.291</b>	<b>0.000</b>	<b>0.000</b>	<b>183.291</b>

### Corporate Resources Analysis

		£M
14	Required Resources to fund 2022/23 expenditure (see above)	69.082
15	<b>Total Planned Use of Corporate Resources</b>	69.082
16	Less: Total Projected net Capital Receipts 22/23 (as per Appendix 3)	(4.918)
17	Add: projects already released and included in the capital commitments above	6.572
18	<b>Corporate Resources required to fund capital programme</b>	<b>70.736</b>

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**Capital Receipts Utilisation - latest projection**

	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Projected Opening Balance as at 1 April	0.579	(1.654)	6.975
Projected net Capital Receipts	4.339	9.029	3.095
Total projected Capital Receipts	4.918	7.375	10.070
<b><u>Less (as per approved capital programme)</u></b>			
Capitalisation utilisation as per MTFP	(1.063)	0.000	0.000
Council funded schemes	(3.935)	(0.400)	(0.400)
Economic Growth Investment Fund	(0.897)	0.000	0.000
Slippage from previous years	(0.677)	0.000	0.000
Projected available Capital Receipts as at 31 March	(1.654)	6.975	9.670

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**CABINET  
7 FEBRUARY 2023**

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**REVENUE BUDGET MONITORING 2022/23 – QUARTER 3**

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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. To provide a forecast of the 2022/23 revenue budget outturn as part of the Council's continuous financial management process.

**Summary**

2. This is the third revenue budget management report to Cabinet for 2022/23. The latest projections show an overall decline of £0.616m on the 2022-26 Medium Term Financial Plan (MTFP), however this is an improvement of £0.735m compared with the previous Quarter 2 revenue budget monitoring report, reported to Cabinet in November 2022. This is due to an improvement in the departmental position of £0.412m, which is detailed later in this report, and the release of the Risk Contingencies budget of £0.323m.

**Recommendation**

3. It is recommended that:-
  - (a) The forecast revenue outturn for 2022/23 be noted.
  - (b) Further regular reports be made to monitor progress and take prompt action if necessary
  - (c) The carry forward requests detailed in paragraphs 16 and 17 be approved.

**Reasons**

4. The recommendations are supported by the following reasons:-
  - (a) To continue effective management of resources.
  - (b) To continue to deliver services to agreed levels.

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

**Background Papers**

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

Brett Nielsen : Extension 5403

S17 Crime and Disorder	There are no specific crime and disorder implications in this report.
Health and Wellbeing	There are no issues relating to health and wellbeing which this report needs to address.
Carbon Impact and Climate Change	There are no specific carbon impact issues in this report.
Diversity	The report does not contain any proposals that impact on diversity issues.
Wards Affected	All wards are affected.
Groups Affected	No specific groups are particularly affected.
Budget and Policy Framework	This decision does not represent a change to the budget and policy framework.
Key Decision	The report does not require a key decision.
Urgent Decision	The report does not require an urgent decision.
Council Plan	The subject matter of the report, the Councils financial standing and financial management, is critical to delivery of the Council Plan, but this report does not contain new proposals.
Efficiency	The report contains updated information regarding efficiency savings contained in the 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

5. This is the third revenue budget management report to Cabinet for 2022/23 and provides the latest forecast of the 2022/23 revenue position as part of the Council's continuous financial management process.
6. To enable timely information to be presented and in accordance with the report publication requirements, this report has been completed before the end of the third quarter. As the Council operates frequent, regular and predictive budget management processes, including quarterly reports to Cabinet, changes in projected outturn, which are inevitable in a large and complex organisation, will be reported to future meetings.
7. The information in this report has been taken from the financial records for November and managers' projections for the remainder of the year, using their knowledge of events affecting the services they manage.
8. Overall, the projected General Fund reserves position as at the 31 March 2023 is £23.397m, which is an improvement of £0.735m on the position reported in the previous report to Cabinet. This improvement relates to an improvement in departmental budgets of £0.412m and the release of the Risk Contingencies budget of £0.323m, detail is given below.

### Departmental Resources

9. Departmental resource projections are summarised in **Appendix 2** and detailed in **Appendices 2(a) to 2(e)**.
10. The **People Group** budget is projected to be overspent by £1.028m after previously approved carry forwards and new requests, which is a slight improvement of £0.026m on the position reported at Quarter 2. The main changes to the budget position since Quarter 2 are detailed below:
  - (a) **Children's Services** are projecting an overspend of £1.954m at year end, which is a decline in the position reported at Quarter 2 of £0.396m. The main changes to the budget position since Quarter 2 are detailed below:
    - (i) The **Assessment & Care Planning & LAC** budget is projected to be overspent by £0.239m an increase of £0.091m on the position reported at Quarter 2. This increase in overspend has mainly arisen due to an increase in the demand for support for children and families, not currently in care.
    - (ii) The **Adoption and Placements** budget is projected to be overspent by £2.418m at year end, £0.706m greater than reported at Quarter 2. Placement costs have increased due to an additional 8 residential placements at a projected cost of £0.612m and 2 additional independent foster carer placements at £0.161m. This increase has been offset by savings in the other placements budgets of £0.067m.

- (iii) **First Response & Early Years** budgets are projected to be underspent by £0.506m an increase in underspend of £0.392m on the figure reported at Quarter 2. This saving results from the receipt of grant funding which has offset expenditure, staff turnover and savings across supplies and services budgets.
  - (b) **Education** is projected to be underspent by £0.101m a decrease in underspend of £0.022m on the position reported in Quarter 2. This is mainly due to additional school transport routes and price changes of £0.066m which have been partly offset by additional savings in running costs and the use of specific grant of £0.041m.
  - (c) **Adult Social Care and Health** is projected to be underspent by £0.732m at the year end, which is an improvement £0.416m on the position reported at Quarter 2. The main elements of this movement are broken down into:
    - (i) There is a projected saving of £0.636m from the **External Purchase of Care** budget areas, an improvement in saving from that reported at Quarter 2 of £0.457m. This movement comprises savings of £0.310m due to a reduction in care packages, including domiciliary care, (a reduction of 206 hours) and attrition. The review and assessment of people's ability to contribute towards their care and support services has increased the income projection by £0.063m. The non take up of transport, has led to a saving of £0.054m and additional reclaims of Direct Payment balances of £0.030m have been achieved.
    - (ii) The **Older People** budget area has improved due to the receipt of backdated income from Health for Independent Mental Health Advocacy of £0.129m.
    - (iii) The **Service Development & Integration** budget is showing an increase in overspend of £0.205m from the position reported at Quarter 2. This increase arises from an increase in the bad debt provision due to expected unrecovered charges for services.
11. The **Services Group** is projecting an underspend of £0.610m after previously approved carry forwards and new requests. This is an improvement of £0.077m from the reported position at Quarter 2. The headline changes are detailed below:
- (a) **Capital Projects, Transport & Highways Planning** the overall projected underspend is £0.232m, this is an improvement of £0.102m from Quarter 2.
    - (i) **Highways** – the expected impact of inflationary growth on responsive repairs is now expected to be managed within existing resources as the milder winter impacts positively on the repairs programme. As the procurement of electricity delivered by NEPO for 2022/23 is finalised, we expect the overall costs of electricity to be lower than previously reported. There are additional staffing costs within engineering services, however overall, there is an expected improvement of £0.074m from Quarter 2.
  - (b) **Community Services** is expected to be underspent by £0.256m an improvement on Quarter 2 of £0.053m as detailed below:

- (i) **Community Catering** – transitional costs of £0.019m linked to the withdrawal of the school meals service are not expected to be fully incurred.
  - (ii) **Street Scene** – costs associated with the introduction of a new waste collection round have not been fully needed in 2022/23 as the new collections have been managed within existing crews. Overall, the underspend for Street Scene has improved by £0.050m since Quarter 2.
  - (iii) **Waste Management** – the overall position is expected to be better than budget by £0.117m which is an improvement of £0.029m from the previously reported position as household tonnages continue to return to pre-covid levels.
  - (iv) **Transport Unit – Fleet Management** – the service is needing to replace their existing software management system and is requesting a carry forward of £0.050m to support the implementation, resulting in a forecast overspend at year end of £0.050m. The existing system has come to the end of its life cycle and the provider is to end ongoing support.
- (c) **Building Services** is projected to be overspent at the year end by £0.070m from a reported balanced budget position at Quarter 2. Construction is not expected to achieve its surplus target in 2022/23 following the slippage on several schemes and will see a shortfall against target of £0.190m, however, additional works carried out on void properties within the maintenance team and recovery of the recent pay award from clients will see this pressure reduce by £0.120m to give a net pressure of £0.070m.
12. The **Operations Group** is projecting a year end budget overspend of £0.017m, after previously approved carry forwards. This is an improvement of £0.061m on the position reported at Quarter 2.
- (a) **Assistant Director Law & Governance** is projecting an overspend of £0.258m, which is an increase of £0.088m from the Quarter 2 report. The main movements are an increase in Children’s legal costs due to increased caseloads and complexity of cases of £0.124m, partly offset from savings due to vacant posts and running costs.
  - (b) **Assistant Director Housing and Revenues** is projecting an underspend of £0.057m an improvement of £0.090m on the position reported at Quarter 2. This improvement is from staff turnover and savings on running costs across all teams within this division
13. The **Chief Executive & Economy Group** is projecting an underspend by £0.308m after previously approved and a new carry forward request of £0.018m, an increase in underspend of £0.248m from the position reported previously.
- (a) **Property Management and Estates** has seen an improvement of £0.227m from Quarter 2 following final agreement on back-dated service charges that has allowed the release of a previously accrued expenditure provisions of £0.134m. Net savings in

staffing, supplies and improved fee projection, totalling £0.093m have seen the position improve.

14. The School balances and allocations are shown in **Appendix 2(f)**.

#### **Carry Forward Requests**

15. There are a number of carry forward requests to 2023/24 amounting to £0.178m from departments as detailed below. The requests are categorised into three areas: slippage, assisting in achieving the conditions of the MTFP and budget pressures. Approval is requested to carry these amounts forward into the new financial year.
16. Assist in achieving the conditions set out in the MTFP :-
- (a) **Street Scene £0.040m** – there is a lack of adequate storage available at the depot for the equipment and supplies used by Street Scene. It is proposed to purchase and install a storage solution in the Street Scene garage. This will improve efficiency as well as meet any H&S requirements. The estimated cost of the solution has increased and it is requested to carry forward £0.040m to support its implementation in 2023/24.
  - (b) **Indoor Bowling Centre £0.006m** – anticipated backdated service charge costs following upcoming review by provider.
  - (c) **Transport Unit £0.050m** – the current fleet management system has come to the end of its support cycle and the supplier has given notice that support will end in 2023/24. An alternative solution has been identified and it is requested to carry forward £0.050m to support its implementation.
17. Slippage :-
- (a) **People Performance & Transformation £0.064m**- to provide additional short term capacity to develop further transformation workstreams across People services.
  - (b) **Environmental Health £0.018m** – to ensure all inspections that were delayed or slipped due to the impact of covid are carried out in 2023/24.

#### **Council Wide and Corporately Managed Resources**

18. The Risk Contingencies budget for ordinary residence within Adults Social Care of £0.323m is no longer required in 2022/23 and is being returned to general reserves.

#### **Housing Revenue Account**

19. HRA projections are shown in **Appendix 3** with an overall projected balanced budget.



- (a) Repairs and maintenance projected spend has increased by £0.066 due to ongoing inflationary pressures for the cost of goods and services.

## **Conclusion**

- 20. The Council's projected revenue reserves at the end of 2022/23 are £23.397m, a £0.616m decline on the initial 2022-26 MTFP position. This reduction in reserves includes a brought forward amount of £0.384m from 2021/22, £0.127m of projected departmental overspends, and a £0.873m decrease in corporate resources.
- 21. Of the £23.397m projected reserves, we have a commitment to use £22.490m to support years 2 – 4 of the **current** MTFP, which leaves a £0.907m in unallocated reserves.

## **Outcome of Consultation**

- 22. No external consultation has been carried out in preparing this report.

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**REVENUE BUDGET MANAGEMENT 2022/23****Projected General Fund Reserve at 31st March 2023**

	2022-26 MTFP (Feb 2022)
<b>Medium Term Financial Plan (MTFP) :-</b>	£000
MTFP Planned Opening Balance 01/04/2022	24,595
Approved net contribution from balances	(582)
<b>Planned Closing Balance 31/03/2023</b>	<b>24,013</b>
 Increase in opening balance from 2021-22 results	 384
 Projected corporate underspends / (overspends) :-	
Council Wide	653
Contingencies	323
Additional income received	230
Pay Award	(2,079)
 <b>Projected General Fund Reserve (excluding Departmental)</b>	 <b>at 23,524</b>
<b>31st March 2023</b>	
 <b>Planned Balance at 31st March 2023</b>	 <b>24,013</b>
<b>Improvement/(Decline)</b>	<b>(489)</b>

**Departmental projected year-end balances**

	Improvement / (decline) compared with 2022-26 MTFP
	£000
People Group	(1,028)
Services Group	610
Operations Group	(17)
Chief Executive	308
 TOTAL	 <b>(127)</b>

**Summary Comparison with :-**

	2022-26 MTFP
	£000
Corporate Resources - increase in opening balance from 21/22 results	384
Corporate Resources - additional in-year Improvement/(Decline)	(873)
 Departmental - Improvement / (Decline)	 (127)
 Improvement / (Decline) compared with MTFP	 <b>(616)</b>
 <b>Projected General Fund Reserve at 31st March 2023</b>	 <b>23,397</b>

**GENERAL FUND REVENUE BUDGET MANAGEMENT 2022/23**

	Budget				Expenditure		
	Original 2022/23	Approved Adjustments	Approved C/fwds	Amended Approved Budget	Projected Outturn	C/fwds to approve	Variance
	£000	£000	£000	£000	£000	£000	£000
<b>Departmental Resources</b>							
People Group	66,018	3,278	(199)	69,097	70,061	64	1,028
Services Group	18,126	3,005	(833)	20,298	19,592	96	(610)
Operations Group	16,341	2,259	(699)	17,901	17,918	0	17
Chief Executive	1,288	326	(267)	1,347	1,021	18	(308)
<b>Total Departmental Resources</b>	<b>101,773</b>	<b>8,868</b>	<b>(1,998)</b>	<b>108,643</b>	<b>108,592</b>	<b>178</b>	<b>127</b>
<b>Corporate Resources</b>							
Council Wide	1,037	(1,029)	0	8	(645)	0	(653)
Financing Costs	637	0	0	637	637	0	0
Joint Venture - Investment Return	(1,864)	0	0	(1,864)	(1,864)	0	0
Additional income received	0	0	0	0	(230)	0	(230)
<b>Contingencies Budget</b>							
Apprentice Levy	202	0	0	202	202	0	0
Risk Contingencies	323	0	0	323	0	0	(323)
<b>Total Corporate Resources</b>	<b>335</b>	<b>(1,029)</b>	<b>0</b>	<b>(694)</b>	<b>(1,900)</b>	<b>0</b>	<b>(1,206)</b>
<b>Net Expenditure</b>	<b>102,108</b>	<b>7,839</b>	<b>(1,998)</b>	<b>107,949</b>	<b>106,692</b>	<b>178</b>	<b>(1,079)</b>
<b>Contributions To / (From) Reserves</b>							
Planned Contribution to General Fund Reserves (MTPF)	468	0		468	468		0
Departmental Brought Forwards from 2021/22	0	(5,760)		(5,760)	(5,760)		0
Already approved Carry Forwards	0	0	1,998	1,998	1,998		0
Pay Award	0	(2,079)		(2,079)	0		2,079
<b>General Fund Total</b>	<b>102,576</b>	<b>0</b>	<b>0</b>	<b>102,576</b>	<b>103,398</b>	<b>178</b>	<b>1,000</b>

**Note:** Appendix 1 shows an increase in reserves of £0.384m brought forward from 2021/22

**REVENUE BUDGET MANAGEMENT UPDATE 2022/23**

	<b>Budget</b>				<b>Expenditure</b>				<b>(Under)/ Over Spend £000</b>
	<b>Original Budget £000</b>	<b>Approved Adjustments £000</b>	<b>Approved C/fwds £000</b>	<b>Amended Approved Budget £000</b>	<b>Expenditure to November £000</b>	<b>C/fwds to approve £000</b>	<b>Projected Spend £000</b>	<b>Total Projection £000</b>	
<b><u>Council Wide</u></b>									
Airport	27	0	0	27	0	0	27	27	0
Council Wide Savings	0	0	0	0	0	0	0	0	0
National Insurance Increase	373	(373)	0	0	0	0	(150)	(150)	(150)
Procurement Savings	(19)	0	0	(19)	(5)	0	(14)	(19)	0
Strengthening Families Grant	0	0	0	0	0	0	(503)	(503)	(503)
Pay Award	656	(656)	0	0	0	0	0	0	0
<b>In Year Over/(Under) Spend</b>	<b>1,037</b>	<b>(1,029)</b>	<b>0</b>	<b>8</b>	<b>(5)</b>	<b>0</b>	<b>(640)</b>	<b>(645)</b>	<b>(653)</b>

## REVENUE BUDGET MANAGEMENT UPDATE 2022/23

	Budget				Expenditure				(Under)/ Over Spend £000
	Original Budget £000	Approved Adjustments £000	Approved C/fwds £000	Amended Approved Budget £000	Expenditure to November £000	C/fwds to approve £000	Projected Spend £000	Total Projection £000	
<b><u>People Group</u></b>									
<b>Group Director of People</b>	638	100	0	738	509	0	235	744	6
<b><u>Children &amp; Adult Services</u></b>									
Transformation & Performance	631	209	(70)	770	502	64	203	769	(1)
Business Support	1,392	92	0	1,484	955	0	499	1,454	(30)
	<b>2,023</b>	<b>301</b>	<b>(70)</b>	<b>2,254</b>	<b>1,457</b>	<b>64</b>	<b>702</b>	<b>2,223</b>	<b>(31)</b>
<b><u>Children's Services</u></b>									
Children's Services Management & Other Services	480	138	0	618	351	0	294	645	27
Assessment Care Planning & LAC	4,009	156	0	4,165	3,101	0	1,303	4,404	239
First Response & Early Help	3,529	222	0	3,751	1,574	0	1,671	3,245	(506)
Youth Offending/ASB	277	45	0	322	158	0	148	306	(16)
Adoption & Placements	13,999	62	0	14,061	9,335	0	7,144	16,479	2,418
Disabled Children	1,584	(145)	0	1,439	580	0	651	1,231	(208)
Quality Assurance & Practice Improvement	138	7	0	145	(94)	0	239	145	0
	<b>24,016</b>	<b>485</b>	<b>0</b>	<b>24,501</b>	<b>15,005</b>	<b>0</b>	<b>11,450</b>	<b>26,455</b>	<b>1,954</b>
<b><u>Development &amp; Commissioning</u></b>									
Commissioning	2,267	262	(129)	2,400	2,112	0	240	2,352	(48)
Voluntary Sector	273	0	0	273	260	0	(26)	234	(39)
Workforce Development	149	5	0	154	(63)	0	236	173	19
	<b>2,689</b>	<b>267</b>	<b>(129)</b>	<b>2,827</b>	<b>2,309</b>	<b>0</b>	<b>450</b>	<b>2,759</b>	<b>(68)</b>
<b><u>Education</u></b>									
Education	608	84	0	692	11,304	0	(11,050)	254	(438)
Schools	0	0	0	0	5,755	0	(5,758)	(3)	(3)
Transport Unit	2,443	54	0	2,497	2,867	0	(30)	2,837	340
	<b>3,051</b>	<b>138</b>	<b>0</b>	<b>3,189</b>	<b>19,926</b>	<b>0</b>	<b>(16,838)</b>	<b>3,088</b>	<b>(101)</b>
<b><u>Public Health</u></b>									
Public Health	0	0		0	(667)	0	667	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(667)</b>	<b>0</b>	<b>667</b>	<b>0</b>	<b>0</b>
<b><u>Adult Social Care &amp; Health</u></b>									
External Purchase of Care	27,507	1,479	0	28,986	9,746	0	18,604	28,350	(636)
Intake & Enablement	632	(30)	0	602	1,544	0	(963)	581	(21)
Older People Long Term Condition	1,506	29	0	1,535	1,081	0	343	1,424	(111)
Physical Disability Long Term Condition	5	0	0	5	32	0	(14)	18	13
Learning Disability Long Term Condition	1,711	164	0	1,875	1,250	0	545	1,795	(80)
Mental Health Long Term Condition	1,182	0	0	1,182	786	0	274	1,060	(122)
Service Development & Integration	1,058	345	0	1,403	549	0	1,079	1,628	225
	<b>33,601</b>	<b>1,987</b>	<b>0</b>	<b>35,588</b>	<b>14,988</b>	<b>0</b>	<b>19,868</b>	<b>34,856</b>	<b>(732)</b>
<b>In Year Over/(Under) Spend</b>	<b>66,018</b>	<b>3,278</b>	<b>(199)</b>	<b>69,097</b>	<b>53,527</b>	<b>64</b>	<b>16,534</b>	<b>70,125</b>	<b>1,028</b>

## REVENUE BUDGET MANAGEMENT UPDATE 2022/23

	Budget				Expenditure				(Under)/ Over Spend £000
	Original Budget £000	Approved Adjustments £000	Approved C/fwds £000	Amended Approved Budget £000	Expenditure to November £000	C/fwds to approve £000	Projected Spend £000	Total Projection £000	
<b><u>Services Group</u></b>									
<b>Group Director of Services</b>	160	3	0	163	107	0	56	163	0
<b><u>Capital Projects, Transport &amp; Highways Planning</u></b>									
AD Transport & Capital Projects	131	1	0	132	85	0	47	132	0
Building Design Services	20	19	0	39	128	0	62	190	151
Capital Projects	309	36	(16)	329	163	0	186	349	20
Car Parking R&M	497	52	0	549	484	0	43	527	(22)
Concessionary Fares	3,436	50	(50)	3,436	1,768	0	1,063	2,831	(605)
Flood & Water Act	89	97	(97)	89	(191)	0	280	89	0
Highways	3,762	240	(50)	3,952	1,471	0	2,585	4,056	104
Highways - DLO	(520)	182	0	(338)	1,486	0	(1,704)	(218)	120
Investment & Funding	4	571	(375)	200	75	0	125	200	0
Sustainable Transport	42	11	0	53	(364)	0	417	53	0
	<b>7,770</b>	<b>1,259</b>	<b>(588)</b>	<b>8,441</b>	<b>5,105</b>	<b>0</b>	<b>3,104</b>	<b>8,209</b>	<b>(232)</b>
<b><u>Community Services</u></b>									
AD Community Services	143	1	0	144	95	0	49	144	0
Allotments	11	2	0	13	6	0	10	16	3
Building Cleaning - DLO	144	52	0	196	413	0	(217)	196	0
Cemeteries & Crematorium	(941)	2	0	(939)	(147)	0	(750)	(897)	42
Dolphin Centre	877	327	(8)	1,196	146	0	897	1,043	(153)
Eastbourne Complex	(7)	6	0	(1)	34	0	(10)	24	25
Emergency Planning	101	0	0	101	89	0	(2)	87	(14)
Head of Steam	266	12	0	278	215	0	77	292	14
Hippodrome	195	266	(55)	406	(488)	0	894	406	0
Indoor Bowling Centre	18	5	(5)	18	2	6	10	18	0
Libraries	824	40	0	864	490	0	374	864	0
Move More	35	8	0	43	(183)	0	226	43	0
Outdoor Events	428	70	0	498	266	0	232	498	0
School Meals - DLO	55	54	0	109	55	0	35	90	(19)
Strategic Arts	115	8	0	123	76	0	47	123	0
Street Scene	5,559	490	(46)	6,003	2,208	40	3,668	5,916	(87)
Transport Unit - Fleet Management	(9)	18	0	9	499	50	(490)	59	50
Waste Management	3,452	0	0	3,452	2,140	0	1,195	3,335	(117)
Winter Maintenance	547	42	(32)	557	244	0	313	557	0
	<b>11,813</b>	<b>1,403</b>	<b>(146)</b>	<b>13,070</b>	<b>6,160</b>	<b>96</b>	<b>6,558</b>	<b>12,814</b>	<b>(256)</b>

## REVENUE BUDGET MANAGEMENT UPDATE 2022/23

	Budget				Expenditure				(Under)/ Over Spend £000
	Original Budget £000	Approved Adjustments £000	Approved C/fwds £000	Amended Approved Budget £000	Expenditure to November £000	C/fwds to approve £000	Projected Spend £000	Total Projection £000	
<b><u>Services Group</u></b>									
<b><u>Community Safety</u></b>									
CCTV	202	28	0	230	120	0	143	263	33
Community Safety	641	108	(74)	675	16	0	678	694	19
General Licensing	5	25	0	30	(86)	0	116	30	0
Parking	(2,111)	(39)	0	(2,150)	(1,446)	0	(974)	(2,420)	(270)
Parking Enforcement	9	0	0	9	42	0	7	49	40
Private Sector Housing	86	35	(25)	96	(54)	0	140	86	(10)
Stray Dogs	46	2	0	48	31	0	24	55	7
Taxi Licensing	45	8	0	53	11	0	42	53	0
Trading Standards	237	10	0	247	108	0	128	236	(11)
	<b>(840)</b>	<b>177</b>	<b>(99)</b>	<b>(762)</b>	<b>(1,258)</b>	<b>0</b>	<b>304</b>	<b>(954)</b>	<b>(192)</b>
<b><u>Building Services</u></b>									
Construction - DLO	(592)	42	0	(550)	(1,994)	0	1,634	(360)	190
Maintenance - DLO	(412)	(53)	0	(465)	5,560	0	(6,085)	(525)	(60)
Other - DLO	0	174	0	174	417	0	(303)	114	(60)
	<b>(1,004)</b>	<b>163</b>	<b>0</b>	<b>(841)</b>	<b>3,983</b>	<b>0</b>	<b>(4,754)</b>	<b>(771)</b>	<b>70</b>
<b><u>General Support Services</u></b>									
Works Property & Other	112	0	0	112	0	0	112	112	0
<b><u>Joint Levies &amp; Boards</u></b>									
Environment Agency Levy	115	0	0	115	115	0	0	115	0
<b>In Year Over/(Under) Spend</b>	<b>18,126</b>	<b>3,005</b>	<b>(833)</b>	<b>20,298</b>	<b>14,212</b>	<b>96</b>	<b>5,380</b>	<b>19,688</b>	<b>(610)</b>



## REVENUE BUDGET MANAGEMENT UPDATE 2022/23

	<i>Budget</i>				<i>Expenditure</i>				(Under)/ Over Spend £000
	Original Budget £000	Approved Adjustments £000	Approved C/fwds £000	Amended Approved Budget £000	Expenditure to November £000	C/fwds to approve £000	Projected Spend £000	Total Projection £000	
<b><u>Operations Group</u></b>									
<b>Group Director of Operations</b>	208	(77)	0	131	115	0	(4)	111	(20)
<b><u>AD Resources</u></b>									
AD Resources	109	35	0	144	72	0	72	144	0
Financial Services	1,396	218	(88)	1,526	1,875	0	(388)	1,487	(39)
Financial Assessments & Protection	249	50	(35)	264	164	0	110	274	10
Xentrall (D&S Partnership)	1,766	0	0	1,766	788	0	978	1,766	0
Human Resources	605	189	(128)	666	355	0	179	534	(132)
Health & Safety	170	5	0	175	126	0	27	153	(22)
	<b>4,295</b>	<b>497</b>	<b>(251)</b>	<b>4,541</b>	<b>3,380</b>	<b>0</b>	<b>978</b>	<b>4,358</b>	<b>(183)</b>
<b><u>Head of Strategy Performance &amp; Communications</u></b>									
Communications & Engagement	902	350	(74)	1,178	777	0	374	1,151	(27)
Systems	905	492	(374)	1,023	1,050	0	45	1,095	72
	<b>1,807</b>	<b>842</b>	<b>(448)</b>	<b>2,201</b>	<b>1,827</b>	<b>0</b>	<b>419</b>	<b>2,246</b>	<b>45</b>
<b><u>AD Law &amp; Governance</u></b>									
AD Law & Governance	130	(1)	0	129	86	0	44	130	1
Complaints & FOI	281	6	0	287	165	0	145	310	23
Democratic Services	1,262	16	0	1,278	739	0	541	1,280	2
Registrars	(33)	8	0	(25)	(173)	0	122	(51)	(26)
Administration	608	31	0	639	430	0	125	555	(84)
Legal Services	1,195	20	0	1,215	1,416	0	106	1,522	307
Procurement	169	7	0	176	144	0	32	176	0
Coroners	225	0	0	225	271	0	(11)	260	35
	<b>3,837</b>	<b>87</b>	<b>0</b>	<b>3,924</b>	<b>3,078</b>	<b>0</b>	<b>1,104</b>	<b>4,182</b>	<b>258</b>
<b><u>AD Xentrall Shared Services</u></b>									
ICT	723	85	0	808	42	0	852	894	86
	<b>723</b>	<b>85</b>	<b>0</b>	<b>808</b>	<b>42</b>	<b>0</b>	<b>852</b>	<b>894</b>	<b>86</b>
<b><u>Corporate Landlord</u></b>									
Corporate Landlord	4,138	663	0	4,801	1,737	0	2,952	4,689	(112)
	<b>4,138</b>	<b>663</b>	<b>0</b>	<b>4,801</b>	<b>1,737</b>	<b>0</b>	<b>2,952</b>	<b>4,689</b>	<b>(112)</b>
<b><u>AD Housing &amp; Revenues</u></b>									
Local Taxation	481	(73)	0	408	526	0	(140)	386	(22)
Rent Rebates / Rent Allowances / Council Tax	(132)	0	0	(132)	8,654	0	(8,811)	(157)	(25)
Housing Benefits Administration	214	232	0	446	429	0	17	446	0
Customer Services	291	2	0	293	302	0	(19)	283	(10)
Homelessness	326	1	0	327	(579)	0	906	327	0
Service, Strategy & Regulation and General	153	0	0	153	5,556	0	(5,403)	153	0
	<b>1,333</b>	<b>162</b>	<b>0</b>	<b>1,495</b>	<b>14,888</b>	<b>0</b>	<b>(13,450)</b>	<b>1,438</b>	<b>(57)</b>
<b>In Year Over/(Under) Spend</b>	<b>16,341</b>	<b>2,259</b>	<b>(699)</b>	<b>17,901</b>	<b>25,067</b>	<b>0</b>	<b>(7,149)</b>	<b>17,918</b>	<b>17</b>

## REVENUE BUDGET MANAGEMENT UPDATE 2022/23

	<b>Budget</b>				<b>Expenditure</b>				(Under)/ Over Spend £000
	Original Budget £000	Approved Adjustments £000	Approved C/fwds £000	Amended Approved Budget £000	Expenditure to November £000	C/fwds to approve £000	Projected Spend £000	Total Projection £000	
<b><u>Chief Executive</u></b>									
<b>Chief Executive</b>	203	0	0	203	134	0	73	207	4
<b><u>AD Economic Growth</u></b>									
AD - Economic Growth	134	1	0	135	93	0	47	140	5
Building Control	148	47	0	195	97	0	92	189	(6)
Consolidated Budgets	146	3	(103)	46	0	0	46	46	0
Development Management	(25)	24	0	(1)	22	0	(23)	(1)	0
Economy	253	69	(58)	264	(200)	0	454	254	(10)
Environmental Health	306	19	0	325	75	18	201	294	(31)
Place Strategy	579	39	(106)	512	(203)	0	672	469	(43)
Property Management & Estates	(521)	120	0	(401)	(631)	0	3	(628)	(227)
	<b>1,020</b>	<b>322</b>	<b>(267)</b>	<b>1,075</b>	<b>(747)</b>	<b>18</b>	<b>1,492</b>	<b>763</b>	<b>(312)</b>
<b><u>Darlington Partnership</u></b>									
Darlington Partnership	65	4		69	2	0	67	69	0
	<b>65</b>	<b>4</b>	<b>0</b>	<b>69</b>	<b>2</b>	<b>0</b>	<b>67</b>	<b>69</b>	<b>0</b>
<b>In Year Over/(Under) Spend</b>	<b>1,288</b>	<b>326</b>	<b>(267)</b>	<b>1,347</b>	<b>(611)</b>	<b>18</b>	<b>1,632</b>	<b>1,039</b>	<b>(308)</b>

**BUDGET MANAGEMENT 2022/23**

<b>SCHOOLS PROJECTED BALANCES 2022/23</b>					
School Name	Opening Balance at 1st April 2022	Formula Budget Allocation*	Total Available	Closing Balance at 31st March 2023	Projected Closing Balance as proportion of Formula Budget Allocation
<b>Primary</b>	£000	£000	£000	£000	%
Federation of Darlington Nursery Schools	43	833	876	72	9%
Rise Carr College, Clifton House & Eldon House	133	1,341	1,474	142	11%
Red Hall Primary	338	1,332	1,670	142	11%
Whinfield Primary	354	2,307	2,661	281	12%
Harrowgate Hill Primary	200	2,611	2,811	110	4%
<b>Primary Total</b>	<b>1,068</b>	<b>8,424</b>	<b>9,492</b>	<b>747</b>	

\*Federation of Darlington Nursery Schools/Rise Carr College original budget. Actual allocation based on attendance.

**HOUSING REVENUE ACCOUNT 2022/23**

	<b><i>Budget</i></b>				
	Original Budget £000	Approved Adjustments £000	Amended Approved Budget £000	Total Projection £000	(Under)/ Over Spend £000
<b><u>Housing Revenue Account</u></b>					
<b><u>Income</u></b>					
Rents Of Dwellings (Gross)	(21,150)	0	(21,150)	(20,973)	177
Sundry Rents (Including Garages & Shops)	(475)	0	(475)	(389)	86
Charges For Services & Facilities	(3,029)	0	(3,029)	(3,126)	(97)
Contribution towards expenditure	(275)	0	(275)	(275)	0
Interest Receivable	(6)	0	(6)	(6)	0
<b>Total Income</b>	<b>(24,935)</b>	<b>0</b>	<b>(24,935)</b>	<b>(24,769)</b>	<b>166</b>
<b><u>Expenditure</u></b>					
Management	6,090	0	6,090	6,435	345
Maintenance	4,334	0	4,334	5,203	869
Capital Financing Costs	3,688	0	3,688	2,889	(799)
Revenue Contribution to Capital Outlay	17,618	0	17,618	25,270	7,652
Increase in Bad Debt Provision	350	0	350	250	(100)
In year contribution to/(from) balances	(7,145)	0	(7,145)	(15,278)	(8,133)
<b>Total Expenditure</b>	<b>24,935</b>	<b>0</b>	<b>24,935</b>	<b>24,769</b>	<b>(166)</b>
<b>(Surplus)/Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>HRA Balances</b>	<b>£000</b>
Opening balance 01/04/2022	27,008
Contribution to/(from) balances	(15,278)
<b>Closing balance</b>	<b>11,730</b>

**CABINET  
7 FEBRUARY 2023**

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**PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT STRATEGY REPORT 2023/24**

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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 requests Cabinet to review and scrutinise the following prior to forwarding to Council for their approval and adoption:
  - (a) The Prudential Indicators and Limits for 2023/24 to 2025/26 relating to capital expenditure and Treasury Management activity.
  - (b) A policy statement relating to the Minimum Revenue Provision.
  - (c) The Treasury Management Strategy 2023/24, which includes the Annual Investment Strategy for 2023/24
2. The report outlines the Council's prudential indicators for 2023/24 – 2025/26 and sets out the expected treasury operations for this period. It fulfils key legislative and guidance requirements:
  - (a) The reporting of the **prudential indicators** setting out the expected capital activities and treasury management prudential indicators included as treasury indicators in the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice
  - (b) The Council's **Minimum Revenue Provision (MRP) Policy**, which sets out how the Council will pay for capital assets through revenue each year.
  - (c) The **treasury management strategy** statement which sets out how the Council's treasury service will support capital decisions taken above, the day to day treasury management and the limitations on activity through treasury prudential indicators.
  - (d) The key indicator is the **authorised limit**, the maximum amount of debt the Council could afford in the short term, but which is not sustainable in the longer term.

- (e) The **investment strategy** which sets out the Council's criteria for choosing the investment counterparties and limiting exposures to the risk of loss.
- 3. The information contained in the report regarding the Councils expenditure plans, Treasury Management and Prudential Borrowing activities indicate that they are:
  - (a) Within the statutory framework and consistent with the relevant codes of practice.
  - (b) Prudent, affordable and sustainable.
  - (c) An integral part of the Council's Revenue and Capital Medium Term Financial Plans.

### **Recommendation**

- 4. It is recommended that Cabinet examine the following and pass on any comments to Council in order that they approve them:
  - (a) The Prudential Indicators and limits for 2023/24 to 2025/26 summarised in Tables 1 and 2.
  - (b) The Minimum Revenue Provision (MRP) statement (paragraphs 36 – 43).
  - (c) The Treasury Management Strategy 2023/24 to 2025/26 as summarised in paragraphs 47 to 73.
  - (d) The Annual Investment Strategy 2023/24 contained in paragraphs 74 to 106.

### **Reasons**

- 5. The recommendations are supported by the following reasons:
  - (a) In order to comply with the Prudential Code for Capital Finance in Local Authorities and the Department for Levelling Up, Housing & 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.

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

### **Background Papers**

- (i) Annual Draft Statement of Account 2021/22
- (ii) Draft MTFP (incl Capital MTFP 2023/24 to 2026/27)
- (iii) Draft Capital Strategy
- (iv) Link Asset Services Economic Report Dec 2022

S17 Crime and Disorder	This report has no implications for S 17 Crime and Disorder.
Health and Well Being	This report has no implications for the Council's Health and Well being agenda.
Carbon Impact and Climate Change	This report has no implications for the Council's Carbon Emissions.
Diversity	This report has no implications for the Council's Diversity agenda.
Wards Affected	All Wards
Groups Affected	All Groups
Budget and Policy Framework	This report must be considered by Council.
Key Decision	This is not an executive decision
Urgent Decision	For the purposes of call in this report is not an urgent decision.
Council Plan	This report has no particular implications for the Council Plan.
Efficiency	The report refers to actions taken to reduce costs and manage risks.
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

#### Background

6. CIPFA defines treasury management as:

*“The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”*

7. The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's risk appetite, providing adequate liquidity initially before considering investment return
8. The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

9. The contribution the treasury management function makes to the Council is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.
10. Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day to day treasury management activities.

## **Reporting requirements**

### **Capital Strategy**

11. The 2017 CIPFA Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report, which will provide the following:
  - (a) A high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
  - (b) An overview of how the associated risk is managed
  - (c) The implications for future financial sustainability.
12. The aim of the capital strategy is to ensure that all elected members on the full council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite. The Capital Strategy is reported separately to Council on an annual basis.

### **Treasury Management Reporting**

13. The Council is required by legislation to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

### **Prudential and Treasury Indicators and Treasury Strategy (this report)**

14. The first, and most important report is forward looking and covers:
  - (a) The capital plans (including prudential indicators);
  - (b) A minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
  - (c) The treasury management strategy, (how the investments and borrowings are to be organised), including treasury indicators; and



- (d) An investment strategy, (the parameters on how investments are to be managed).

### **A Mid-Year Treasury Management Report**

- 15. This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether the treasury function is meeting the strategy or whether any policies require revision.

### **An Annual Treasury Report**

- 16. This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.
- 17. These reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Audit Committee.

### **Treasury Management Strategy for 2023/24**

- 18. The strategy for 2023/24 covers two main areas:

- (a) Capital Issues:

- (i) The capital expenditure plans and the prudential indicators;
  - (ii) The minimum revenue provision (MRP) policy.

- (b) Treasury Management Issues:

- (i) The current treasury position;
  - (ii) Treasury indicators which will limit the treasury risk and activities of the Council;
  - (iii) Prospects for interest rates;
  - (iv) The borrowing strategy;
  - (v) Policy on borrowing in advance of need;
  - (vi) Debt rescheduling;
  - (vii) The investment strategy;
  - (viii) Creditworthiness policy; and
  - (ix) Policy on use of external service providers.

- 19. These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, DLUHC MRP Guidance, the CIPFA Treasury Management Code and the MHCLG Investment Guidance.

20. A summary of the key prudential indicators and limits are contained in Tables 1 and 2 and further details are contained further on in this report.

**Table 1 – Capital Expenditure and Borrowing**

	<b>2022/23 Revised</b>	<b>2023/24 Estimated</b>	<b>2024/25 Estimated</b>	<b>2025/26 Estimated</b>
Capital Expenditure Tables 3 and 4	67.609	45.493	32.499	32.868
Capital financing requirement - Table 5	230.542	235.933	241.167	241.643
Ratio of financing costs to net revenue stream – General Fund See paragraph 45 - Table 6	2.14%	3.82%	3.85%	3.76%
Ratio of financing costs to net revenue stream –HRA See paragraph 45 - Table 6	14.79%	12.78%	13.59%	14.51%
Operational boundary for external debt - Table 9	171.424	183.077	193.722	204.361
Authorised limit for external debt - Table 10	242.069	247.730	253.225	253.725

**Table 2 – Treasury Management**

	<b>2023/24 Upper Limit</b>	<b>2024/25 Upper Limit</b>	<b>2025/26 Upper Limit</b>
<b>Limits on fixed interest rates</b>	100%	100%	100%
<b>Limits on variable interest rates</b>	40%	40%	40%
<b>Maximum principal sums invested &gt; 364 days</b>	£50m	£50m	£50m
<b>Maturity Structure of fixed interest rate borrowing 2023/24</b>			
	<b>Lower Limit</b>	<b>Upper Limit</b>	
Under 12 months	0%	40%	
12 months to 2 years	0%	50%	
2 years to 5 years	0%	60%	
5 years to 10 years	0%	80%	
10 years and above	0%	100%	

## Training

21. The CIPFA code requires the responsible officer to ensure that Members with responsibility for treasury management receive adequate training in treasury management. This especially applies to Members responsible for scrutiny. Training was undertaken by a number of Members during 2 sessions held in September 2021 and

further training will be arranged as required. The training needs of treasury management officers are periodically reviewed.

### Treasury Management Consultants

22. The Council uses Link Group, Treasury solutions as its external treasury management advisors. The Council recognises that responsibility for treasury decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service provider. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisors.
23. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The officers of the Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subject to regular review.

### The Capital Prudential Indicators 2023/24– 2025/26

24. The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

### Capital Expenditure

25. This Prudential Indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

**Table 3 Capital Expenditure**

	<b>2022/23 Revised £m</b>	<b>2023/24 Estimate £m</b>	<b>2024/25 Estimate £m</b>	<b>2025/26 Estimate £m</b>
General Fund	47.230	20.874	11.50	12.330
HRA	14.266	24.585	20.999	20.538
<b>Estimated Capital Expenditure</b>	<b>61.496</b>	<b>45.459</b>	<b>32.499</b>	<b>32.868</b>
Loans to Joint Ventures	6.113	0.034	0.000	0.000
<b>Total</b>	<b>67.609</b>	<b>45.493</b>	<b>32.499</b>	<b>32.868</b>

26. The financing need above excludes other long-term liabilities, such as PFI and leasing arrangements which already include borrowing instruments.
27. The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

**Table 4 Financing of the Capital Programme**

	<b>2022/23 Revised £m</b>	<b>2023/24 Estimate £m</b>	<b>2024/25 Estimate £m</b>	<b>2025/26 Estimate £m</b>
General Fund	47.230	20.874	11.50	12.330
HRA	14.266	24.585	20.999	20.538
Loans to Joint Ventures	6.113	0.034	0.000	0.000
<b>Total Capital</b>	<b>67.609</b>	<b>45.493</b>	<b>32.499</b>	<b>32.868</b>
<b>Financed by:</b>				
Capital receipts -General Fund	1.295	2.950	2.060	0.000
Capital receipts - Housing	0.000	0.303	0.303	0.303
Capital grants	40.819	7.890	7.290	6.290
JV Repayments	4.573	2.260	1.300	5.950
Self-financing - GF	0.000	6.400	2.100	6.000
Revenue Contributions (Housing)	14.266	12.609	12.150	12.097
<b>Total excluding borrowing</b>	<b>60.953</b>	<b>32.412</b>	<b>25.203</b>	<b>30.640</b>
<b>Net financing need for the year</b>	<b>6.656</b>	<b>13.081</b>	<b>7.296</b>	<b>2.228</b>

**The Council's Borrowing Need (the Capital Financing Requirement)**

28. The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.
29. The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each assets' life, and so charges the economic consumption of capital assets as they are used.
30. The CFR includes any other long-term liabilities (e.g. PFI schemes & finance leases) brought onto the balance sheet. Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the PFI or lease provider and so the Council is not required to separately borrow for these schemes. The Council currently has £21.398m of such schemes within the CFR.
31. The Committee is asked to approve the CFR projections below:

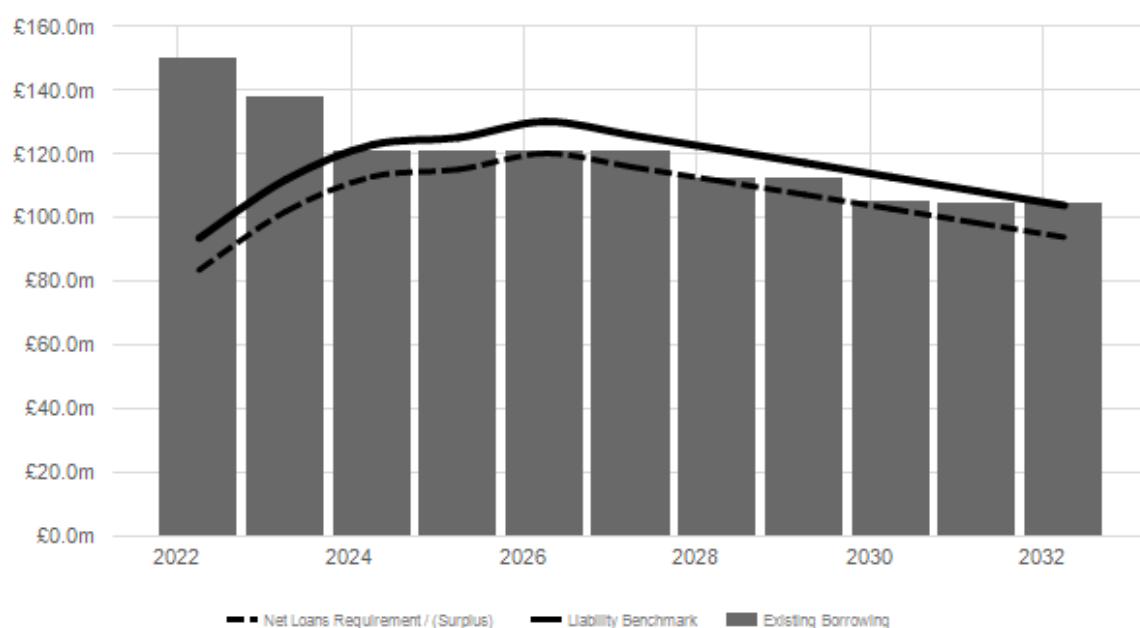
**Table 5 – CFR Projections**

	2022/23 Revised £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
CFR – General Fund	130.331	128.723	126.205	123.752
CFR – PFI and Finance leases	21.398	21.051	20.696	20.335
CFR - housing	67.225	76.798	86.205	95.445
CFR - Loans to JV's	11.588	9.361	8.061	2.111
<b>Total CFR</b>	<b>230.542</b>	<b>235.933</b>	<b>241.167</b>	<b>241.643</b>
<b>Movement in CFR</b>		<b>5.391</b>	<b>5.234</b>	<b>0.476</b>

**Liability Benchmark**

32. A third and new prudential indicator for 2023/24 is the Liability Benchmark (LB). The Council is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.

Consolidated Liability Benchmark



33. There are three components to the Liability Benchmark:-

- Existing borrowing (loan debt outstanding):** the Council's existing loans that are still outstanding in future years.
- Net loans requirement (Forecast Net Loans Debt):** this will show the Council's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
- Liability benchmark (or gross loans requirement):** this equals net loans requirement plus short-term liquidity allowance.

34. The Liability Benchmark is effectively the Net Borrowing Requirement of a local authority plus a liquidity allowance. In its simplest form, it is calculated by deducting the amount of investable resources available on the balance sheet (reserves, cash flow balances) from the amount of outstanding external debt and then adding the minimum level of investments required to manage day-to-day cash flow.
35. CIPFA recommends that the optimum position for external borrowing should be at the level of the Liability Benchmark (i.e., all balance sheet resources should be used to maximise internal borrowing). If the outputs show future periods where external loans are less than the Liability Benchmark, then this indicates a borrowing requirement thus identifying where the authority is exposed to interest rate, liquidity and refinancing risks. Conversely where external loans exceed the Liability Benchmark then this will highlight an overborrowed position which will result in excess cash in the organisation requiring investment thus exposing the authority to credit and reinvestment risks and a potential cost of carry

### **MRP Policy Statement**

36. The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP). It is also allowed to undertake additional voluntary payments if desired (voluntary revenue provision - VRP).
37. DLUHC regulations have been issued which require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision.
38. It is proposed that Darlington Borough Council's MRP policy statement for 2023/24 will be:
  - (a) For Capital expenditure incurred before 1 April 2008 and expenditure which was granted through credit approvals since that date MRP will be calculated on an annuity basis (2%) over 50 years or the useful life of the asset.
  - (b) Capital Expenditure from 1 April 2008 for all unsupported borrowing MRP will be based on the estimated life of the assets, repayments will be on an annuity basis (2%)
  - (c) Repayments relating to the PFI scheme will be based on the life of the asset of 60 years from 1 April 2008 on an annuity basis (2%).
39. There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made.
40. Repayments included in annual PFI or finance leases are applied as MRP.
41. For capital expenditure on loans to third parties where the principal element of the loan is being repaid in instalments, the capital receipts arising from the principal loan repayments will be used to reduce the CFR instead of MRP.

42. **MRP Overpayments** - A change introduced by the revised DLUHC MRP Guidance was the allowance that any charges made over the statutory minimum revenue provision (MRP), voluntary revenue provision (VRP) or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year.
43. Cumulative VRP overpayments made to date are £0.500m.

### **Affordability Prudential Indicators**

44. The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators.

### **Estimates of the ratio of financing costs to net revenue stream**

45. 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 stream.

**Table 6 - Ratio of financing costs to net revenue stream**

	<b>2022/23 Revised</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>
General Fund	2.14%	3.82%	3.85%	3.76%
HRA	14.79%	12.78%	13.59%	14.51%

46. The estimates of financing costs include current commitments and the proposals in this year's MTFP report.

### **Treasury Management Strategy**

#### **Borrowing**

47. The capital expenditure plans set out in the previous paragraphs provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's Capital Strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the Annual Investment Strategy.

#### **Under Borrowing position**

48. Over the last ten years the Council had maintained an underborrowed position i.e. the amount of our gross external borrowing has been less than our balance sheet Capital Financing Requirement. This strategy has served the Council well in a period where

returns on investment have been low and borrowing costs have been relatively high. This has also meant that we have had less in the form of investments and so reduced counterparty risk. To support the MTFP it was agreed that longer term investments would be pursued as these would give a return over and above the cost of any additional borrowing that would be taken. Following due diligence the Council has 3 Property Funds with £10 million in each fund and these are expected to bring a gross return of around 3.50% (1.09% net) over the life of the MTFP. Additional borrowing of £25m was undertaken which resulted in the underborrowed position being reduced.

### Current Portfolio Position

49. The overall treasury management portfolio as at 31 March 2022 and for the position as at 31 December 2022 are shown below for both borrowings and investments.

**Table 7 – Treasury Portfolio**

TREASURY PORTFOLIO				
	Actual 31/03/2022 £m's	Actual 31/03/2022 %	Current 31/12/2022 £m's	Current 31/12/2022 %
<b>Treasury Investments</b>				
Banks	12.000	18.9	16.000	27.9
local authorities	5.000	7.9	0.000	0.0
money market funds	16.400	25.9	11.300	19.7
<b>Total managed in house</b>	<b>33.400</b>	<b>52.7</b>	<b>27.300</b>	<b>47.6</b>
Property funds	29.999	47.3	29.999	52.4
<b>Total managed externally</b>	<b>29.999</b>	<b>47.3</b>	<b>29.999</b>	<b>52.4</b>
<b>Total treasury investments</b>	<b>63.399</b>	<b>100.0</b>	<b>57.299</b>	<b>100.0</b>
<b>Treasury external borrowing</b>				
local authorities	13.000	8.7	17.000	11.9
PWLB	123.982	82.9	113.482	79.3
LOBO's	12.600	8.4	12.600	8.8
<b>Total external borrowing</b>	<b>149.582</b>	<b>100.0</b>	<b>143.082</b>	<b>100.0</b>
<b>Net treasury borrowing</b>	<b>86.183</b>		<b>85.783</b>	

50. The Council's expected treasury portfolio position at 31 March 2022, with forward projections is summarised below at Table 8. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.



**Table 8 - Gross Borrowing to CFR**

	<b>2022/23 Revised £m</b>	<b>2023/24 Estimate £m</b>	<b>2024/25 Estimate £m</b>	<b>2025/26 Estimate £m</b>
Debt at 31 March	136.438	150.665	162.965	179.915
Loans to Joint Ventures	11.588	9.361	8.061	2.111
Other long-term liabilities (OLTL)	21.398	21.051	20.696	20.335
<b>Gross Actual debt at 31 March</b>	<b>169.424</b>	<b>181.077</b>	<b>191.722</b>	<b>202.361</b>
<b>The Capital Financing Requirement from Table 5</b>	<b>230.542</b>	<b>235.933</b>	<b>241.167</b>	<b>241.643</b>
<b>Under / (over) borrowing</b>	<b>61.118</b>	<b>54.856</b>	<b>49.445</b>	<b>39.282</b>

51. Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2023/24 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that the borrowing is not undertaken for revenue or speculative purposes.
52. The Group Director of Operations reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This takes into account current commitments, existing plans, and proposals within this budget report.

### **Treasury Indicators: Limits to Borrowing Activity**

#### **The Operational Boundary**

53. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

**Table 9 - Operational Boundary**

	<b>2022/23 Revised £m</b>	<b>2023/24 Estimate £m</b>	<b>2024/25 Estimate £m</b>	<b>2025/26 Estimate £m</b>
Debt from Table 8 (incl JV's)	148.026	160.026	171.026	182.026
Other long-term liabilities	21.398	21.051	20.696	20.335
Prudential Borrowing for leasable assets	1.000	1.000	1.000	1.000
Prudential Borrowing under Directors Delegated Powers	1.000	1.000	1.000	1.000
<b>Operational Boundary</b>	<b>171.424</b>	<b>183.077</b>	<b>193.722</b>	<b>204.361</b>

## The Authorised Limit for external debt

54. This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by Full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term:
55. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
56. The Council is asked to approve the following Authorised Limit:

**Table 10 – Authorised Limit**

	<b>2022/23 Revised £m</b>	<b>2023/24 Estimate £m</b>	<b>2024/25 Estimate £m</b>	<b>2025/26 Estimate £m</b>
CFR	230.542	235.933	241.167	241.643
Additional Headroom @ 5%	11.527	11.797	12.058	12.082
<b>Authorised Limit</b>	<b>242.069</b>	<b>247.730</b>	<b>253.225</b>	<b>253.725</b>

57. It is proposed that the additional headroom for years 2023/24 to 2025/26 is 5% above the CFR, this would allow for any additional cashflow needs throughout the years.

## Prospects for Interest Rates

58. The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives Link Asset Services's central view for future interest rates and the economic background to that view is shown at **Appendix 1**.

**Table 11 – Interest rates**

	<b>Bank Rate %</b>	<b>PWLB Borrowing Rates % (including *certainty rate adjustment)</b>			
		<b>5 year</b>	<b>10 year</b>	<b>25 year</b>	<b>50 year</b>
Dec 2022	3.50	4.30	4.50	4.70	4.30
Mar 2023	4.25	4.30	4.50	4.70	4.40
Jun 2023	4.50	4.20	4.40	4.60	4.30
Sep 2023	4.50	4.10	4.30	4.50	4.20
Dec 2023	4.50	4.00	4.20	4.40	4.10
Mar 2024	4.00	3.90	4.00	4.30	4.00
Jun 2024	3.75	3.80	3.90	4.10	3.80
Sep 2024	3.50	3.60	3.70	4.00	3.70
Dec 2024	3.25	3.50	3.60	3.90	3.60
Mar 2025	3.00	3.40	3.50	3.70	3.40
Jun 2025	2.75	3.30	3.40	3.60	3.30
Sep 2025	2.50	3.20	3.30	3.50	3.20
Dec 2025	2.50	3.10	3.20	3.50	3.20

*\* The certainty rate adjustment is a reduced rate by 0.20% for those councils like Darlington Borough Council who have submitted more detail on future borrowing requirement to the Treasury*

### **Investment and borrowing rates**

59. Investment returns are likely to improve in 2023/24. However while markets are pricing in a series of Bank Rate hikes, actual economic circumstances may see the MPC fall short of these elevated expectations.
60. Borrowing interest rates fell to historically very low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years.
61. While the Council will not be able to avoid borrowing to finance new capital expenditure, to replace maturing debt and the rundown of reserves, there will be a cost of carry (the difference between higher borrowing costs and lower investment returns), so any new short or medium-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

### **Borrowing Strategy**

62. The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, bank rate increases over the remainder of 2022 and the first half of 2023.

63. Against this background and the risks within the economic forecast, caution will be adopted with the 2023/24 treasury operations. The Group Director of Operations will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:
- (a) If it was felt that there was a significant risk of a sharp FALL in borrowing rates (eg due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
  - (b) If it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.
64. Any decisions would be reported to the appropriate Committee at the next available opportunity.

#### **Treasury Management Limits on Activity**

65. There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive, they will impair the opportunities to reduce costs/improve performance. The indicators are:
- (a) Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments
  - (b) Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
  - (c) Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing and are required for upper and lower limits. The Council is asked to approve the following treasury indicators and limits:

**Table 12 Interest Rate Exposure**

	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
	<b>Upper</b>	<b>Upper</b>	<b>Upper</b>
<b>Limits on fixed interest rates based on net debt</b>	100%	100%	100%
<b>Limits on variable interest rates based on net debt</b>	40%	40%	40%
<b>Maturity Structure of fixed interest rate borrowing 2023/24</b>			
	<b>Lower</b>	<b>Upper</b>	
Under 12 months	0%	40%	
12 months to 2 years	0%	50%	
2 years to 5 years	0%	60%	
5 years to 10 years	0%	80%	
10 years and above	0%	100%	

**Policy on Borrowing in Advance of Need**

66. The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance of need will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds through its investment strategy.
67. Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

**Debt Rescheduling**

68. Rescheduling of current borrowing in our debt portfolio is unlikely to occur as there is still a very large difference between premature redemption rates and new borrowing rates,
69. If there was a possibility the reasons for any rescheduling to take place will include:
- (a) The generation of cash savings and / or discounted cash flow savings;
  - (b) Helping to fulfil the treasury strategy;
  - (c) Enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).
70. Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.
71. If rescheduling was done it will be reported to Committee at the earliest meeting following its action.

## **New Financial Institutions as a source of borrowing**

72. Currently the PWLB Certainty Rate is set at gilts + 80 basis points for both HRA and Non-HRA borrowing. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:
- (a) Local authorities (primarily shorter dated maturities out to 3 years or so – still cheaper than the Certainty Rate)
  - (b) Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a 'cost of carry' or to achieve refinancing certainty over the next few years)
  - (c) Municipal Bond Agency (possibly still a viable alternative depending on market circumstances prevailing at the time).
73. Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

## **Annual Investment Strategy**

### **Investment and Creditworthiness Policy**

74. The DLUHC and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy.
75. The Council's investment policy has regard to the following:
- (a) DLUHC's Guidance on Local Government Investments ("the Guidance")
  - (b) CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code")
  - (c) CIPFA Treasury Management Guidance Notes 2021
76. The Council's investment priorities will be security first, liquidity second and then yield (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council's risk appetite.
77. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs. However, where appropriate (from an internal as well as external perspective), the Council will also consider the value available in periods up to 12 months with high credit rated financial institutions, as well as wider range fund options.
78. The above guidance from the DLUHC and CIPFA place a high priority on the management of risk. This Council has adopted a prudent approach to managing risk and defines its risk appetite by the following means:

- (a) Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short-term and long-term ratings.
- (b) Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as 'credit default swaps' and overlay that information on top of the credit ratings.
- (c) Other information sources used will include the financial press, share prices and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- (d) This Council has defined the list of types of investment instruments that the treasury management team are authorised to use. There are 2 lists in **Appendix 2** under the categories of 'specified' and 'non-specified' investments.
  - (i) Specified investments are those with a high level of credit quality and subject to a maturity limit of one year.
  - (ii) Non-specified investments are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by Members and officers before being authorised for use.
- (e) Lending limits, (amounts and maturity), for each counterparty will be set through applying the matrix table in Table 13.
- (f) Transaction limits are set for each type of investment in Table 13.
- (g) This Council will set a limit for the amount of its investments which are invested for longer than 365 days.
- (h) Investments will be placed with counterparties from countries with a specified minimum sovereign rating.
- (i) This Council has engaged external consultants, to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this Council in the context of the expected level of cash balances and need for liquidity throughout the year.
- (j) All investments will be denominated in sterling.

- (k) As a result of the change in accounting standards for 2022/23 under International Financial Reporting Standard (IFRS) 9, this Council will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018 the Ministry of Housing, Communities and Local Government [MHCLG], concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for 5 years ending 31 March 2023). This has recently been extended by Government for a further 2 years until 31 March 2025.

79. However, this Council will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

### **Changes in risk management policy from last year**

80. The above criteria are unchanged from last year.

### **Investment Counterparty Selection Criteria**

#### **Creditworthiness policy**

81. This Council applies the creditworthiness service provided by the Link Group. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies – Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- (a) 'Watches' and 'Outlooks' from credit rating agencies;
- (b) CDS spreads that may give early warning of changes in credit ratings;
- (c) Sovereign ratings to select counterparties from only the most creditworthy countries.

82. This modelling approach combines credit ratings, and any assigned Watches and Outlooks, in a weighted scoring system which is then combined with an overlay of CDS spreads. The end product of this is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will, therefore, use counterparties within the following durational bands:

- (a) Yellow 5 years
- (b) Purple 2 years
- (c) Blue 1 year (applies to nationalised or semi-nationalised UK Banks)
- (d) Orange 1 year
- (e) Red 6 months
- (f) Green 100 days
- (g) No colour not to be used



83. The Link creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.
84. Typically, the minimum credit ratings criteria the Council uses will be a short-term rating (Fitch or equivalents) of F1 and a long-term rating of A-. There may be occasions when the counterparty ratings from one agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.
85. All credit ratings will be monitored regularly. The Council is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service.
  - (a) If a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
  - (b) In addition to the use of credit ratings the Council will be advised of information in movements in Credit Default Swap spreads against the iTraxx European Senior Financials benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.
86. Sole reliance will not be placed on the use of this external service. In addition, this Council will also use market data and market information, as well as information on any external support for banks to help support its decision-making process.
87. Any investment in Property Funds/ Corporate Bond Funds/ Asset Backed Investment Products will be subject to due diligence for each and every fund considered. The maximum amount invested in any one fund will be £20million with a maximum of £50million total for all funds.

**Table 13 – Time and monetary limits applying to investments**

	Colour (and long-term rating where applicable)	Transaction Limit	Time Limit
Banks	Yellow	£5m	5 years
Banks	Purple	£4m	2 years
Banks	Orange	£3m	1 year
Banks 2 category – part nationalised	Blue	£5m	1 year
Banks	Red	£4m	6 months
Banks	Green	£4m	100 days
Banks	No Colour	Not to be used	
Banks 3 category – Council's banker (where 'No Colour')		£4m	1 day
DMADF (Debt Management Office)	UK sovereign rating	unlimited	6 months
Other institutions limit			1 year
Local authorities	n/a	£5m per Local Authority	2 years
Money market Funds (CNAV, LVNAV & VNAV) and Ultra Short Dated Bond Funds	AAA	£5m per Fund	Liquid
Property Funds, Corporate Bond Funds and other Asset backed Investment products	AAA	£20m per Fund	

88. Due care will be taken to consider the exposure of the Council's total investment portfolio to non-specified investments, countries, groups and sectors.
89. The Council has determined that it will only use approved counterparties from the UK and from countries with a minimum sovereign credit rating of AA- from Fitch. The list of countries that qualify using this credit criteria as at the date of this report are shown in **Appendix 3**. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.
90. The proposed criteria for Specified and Non-Specified investments are shown in Appendix 2 for approval.

## Investment Strategy

### In-house funds

91. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that is the case at present, but there is the prospect of Bank Rate peaking in the first half of 2023 so an agile investment strategy would be appropriate to optimise returns.
92. Accordingly, while most cash balances are required in order to manage the ups and downs of cash flow, where cash flows can be identified that could be invested for longer periods, the value to be obtained from longer-term investments will be carefully assessed.

### Investment returns expectations

93. The current forecast shown in paragraph 58, includes a forecast for Bank Rate to reach 4.5% in quarter 2 2023.
94. The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:-
 

(a)	2022/23 (remainder)	3.95%
(b)	2023/24	4.40%
(c)	2024/25	3.30%
(d)	2025/26	2.60%
(e)	2026/27	2.50%
(f)	Years 6 to 10	2.80%
(g)	Years 10+	2.80%
95. As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

### Investment treasury indicator and limit

96. Total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.
97. The Committee is asked to approve the treasury indicator and limit: -

**Table 14 – Maximum Principal sums invested**

	2023/24	2024/25	2025/26
Principal sums invested greater than 365 days	£50m	£50m	£50m

98. For its cash flow generated balances, the Council will seek to utilise its instant access accounts, 30+ day notice accounts, money market funds and short-dated deposits (overnight to three months) in order to benefit from the compounding of interest.

### Investment Risk Benchmarking

99. These benchmarks are simple guides to maximum risk, so they may be breached from time to time, depending on movements in interest rates and counterparty criteria. They relate to Investments that are not Property Funds. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the Mid-Year or Annual Report.

100. Security - The Council's maximum security risk benchmark for the current portfolio, when compared to these historic default tables, is:

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

101. Liquidity – in respect of this area the Council seeks to maintain:

- (a) Bank overdraft - £0.100m
- (b) Liquid short-term deposits of at least £3.000m available with a week's notice
- (c) Weighted Average Life benchmark is expected to be 1 year.

102. Yield - local measures of yield benchmarks are:

- (a) Investments – internal returns above the 7-day Sterling Overnight Index Average (SONIA) compounded rate
- (b) Investments – Longer term – capital investment rates returned against comparative average rates

103. In addition that the security benchmark for each individual year is:

**Table 15 - Security Benchmark**

	1 year	2 years
<b>Maximum</b>	0.077%	0.077%

Note: This benchmark is an average risk of default measure and would not constitute an expectation of loss against a particular investment.

104. The above reported benchmarks for Security Liquidity and Yield all relate to Deposits with Banks and Money Market Funds but would not relate to Property Funds.
105. It is proposed that property funds will be benchmarked for performance against the IPD All Balanced Fund index which is the universe of all property funds, data for this can be provided by our Treasury Management advisors Link Group.

### **End of year investment report**

106. At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

### **Outcome of Consultation**

107. No consultation was undertaken in the production of this report.

**Economic Background provided by Link Group**

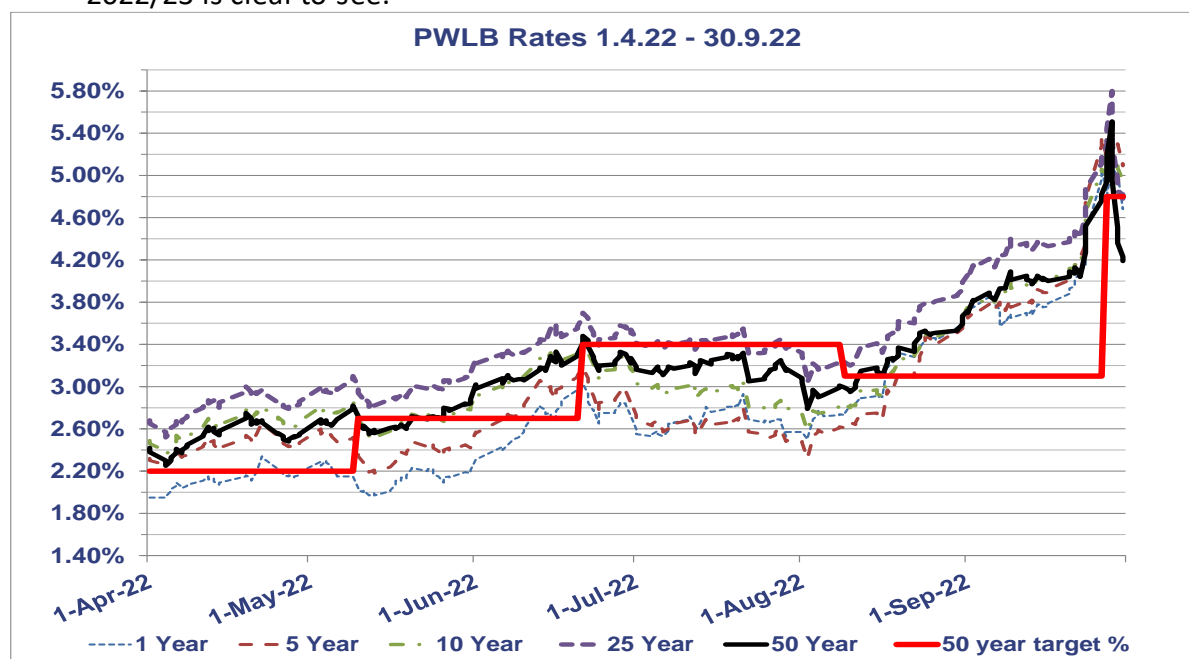
1. Against a backdrop of stubborn inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK Government policies, it is no surprise that UK interest rates have been volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2022.
2. Market commentators' misplaced optimism around inflation has been the root cause of the rout in the bond markets with, for example, UK, EZ and US 10-year yields all rising by over 200bps since the turn of the year. The table below provides a snapshot of the conundrum facing central banks: inflation is elevated but labour markets are extra-ordinarily tight, making it an issue of fine judgment as to how far monetary policy needs to tighten.

	<b>UK</b>	<b>Eurozone</b>	<b>US</b>
<b>Bank Rate</b>	3.0%	1.5%	3.75%-4.00%
<b>GDP</b>	-0.2%q/q Q3 (2.4%y/y)	+0.2%q/q Q3 (2.1%y/y)	2.6% Q3 Annualised
<b>Inflation</b>	11.1%y/y (Oct)	10.0%y/y (Nov)	7.7%y/y (Oct)
<b>Unemployment Rate</b>	3.6% (Sep)	6.6% (Sep)	3.7% (Aug)

3. Q2 of 2022 saw UK GDP revised upwards to +0.2% q/q, but this was quickly reversed in the third quarter, albeit some of the fall in GDP can be placed at the foot of the extra Bank Holiday in the wake of the Queen's passing. Nevertheless, CPI inflation has picked up to what should be a peak reading of 11.1% in October, although with further increases in the gas and electricity price caps pencilled in for April 2023, and the cap potentially rising from an average of £2,500 to £3,000 per household, there is still a possibility that inflation will spike higher again before dropping back slowly through 2023.
4. The UK unemployment rate fell to a 48-year low of 3.6%, and this despite a net migration increase of c500k. The fact is that with many economic participants registered as long-term sick, the UK labour force actually shrunk by c£500k in the year to June. Without an increase in the labour force participation rate, it is hard to see how the UK economy will be able to grow its way to prosperity, and with average wage increases running at 5.5% - 6% the MPC will be concerned that wage inflation will prove just as sticky as major supply-side shocks to food and energy that have endured since Russia's invasion of Ukraine on 22nd February 2022.
5. Throughout Q3 Bank Rate increased, finishing the quarter at 2.25% (an increase of 1%). Q4 has seen rates rise to 3% in November and the market expects Bank Rate to hit 4.5% by May 2023.
6. Following a Conservative Party leadership contest, Liz Truss became Prime Minister for a tumultuous seven weeks that ran through September and December. Put simply, the markets did not like the unfunded tax-cutting and heavy spending policies put forward by

her Chancellor, Kwasi Kwarteng, and their reign lasted barely seven weeks before being replaced by Prime Minister Rishi Sunak and Chancellor Jeremy Hunt. Their Autumn Statement of 17 November gave rise to a net £55bn fiscal tightening, although much of the “heavy lifting” has been left for the next Parliament to deliver. However, the markets liked what they heard, and UK gilt yields have completely reversed the increases seen under the previous tenants of No10/11 Downing Street.

7. Globally, though, all the major economies are expected to struggle in the near term. The fall below 50 in the composite Purchasing Manager Indices for the UK, US, EZ and China all point to at least one if not more quarters of GDP contraction. In November, the MPC projected eight quarters of negative growth for the UK lasting throughout 2023 and 2024, but with Bank Rate set to peak at lower levels than previously priced in by the markets and the fiscal tightening deferred to some extent, it is not clear that things will be as bad as first anticipated by the Bank.
8. The £ has strengthened of late, recovering from a record low of \$1.035, on the Monday following the Truss government’s “fiscal event”, to \$1.20. Notwithstanding the £’s better run of late, 2023 is likely to see a housing correction of some magnitude as fixed-rate mortgages have moved above 5% and affordability has been squeezed despite proposed Stamp Duty cuts remaining in place.
9. In the table below, the rise in gilt yields, and therein PWLB rates, through the first half of 2022/23 is clear to see.



10. However, the peak in rates on 28<sup>th</sup> September as illustrated in the table covering April to September 2022 below, has been followed by the whole curve shifting ever lower. PWLB rates at the front end of the curve are generally over 1% lower now whilst the 50 years is over 1.75% lower.

	1 Year	5 Year	10 Year	25 Year	50 Year
<b>Low</b>	1.95%	2.18%	2.36%	2.52%	2.25%
<b>Date</b>	01/04/2022	13/05/2022	04/04/2022	04/04/2022	04/04/2022
<b>High</b>	5.11%	5.44%	5.35%	5.80%	5.51%
<b>Date</b>	28/09/2022	28/09/2022	28/09/2022	28/09/2022	28/09/2022
<b>Average</b>	2.81%	2.92%	3.13%	3.44%	3.17%
<b>Spread</b>	3.16%	3.26%	2.99%	3.28%	3.26%

11. After a shaky start to the year, the S&P 500 and FTSE 100 have climbed in recent weeks, albeit the former is still 17% down and the FTSE 2% up. The German DAX is 9% down for the year.

## CENTRAL BANK CONCERNS – NOVEMBER 2022

12. At the start of November, the Fed decided to push up US rates by 0.75% to a range of 3.75% - 4%, whilst the MPC followed a day later by raising Bank Rate from 2.25% to 3%, in line with market expectations. EZ rates have also increased to 1.5% with further tightening in the pipeline.
13. Having said that, the press conferences in the US and the UK were very different. In the US, Fed Chair, Jerome Powell, stated that rates will be elevated and stay higher for longer than markets had expected. Governor Bailey, here in the UK, said the opposite and explained that the two economies are positioned very differently so you should not, therefore, expect the same policy or messaging.
14. Regarding UK market expectations, although they now expect Bank Rate to peak within a lower range of 4.5% - 4.75%, caution is advised as the Bank of England Quarterly Monetary Policy Reports have carried a dovish message over the course of the last year, only for the Bank to have to play catch-up as the inflationary data has proven stronger than expected.
15. In addition, the Bank's central message that GDP will fall for eight quarters starting with Q3 2022 may prove to be a little pessimistic. Will the £160bn excess savings accumulated by households through the Covid lockdowns provide a spending buffer for the economy – at least to a degree? Ultimately, however, it will not only be inflation data but also employment data that will mostly impact the decision-making process, although any softening in the interest rate outlook in the US may also have an effect (just as, conversely, greater tightening may also).



**Treasury Management Practice (TMP1) – Credit and Counterparty Risk Management**

**Specified Investments**

1. All such investments will be sterling denominated, with maturities up to a maximum of 1year, meeting the minimum 'high' quality criteria where applicable. (Non-specified investments which would be specified investments apart from originally being for a period longer than 12 months, will be classified as being specified once the remaining period to maturity falls to under twelve months).

**Non-Specified Investments**

2. These are any investments which do not meet the specified investment criteria.
3. A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made, it will fall into one of the above categories.

4. The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

	Minimum credit criteria / colour band	Max % of total investment / £ limit per institution	Max. maturity period
Debt Management Account Deposit Facility (DMADF) – UK Government	Yellow	100%	6 months (max is set by DMO)
UK Gilts	Yellow		5 years
UK Treasury Bills	Yellow		364 days (max is set by DMO)
Bonds issued by multilateral development banks	Yellow		5 years
Money Market Funds CNAV	AAA	100%	Liquid
Money Market Funds LNAV	AAA		Liquid
Money Market Funds VNAV	AAA		Liquid
Ultra-Short Dated Bond Funds with a credit score of 1.25	AAA	100%	Liquid
Ultra-Short Dated Bond Funds with a credit score of 1.5	AAA	100%	Liquid
Local Authorities	Yellow	100%	5 years
Term Deposits with Housing Associations	Blue Orange Red Green No Colour		12 months 12 months 6 months 100 days Not for use
Term Deposits with Banks and Building Societies	Blue Orange Red Green No Colour		12 months 12 months 6 months 100 days Not for use
CD's or Corporate Bonds with Banks and Building Societies	Blue Orange Red Green No Colour		12 months 12 months 6 months 100 days Not for use
Gilt Funds	UK Sovereign rating		

## APPENDIX 3

### APPROVED COUNTRIES FOR INVESTMENTS

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link creditworthiness service.

#### *Based on lowest available rating*

##### **AAA:**

- (a) Australia
- (b) Denmark
- (c) Germany
- (d) Netherlands
- (e) Norway
- (f) Singapore
- (g) Sweden
- (h) Switzerland

##### **AA+:**

- (a) Canada
- (b) Finland
- (c) U.S.A.

##### **AA:**

- (a) Abu Dhabi (UAE)
- (b) France

##### **AA-:**

- (a) Belgium
- (b) Qatar
- (c) U.K.

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**CABINET  
7 FEBRUARY 2023**

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**CALENDAR OF COUNCIL AND COMMITTEE MEETINGS 2023/24**

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**Responsible Cabinet Member -  
Councillor Jonathan Dulston, Leader and all Cabinet Members**

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

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**SUMMARY REPORT**

**Purpose of the Report**

1. To consider the Calendar of Council and Committee Meetings for the 2023/24 Municipal Year.

**Recommendation**

2. It is recommended that:
  - (a) The Calendar of Council and Committee Meetings 2023/24, attached as an Appendix, be approved; and
  - (b) The proposed dates for the meetings of Council be referred to the Annual Council meeting scheduled to be held on Thursday 25 May 2022.

**Reasons**

3. The recommendations are supported by the following reasons:
  - (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.

**Elizabeth Davison  
Group Director of Operations**

**Background Papers**

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

Lynne Wood : Extension 5803

S17 Crime and Disorder	The contents of this report do not have any direct implications on Crime and Disorder.
Health and Wellbeing	The contents of this report do not have any direct implications on Health and Safety.
Carbon Impact and Climate Change	The contents of this report do not have any direct Carbon Impact implications.
Diversity	The contents of this report do not have any direct implications on Diversity.
Wards Affected	The contents of this report do not directly affect any wards.
Groups Affected	The contents of this report do not directly affect any groups.
Budget and Policy Framework	The contents of this report do not have any direct implications on the Budget and Policy Framework.
Key Decision	The issues contained within the report do not represent a key decision.
Urgent Decision	This is not an urgent decision.
Council Plan	The contents of this report do not have any direct implications on the Council's Plan.
Efficiency	The contents of this report do not have any direct implications on efficiency.
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

4. Members will be aware that the Calendar of Council and Committee Meetings is normally submitted for consideration at this time of the year to assist officers and Members with forward planning.
5. The calendar, attached as an Appendix, is based on six Council cycles and a four week summer recess period.
6. Included within the calendar are the dates for Remembrance Sunday and the Police and Crime Commissioner and Tees Valley Combined Authority Mayoral Elections and meetings of the Audit Committee, Corporate Parenting Panel, Health and Well Being Board and Standing Advisory Council on Religious Education.

### Outcome of Consultation

7. The Chief Officers Executive and Chief Officers Board were consulted on the calendar.

## CALENDAR OF MEETINGS


This document was classified as: OFFICIAL

2023/24

Calendar May 2023 to May 2024

Recess - 4 weeks 25 July to 18 August 2024

Abbreviation	Council and Committees
AC	- Annual Council
C	- Council
Cab	- Cabinet
L	- Licensing (General Licensing, General Licensing Sub and Licensing Act 2003 Committees)
PA	- Planning Applications Committee
A	- Audit Committee
AD	Adults Scrutiny Committee
CYP	- Children and Young People Scrutiny Committee
CLS	- Communities and Local Services Scrutiny Committee
ER	- Economy and Resources Scrutiny Committee
HH	- Health and Housing Scrutiny Committee
CPP	- Corporate Parenting Panel
HWBB	- Health and Well Being Board
SACRE	- Standing Advisory Council on Religious Education
RS	- Remembrance Sunday
BCE	Borough Council Elections
PCC/TVCAM	Police and Crime Commissioner and Tees Valley Combined Authority Mayoral Elections

 = Bank Holiday

 = Recess

