

# Council Agenda



**6.00 pm Thursday, 27 September 2018  
Council Chamber, Town Hall**

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

1. Introductions / Attendance at Meeting.
2. Minutes - To approve the Minutes of the Meeting of this Council held on 19 July 2018. (Pages 1 - 4)
3. Declarations of Interest.
4. Sealing.
5. Announcements.
6. Questions - To answer questions (where any appropriate notice has been given from: –
  - a) The Public;
  - b) Members to Cabinet / Chairs;
  - c) Members to the Police, Crime and Victims' Commissioner for Durham and Darlington.
7. Council Reports.
8. Cabinet Reports.
  - (a) Overview Reports of Cabinet Member –
    - (i) Leader and Efficiency and Resources Portfolio Overview;
    - (ii) Adult Social Care Portfolio;
    - (iii) Children and Young People Portfolio;
    - (iv) Economy and Regeneration Portfolio;
    - (v) Housing, Health and Partnerships Portfolio; and
    - (vi) Leisure and Local Environment Portfolio.(Pages 5 - 32)
  - (b) Treasury Management Annual Report and Outturn Prudential Indicators

2017/18 - Report of Managing Director. (Pages 33 - 54)

9. Scrutiny Reports.

- (a) Adults and Housing Scrutiny Committee; (Pages 55 - 56)
- (b) Children and Young People Scrutiny Committee; (Pages 57 - 60)
- (c) Efficiency and Resources Scrutiny Committee; (Pages 61 - 62)
- (d) Health and Partnerships Scrutiny Committee; and (Pages 63 - 64)
- (e) Place Scrutiny Committee. (Pages 65 - 66)

10. Membership Changes - To consider any membership changes to Committees, Subsidiary Bodies and Other Bodies.



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

**Wednesday, 19 September 2018**

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

**Membership**

The Mayor, Councillors Baldwin, Carson, Cartwright, Cossins, Coultas, Crichlow, Crudass, Crumbie, Mrs Culley, Curry, Dixon, Donoghue, Galletley, Grundy, Harker, Haszeldine, Heslop, C L B Hughes, L Hughes, Johnson, B Jones, Mrs D Jones, Kane, Kelley, Kelly, Knowles, Lawton, Lee, Lister, Lyonette, Marshall, McEwan, Mills, Newall, K Nicholson, M Nicholson, Nutt, Rahman, S Richmond, E A Richmond, A J Scott, Mrs H Scott, Storr, C Taylor, J Taylor, Tostevin, Wallis, Wright and York

If you need this information in a different language or format or you have any other queries on this agenda please contact Paul Dalton, 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

## ITEM NO. 2

### **COUNCIL** 19<sup>th</sup> July 2018

**PRESENT** – The Mayor; Councillors Baldwin, Carson, Cartwright, Cossins, Coultas, Crichlow, Crudass, Crumbie, Mrs. Culley, Curry, Dixon, Donoghue, Harker, Haszeldine, Heslop, C. L. B. Hughes, L. Hughes, Johnson, B. Jones, Mrs. D. Jones, Kane, Kelley, Knowles, Lawton, Lee, Lister, Marshall, McEwan, Mills, Newall, K. Nicholson, M. Nicholson, Nutt, Rahman, E. A. Richmond, S. Richmond, A. J. Scott, Storr, C. Taylor, J. Taylor, Tostevin, Wallis and Wright. (44)

**APOLOGIES** – Councillors Galletley, Kelly, Lyonette, Mrs. H. Scott and York. (5)

**ABSENT** – Councillor Grundy. (1)

**9. MINUTES** – Submitted – The Minutes (previously circulated) of the meetings of this Council, held on 10 and 17 May 2018.

**RESOLVED** – That the Minutes be approved as correct records.

**10. DECLARATIONS OF INTEREST** – The Mayor and Councillors Cossins, Dixon, Harker, L. Hughes, Kane, Knowles, Lister, McEwan, Storr, C. Taylor and J. Taylor each declared a Non-Pecuniary Interest in Minute 17(b) below, as a Member of the Co-operative Party.

Councillor Coultas declared a Non-Pecuniary Interest in Minute 15 (a) below, as a Director of the Darlington Credit Union.

**11. ORDER OF SEALING DOCUMENTS** – Presented – The Register showing the documents which had been sealed since the last meeting of Council.

**12. ANNOUNCEMENTS – (1) Councillor Regan** - The Mayor reported on the death of Councillor David Regan, who had sadly passed away on 27 May 2018, and referred to Councillor Regan's years of service, and roles on the Council.

As a mark of respect, Members stood and observed a short silence for Councillor Regan.

**(2) Best of Darlington Awards 2018** – The Mayor reported on the Best of Darlington Awards, which had taken place on 18 May 2018, and informed Members of two employees of the authority who were amongst the Award recipients.

Lyndsey Robinson, Tenancy Enforcement Officer, was presented with the 'Public Service Hero Award', for her work tackling anti-social behaviour in Middleton St. George, and Lee Morris, Learning and Skills Employer Engagement Officer, was

presented with the 'Darlington Cares: Good Egg Award' for his volunteer work with both Quakers Running Club and Darlington South Park parkrun.

The Mayor also reported that Ada Burns, former Chief Executive of the authority, received a special Chairman's Award, in recognition of her achievements.

**(3) Councillor Heslop** - The Mayor extended a warm welcome to Councillor Heslop, who was attending his first meeting of the Council since his election on 12 July 2018.

**13. QUESTIONS – TO ANSWER QUESTIONS (WHERE NOTICE HAS BEEN GIVEN) FROM – (1) The Public** – There was one question, with notice, from a member of the public, who received an answer thereon.

**(2) Members to Cabinet/Chairs** – There were no questions from Members, where notice had been given, for the Mayor, Members of the Cabinet, or the Chairs of the Scrutiny Committees.

**(3) Police, Crime and Victims' Commissioner for Durham and Darlington** – The Police, Crime and Victims' Commissioner for Durham and Darlington, had submitted his apologies for the meeting.

**14. COUNCIL REPORTS** – There were no reports for consideration at the meeting.

**15. CABINET REPORTS – (a) Overview Reports of Cabinet Members** – The Cabinet Members each gave a report (previously circulated) on the main areas of work undertaken under their relevant portfolio during the previous cycle of meetings. Cabinet Members answered questions on their portfolios.

**(b) Cabinet Urgent Decisions** – The Managing Director submitted a report (previously circulated) detailing decisions taken by Cabinet as a matter of urgency and to which the procedure for call-in could not be applied.

**RESOLVED** – That the urgent decisions taken by Cabinet be noted.

**REASON** – To comply with the Council's Constitution.

**16. SCRUTINY REPORTS – OVERVIEW REPORTS** – The five Scrutiny Committee Chairs each submitted a report (previously circulated) on the main areas of work undertaken by their relevant Scrutiny Committee during the last cycle of Committee meetings

**17. NOTICES OF MOTION** – (a) The following Motion was moved by Councillor Curry, and seconded by Councillor Wallis:

That a report be submitted to a future meeting of the Council's Cabinet to:-

- a) Look at options to end the use of unnecessary 'Single Use Plastics' within the Council; and

- b) Encourage businesses; those who contract with the Council; residents; and organisations in Darlington to go 'Plastic' free to assist in reducing street litter and contribute to the global campaign against marine pollution.

The Motion was put to the meeting and carried.

(b) The following Motion was moved by Councillor Knowles, and seconded by Councillor S. Richmond:

- a) That, as this Council believes that action needs to be taken to raise awareness of modern slavery (and the fact that it is happening all over the UK and that the current support for victims is not sufficient and needs to go beyond the 45 days they are currently given by the Government), it agrees it has an important role to play in ensuring Darlington Borough Council's contracts and supplies don't contribute to modern slavery and exploitation.
- b) That this Council adopt and as far as is practicable implement the Co-operative Party's Charter against Modern Slavery to ensure Darlington Borough Council's procurement practices don't support slavery.

In accordance with Council Procedure Rules, a request was made by five Members for a named vote on the Motion. A named vote was taken of those Members present at the meeting and there appeared:-

**For the Motion** – The Mayor; Councillors Baldwin, Carson, Cossins, Coultas, Crichlow, Crumbie, Dixon, Harker, Haszeldine, Heslop, C. L. B. Hughes, L. Hughes, Kane, Kelley, Knowles, Lawton, Lee, Lister, McEwan, Newall, K. Nicholson, M. Nicholson, Nutt, Rahman, S. Richmond, A. J. Scott, Storr, C. Taylor, J. Taylor, Wallis and Wright. (32)

**Against the Motion** – Councillors Crudass, Donoghue, Johnson and Tostevin (4)

**Abstentions** – Councillors Mrs. Culley, Curry, B. Jones, Mrs. D. Jones, Marshall, Mills and E. A. Richmond. (7)

**Motion Carried.**

**NOTE:** Councillor Cartwright had left the meeting when the vote was taken.

## **18. LEADER OF THE COUNCIL – APPOINTMENT OF A LEADER OF THE COUNCIL**

– Following the resignation of Councillor Bill Dixon as Leader of the Council, consideration was given to the appointment of a new Leader of the Council.

**RESOLVED** - That Councillor Harker be appointed Leader of the Council.

**NOTE:** Following his appointment, Councillor Harker confirmed that Councillor McEwan would be appointed the Deputy Leader of the Council, and stated that he intended to undertake the work of the Leader's Portfolio, alongside the Efficiency and

Resources Portfolio, until the following Ordinary Meeting of the Council when he would confirm his appointments to the Cabinet Portfolios.

**19. MEMBERSHIP CHANGES** – Consideration was given to membership changes of the Committees, Subsidiary Bodies and Other Bodies for the remainder of the Municipal Year 2018/19.

**RESOLVED** – (a) That Councillor Mrs. D. Jones be appointed to the Planning Applications Committee in place of Councillor Cartwright.

(b) That Councillor Heslop be appointed to the vacancy on the Health and Partnerships Scrutiny Committee.

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## **LEADER AND EFFICIENCY AND RESOURCES PORTFOLIO OVERVIEW**

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1. This is my first report as Leader and I want to take this opportunity to take stock of where I see the Council going and reflect on what has been delivered by my predecessor.
2. First of all I want to put on record my thanks and admiration for the work of Bill Dixon, who worked tirelessly as Leader through a most challenging period. His great leadership in making really tough decisions to make the Council financially sustainable means we are in a far better financial position than Bill faced as Leader in 2011.

### **Looking Back**

3. There have been tough decisions taken during the last 3 years. However it is worth reflecting on the many great successes the Council has achieved in that period over and above achieving financial sustainability. Set out below are some highlights:-
  - (a) Improvements made in services for children in Darlington. This was a great Council wide success but the Children's team made it happen on the ground. Children in Darlington will get a better start in life now we have improved our services.
  - (b) Darlington Hippodrome refurbishment – another success story. The addition of a flagship venue for Theatre Hullabaloo, a pioneering organisation that makes, tours & promotes theatre for young audiences, aged 0 – 16 years adds to the facilities on offer in Darlington, where creativity and play are at the heart of the venue.
  - (c) We have built 170 new Council homes over the last 3 years. There is a great need for quality, affordable housing and I am very proud that Darlington Council are building such great new homes for Darlington people. I only wish the government would remove the restrictions on the Housing Revenue Account that limits the amount of homes we can build.
  - (d) We have seen a significant changes in the way we support elderly people using our strength based approach to assessments we are now seeing more people supported at home and fewer in residential care.
  - (e) We have just completed a commercial deal to secure the relocation of the cattle market from the Town Centre facilitating the future regeneration of the Bank Top Station area and the development of an agricultural centre at

Humbleton Farm. Not least this will remove problems faced by residents for many years.

- (f) We have established a number of Joint Venture companies to deliver homes for sale in partnership with Esh Homes. Our first company is on target to deliver a pre-tax profit for the council in the region of £1m. More quality homes and much needed revenue to support Council services.
- (g) Regeneration projects at Central Park, Ingenium Park and Faverdale are progressing well, bringing employment and housing to Darlington.
- (h) Last, but by no means least, we have secured a significant inward investment at Synergy Park, a development that will bring between 2000 and 2500 jobs to the borough, which will help Darlington grow and prosper together with much needed extra business rates to help support Council services in the future.

### **Looking Forward**

- 4. Below are some highlights I hope to see delivered in the future, which are able to happen due to the hard work we have already undertaken:-
  - (a) A new Council built office block in Feethams which will deliver new jobs and footfall to the Town Centre.
  - (b) A new masterplan for the Town Centre to support the changing face of town centres that will enable business to grow and adapt in Darlington. I hope that the House of Fraser will continue to be a significant player in the Town Centre.
  - (c) With the support of the TVCA, see the 2025 Tees Valley City of Culture bid develop with Railway Heritage at its heart. Part of the work includes the production of a business case to develop a major visitor attraction at the site of the Head of Steam, capable of attracting over 250,000 visitors per year.
  - (d) The implementation of the Neighbourhood Renewal strategy to help the most vulnerable in our community.
  - (e) To consulting and developing a new vision for the library service at Crown Street.
  - (f) See the finalisation of the Local Plan which will set out how the Borough will grow its economy to ensure sustainability for the Borough and its residents.
  - (g) See the investment in our new Community Safety team pay off which will help tackle some of our challenges such as ASB and issues in the private rented sector.
  - (h) I will be interested to see how our pilot contract with the private sector for litter enforcement works. I will be looking to hear the views of residents and businesses on how the pilot works before we make a final decision.



- (i) We will, like all Councils in the region, be working hard to understand why the numbers of Looked After Children are increasing at such a rate. We are putting in place new methods to identify Children who need help to avoid them needing to be brought in to care.
- (j) I await with interest the production of the outline business case on the Sports Village being produced by Mowden Park Rugby Club with financial support from TVCA. My aspirations for the village are that it can deliver great sustainability for many of our sports clubs and increase community use and access.
- (k) The planning and delivery of new houses both for sale and rent at the newly acquired Neasham Road site.

**Stephen Harker**  
**Leader of the Council and Efficiency and Resources Portfolio**

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**OVERVIEW OF ADULT SOCIAL CARE PORTFOLIO**

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**Purpose of the Report**

1. To inform and update Members on progress within Adult Social Care since the last meeting of Council. The following are the main areas of work under the Portfolio for Adult Social Care.

**Strategic Commissioning**

2. With the changes introduced by the General Data Protection Regulations (GDPR) from 25th May 2018, an exercise has been undertaken to ensure all contractual agreements have been varied accordingly.
3. Commissioners have recently received the second in a series of Care Home Experience reports produced by Healthwatch Darlington. During May/June 2018, Healthwatch visited five of the 18 commissioned residential care homes in Darlington and from discussions with residents, families and staff, has produced its report on the quality of life and choices offered to Darlington residents. The full report is available on the Healthwatch Darlington website.
4. The report clearly demonstrates that within the five homes which were visited, individuals were very happy with the care and support that they received and relatives felt that their family member was looked after. Interaction between residents and staff was very kind and caring.
5. The findings were very similar to those outlined in the first report and it is pleasing to note that, within Darlington, residential care provision continues to be delivered to a good standard by well trained and committed staff.

**Operational Developments**

6. The number of people benefitting from the Council's reablement service has continued to increase. This highlights the positive work social care staff are undertaking in working with people to maximise their independence. The reablement approach assists in helping individuals regain their confidence, which is especially important after a period of ill health.
7. Darlington continues to perform well in supporting people who use social care to receive self-directed support and to access Direct Payments, the aim of which, is to promote independence by offering flexibility in how services are provided. This enables people to have more control over their care and support.

8. I have recently attended the Adult Social Care Validation Forum. The Forum is an opportunity for practitioners to present proposed packages of care to senior managers. It is positive to see the utilisation of a strength based approach within the work presented and to observe the professional support in assuring good standards of practice.
9. Quarter 1 performance results in relation to permanent admission to residential care, continue to evidence the positive shift to community based support, where appropriate.

### **Safeguarding Adults Partnership Board**

10. At the Board meeting on 2 August 2018, there was a focussed discussion on the performance management framework. The Board acknowledged the work undertaken by the sub group so far and are satisfied the data set is progressing in the right direction. However, it was acknowledged there is a requirement for greater analytical input and it was requested that partner agencies identify analysts to further support the work of the sub group.
11. Board were advised of the new Working Together Guidance that was published in July, which sets out the new safeguarding arrangements for the Local Safeguarding Children's Board. The Director of Children and Adult Services advised discussions will be picking up pace over the coming months between the key strategic leads of the responsible statutory agencies. Arrangements need to be in place by September 2019 and the Board will be updated as work progresses.
12. A draft annual report was presented to the Board and members identified a number of amendments and suggestions in how the report should look and requested it be revised accordingly.
13. The Board endorsed a Modern Slavery and Human Trafficking at a Glance leaflet. Reporting skin damage guidance was also endorsed, here there are concerns that presenting skin damage is due to neglect/self-neglect and/or poor practice through the Safeguarding Adults procedure.

**Councillor Sue Richmond**  
**Cabinet Member with Portfolio for Adult Social Care**

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**OVERVIEW OF CHILDREN AND YOUNG PEOPLE PORTFOLIO**

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1. Since the last meeting of Council, the following are the main areas of work carried out under the Children and Young People Portfolio.

**School Term Dates 2020/21**

2. The school term date arrangements have been agreed for Darlington's maintained schools for the academic years 2020/2021 and were published at the end of July 2018.
3. A consultation exercise with 42 schools in Darlington, inclusive of their relevant Governing Bodies was undertaken, with 28 responses from Governing Bodies and Head teachers received.
4. 25 Schools/Governing Bodies out of the 42 schools have expressed their preference for the dates in the model calendar and three schools, namely Carmel College, St. Teresa's and Polam Hall will be adopting the same term dates as the other schools in their respective academy trusts.
5. The majority of Academies and Voluntary Aided schools in Darlington have continued to follow the local authority published dates, despite having the freedom to set their own dates.

**Corporate Parenting Panel**

6. The Panel met on 26 June 2018. Members were updated on the activities of the Children in Care Council and the Darlington Foster Care Association.
7. Discussions also took place regarding the outcome of the Ofsted inspection of Children's Social Care and the end of year performance indicators for 2017/18.
8. The six monthly Fostering and Adoption service report was also presented and discussed, and the first annual report of the Corporate Parenting Panel was presented.

**Local Safeguarding Children Board (LSCB)**

9. The Board met on 7 August 2018 and were advised of the new Working Together to Safeguard Children Guidance that was published in July. The new guidance sets out the arrangements for how key safeguarding partners will work together with relevant agencies to safeguard and promote the welfare of children in the local area. The Director of Children and Adult Services advised that discussions between

responsible statutory agencies have begun and will be picking up pace over the coming months, with a lead in time of September 2019.

10. The Board received two presentations from the Assistant Director of Children's Services, the first one on the learning identified through Operation Vista. Operation Vista was undertaken due to allegations of sexual abuse by a number of perpetrators. There were a number of lessons to be learned across the partnership following the operation, in particular, it was identified that the current procedure and practice guidance for multiple and complex abuse and notifiable incident reporting processes should be revised. The second presentation was around the learning identified through a recent DSCB Learning Lessons Review for Child D. This review again highlighted that the notifiable incident process should be revised as well as the current Learning Improvement Framework, which should also take into account the revised Working Together guidance.
11. The Board endorsed the multi-agency Neglect Strategy, action plan and practice guidance which sets out the strategic aims and objectives for tackling neglect in Darlington. Board was also provided with an overview of the Checkpoint project and the offence of Child Neglect. This is a deferred prosecution scheme for low and medium risk offenders with an aim of reducing arrests and preventing re-offending.

### **School Forum**

12. The Forum met on 10 July. This meeting was an additional meeting outside of the schedule to present to Forum members the proposed amendments to mainstream SEND funding from September 2018.

### **Child Protection/Looked After Children Statistics – Quarter 1**

14. As at 30 June 2018 the following figures were reported on Child Protection and Looked After Children:
  - (a) 112 children were subject to a Child Protection Plan; and
  - (b) 227 children were in care.

### **Commissioning and Contracts**

15. The Tees Valley contract for the provision of Residential Care for Children and Young People has been reopened to new providers. Tender evaluations have taken place and three of the four participating Tees Valley Councils were involved. The reopening of the contract will support an increase in the number of providers and the range of contracted placement options available for Children and Young People in Darlington.
16. Work at a regional level has continued to progress surrounding the feasibility of a regional contract for the provision of Independent Foster Agencies (IFA) placements. A series of workshops have been held with the IFA's exploring the potential advantages of a wider regional solution, the findings of which are being

closely analysed by the individual Councils to ascertain the potential benefit for each Council from a wider regional procurement solution.

## **Meetings**

17. Since the last meeting of Council, I have attended:

- (a) Briefings with the Director of Adults and Children's Services and various members of that directorate;
- (b) Met with a secondary school teacher re: E-Sports National Competition;
- (c) Darlington Pride event at the Marketplace;
- (d) The Corporate Parenting Panel;
- (e) Carmel College on A-level results day;
- (f) Convened a meeting with chief officers to discuss a student architect's ideas for conversion of derelict land into community space;
- (g) Site visit at a town centre play area;
- (h) Darlington for Culture's volunteer celebration at Theatre Hullabaloo;
- (i) Tees Valley-wide meeting of Lead Members for Children and Young People to discuss our adoption agency;
- (j) The Children and Young People Scrutiny Committee;
- (k) Chaired the Local Authority Governor Appointment Panel;
- (l) The Darlington Partnership Executive meeting;
- (m) Met with Mark Riddell MBE to discuss our Leaving Care Services;
- (n) The Health and Wellbeing Board;
- (o) Held a surgery for Young People at the Dolphin Centre; and
- (p) A meeting of the North East Child Poverty Commission.

**Councillor Cyndi Hughes**  
**Children and Young People Portfolio**

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**OVERVIEW OF ECONOMY AND REGENERATION PORTFOLIO**

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1. Since the last meeting of Council, the following are the main areas of work undertaken under the Economy and Regeneration Portfolio.

**House of Fraser**

2. I am delighted to report that agreement has been reached that Sports Direct will retain the former House of Fraser store in the Town Centre. The Council was involved in many discussions with both Sports Direct and the building owner and will continue to work with Sports Direct on its future plans. It has signed up for an initial short-term period of up to two years.

**Darlington Farmers Auction Mart**

3. Members will have seen the recent excellent news that agreement has been reached that secures the long anticipated relocation of the Darlington Farmers Auction Mart (DFAM) from the Town Centre. This was a time consuming, complex and very difficult deal to put together that has a number of very exciting outcomes, not least:-
  - (a) Relocation of DFAM from Bank Top to Humbleton Farm opens up further regeneration possibilities;
  - (b) Acquisition of land to accommodate social and affordable houses at Neasham Road;
  - (c) Private sector housing at West Park; and
  - (d) Humbleton Farm site capable of a sustainable agricultural cluster.

**Red Hall Regeneration Master Plan and Neighbourhood Renewal Strategy**

2. Cabinet welcomed the progress on the execution of the Red Hall Master Plan and Neighbourhood Renewal Strategy (adopted in April 2016 as the framework for neighbourhood regeneration at Red Hall) and its integration with the Healthy New Town initiative and, in doing so, considered revising the action plan in the light of current circumstances and evidence.
3. The Regeneration Programme consisted of three key work streams which come together in an integrated approach, namely Red Hall Master Plan, the overarching plan for regeneration that will improve the quality of life on Red Hall and help build a sustainable community; Red Hall Neighbourhood Renewal Strategy 2015-2017 a

framework to ensure Red Hall becomes a sustainable community; and regeneration of Red Hall with £5.5 million from the Housing Capital Programme to support the regeneration of the housing estate at Red Hall.

4. There has been considerable progress on the physical infrastructure of the area with over 380 homes being improved, helping to address energy efficiency and overall appearance; and the building of 39 new homes through the Housing Revenue Account Homes England affordable homes programme.
5. A new park and play area has also been created; planning permission granted for 80 new homes on the former Red Hall Stables site; and further projects are ready for execution including the Healthy New Town benches and the Community Centre Car Parking.
6. Additional projects are pending and will be generated by the Burdon Hill development to provide favourable conditions to consider further development in the central area for housing and local facilities.

### **Darlington Town Centre Footfall Strategy Update**

7. I held my first Town Centre Private Sector Reference Group, a supportive sounding and advisory group to the Council, in respect of master plan work and other operational Town Centre matters.
8. Cabinet supported the ongoing positive work with regard to the Town Centre, following implementation of the recently approved Footfall Strategy presented in November 2017, and agreed that a refresh of the Town Centre Masterplan was required due to the fast pace of retail change currently being experienced.
9. Key actions within the Strategy are to boost the reputation of Darlington as a Market Town, improve the attractiveness of the Town Centre and remove barriers by working with partners to reduce fear of crime and social behaviour, improve signage, review Town Centre parking and develop joint working to promote the Town.
10. A significant amount of work has taken place on delivering the Town Centre Footfall Strategy and Officers are working closely with Town Centre businesses and other partners to continue to develop and deliver the strategy.
11. Performance indicators in relation to footfall, car park usage, retail units and crime and disorder will help monitoring throughout the year.

### **Darlington Borough Local Plan 2016/36**

12. Consultation on the Draft Darlington Borough Local Plan took place over a six week period between 21 June and 2 August 2018. Over 1300 comments were received from almost 300 individuals, organisations and statutory bodies. The main areas of concern from respondents relate to:

(a) Quantity of and need for housing proposed in the plan;

- (b) Deliverability and reliance on a number of large strategic housing sites;
- (c) Loss of agricultural/greenfield land;
- (d) The two sites that have raised most objection are Skerningham and Blackwell Grange East;
- (e) Impact on highway network; and
- (f) Future of the Town Centre.

13. A full report of comments will be submitted to Members in due course.

### **Business Investment Team**

14. The Invest in Darlington website managed by the Business Investment Team has generated 133 property searches year to date.
15. Currently there are 56 live investment projects, all with varying degrees of probability of success. If successful, they could create an additional 500 jobs for Darlington. An enquiry by a hotel operator to convert the redundant Northgate House into a hotel is no longer pursuing. Currently Darlington is limited in terms of good quality business space serving the manufacturing and logistics sector. Tees Valley Combined Authority is in the process of conducting a Tees Valley wide business accommodation study which is hoped will address these needs.
16. Year to date, the Team has supported the creation of 274 new jobs through business support and engagement activity. This includes HC-One which has now completed the recruitment of 120 additional staff based at the group's headquarters on Archer Street (HQ) in the Town Centre. This follows the expansion of the company following the acquisition of BUPA care homes. The Darlington based HQ houses all back office, HR, accountancy, payroll, IT and Senior Management Team for the entire company, which now employs in excess of 25,000 staff across the UK.
17. The construction of a 1.5million sq. ft. warehouse and distribution centre development at Symmetry Park is now well underway. There are currently over 200 construction personnel working on site, with increasing numbers expected by Q4 in 2018. Much of the construction work will be subcontracted out and the Team will be working alongside the main contractor ISG Construction to develop supply chain opportunities for local businesses and residents.
18. A workshop with the North East Procurement Organisation (NEPO) was delivered on 16 August for Darlington businesses interested in finding out how to register and bid for public sector tender opportunities.
19. Plans are being developed for a second Darlington business week. This is scheduled for week commencing 8 October and will feature a range of events to promote the various schemes available to Darlington businesses to support business growth. The week will also include a Jobs Fair at the Dolphin Centre on 10 October 2018.
20. There have been a further two independent businesses supported by means of a grant towards their first year Business Rates, for taking on a former empty unit in

the Town Centre.

21. The Team is currently undertaking a research project with the Department for Business, Energy and Industrial Strategy (BEIS) alongside Birmingham University. 'Creating Further Demand and Growth Outside London' is aiming to identify barriers to growth in the Professional and Business Services sector in Darlington.
22. According to the latest figures available from the Office for National Statistics (ONS) unemployment levels are estimated to have fallen by 500 from 3200 to 2700 between January 2017 and March 2018.

### **Development Management Matters**

23. The following sites have been granted planning permission since the last report to Members:
  - (a) 80 dwellings at Springfield School;
  - (b) 75 dwellings at Walworth Road Heighington; and
  - (c) 20 dwellings at Cockerton Club Woodland.
24. Other significant applications which are awaiting determination include a Reserved Matters application for 95 houses at Hurworth, an application for 1500 houses at Coniscliffe Park and an application for a Lidl supermarket at Faverdale together with a Home Bargains and a Starbucks.

**Councillor Chris McEwan  
Economy and Regeneration Portfolio**

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**OVERVIEW OF HOUSING, HEALTH AND PARTNERSHIPS PORTFOLIO**

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**Purpose of the Report**

1. Since the last meeting of Council, the main areas of work under my Housing, Health and Partnerships Portfolio were as follows:-

**Public Health**

2. The new Sexual Health and Contraception Service is now fully operational and functioning well.
3. A review of the NHS Health Checks Scheme has been completed with the results informing the re-procurement process which has recently commenced.
4. The Healthy Lifestyle Survey will be delivered in Primary Schools across the Borough in the first term of the new academic year. The Secondary School survey will be undertaken from November 2018.
5. The 2018 Darlington Health Profile which provides a snapshot of health in the area has been published. The annual profiles are designed to help local government and health services' to work together to understand their community's needs in order to improve health and reduce inequalities.
6. The Health Profile 2018 includes measures of health inequalities, child health and adult health, with a summary of the population's health profile. Three key messages for Darlington in 2018 are:
  - (a) smoking prevalence in adults continues to decrease following the trend seen nationally;
  - (b) the gap in life expectancy for men between the most the deprived area and least deprived area in Darlington has increased. Life expectancy for both men and women in Darlington is lower than the England average; and
  - (c) under 18 conceptions continue to decrease and are statistically similar to the England average.
7. Public Health will be supporting this year's Stoptober campaign and staff from the Stop Smoking Service Hub will be visiting community venues promoting the service.

## **Darlington Partnership**

8. At the last Darlington Partnership Board meeting held on 11 July the Board agreed to take forward a programme of work around narrowing the gap between Darlington's most deprived communities and the rest in support of the Council's Neighbourhood Renewal programme. This work is founded on 'Community Wealth Building' activity which has proved successful in other local authority areas. It is recognised that this will be a significant undertaking and be the predominant focus of the Partnership in the medium to long term.

## **Health and Well Being Board**

9. At the meeting of the Health and Well Being Board held in March 2018 the priorities of the Board were discussed and an action plan was agreed for future meetings of the Board, to address those priorities through a focused 'life course' approach. The meeting of the Board held on 13 September 2018, which I Chaired, was the third meeting to follow this approach and the agenda focused on the priority of 'Ageing Well', with a demonstration being given on the Living Well Directory. A number of reports and plans relating to that priority included an update on the Better Care Fund, the Public Health England Annual Health Protection Report and Cancer Care.
10. Other issues considered at the meeting included a verbal update by the NHS Darlington Clinical Commissioning Group on the Integrated Care Systems and an update report on the work of Healthwatch Darlington.

## **Housing Services**

### **Red Hall Regeneration Master Plan and Neighbourhood Renewal Strategy**

11. Cabinet welcomed the progress on the execution of the Red Hall Master Plan and Neighbourhood Renewal Strategy (NRS), adopted in April 2016 as the framework for neighbourhood regeneration at Red Hall, and their integration with the Healthy New Town (HNT) initiative and, in doing so, considered revising the action plan in the light of current circumstances and evidence.
12. The Strategy comprised three components over a ten year period of a housing condition improvement programme and new Council housing; improvements to the physical infrastructure of the area as expressed through the Master Plan; and investment in the skills and ability of the community to become increasingly self-reliant.
13. Healthy New Town status was subsequently awarded, following receipt of external funding for the project, which added a new dimension to the work.
14. The NRS set out key priorities for activity but addressing health inequalities and poverty have been the foundations of the work.

15. Several projects have been established to address employment and education, fuel poverty and healthy living. A project to address holiday hunger has been successful with widespread support from the community and stakeholders. Red Hall Primary School has played an important role both in supporting activities such as the Bikeability and the garden competition but also in linking in parents to a range of activities.
16. More recently a project focused on youth was established by the YMCA which includes a new Youth Club encouraging young people to get involved in influencing the future of Red Hall.
17. Joint funding from the HNT Project and the Council will provide artist designed benches that will form a walk through Red Hall. The benches were designed with the help of children from the Primary School and are spaced so that two circuits will provide 10,000 steps.
18. The HNT project has attracted £1.1m into the Borough with an additional £373k so far to support the 'digital enablement' of care through the NHS Estates and Technology Transformation Fund with more expected this year. Digital based care will be essential in supporting patients remotely with self-management to help manage increasing demand on services, but also importantly to support patients and citizens in education, information and illness prevention.

### **Red Hall Summer Fair**

19. The Friends of Red Hall Residents Group organised a Summer Fair held on 12 August. They have established a relationship with the Stockton International Riverside Festival which provided some of the attractions but the organisation and running of the event fell to the Residents Group. The Healthy New Towns project funded a number of activities and also provided some prizes. There was a good turnout for what the Group hope will become an annual event.

### **Warwick Square Play Park**

20. The official opening of the play park took place on 26 July. This marked the completion of the first phase of work that provides play facilities for younger children. The Mayor performed the ceremony and there was a very good turnout of parents and children. Consultation took place with those present on options for developing a second phase of the play area and the opportunity was also taken to gather information from residents about how they view the general area to assist with further community engagement.
21. The information from the survey will be used to plan a second phase of development and it is hoped that a group of residents will come together to take an interest in the upkeep of the park.

## **Universal Credit**

22. The full service roll out began on 20 June in Darlington. Although numbers on Universal Credit are increasing rapidly the initial impact of the change on tenants, workloads and rents can only be judged once several cycles of monthly payments have taken place. Council staff have worked closely with the Department for Work and Pensions to plan the change introducing information sharing mechanisms. The Council has been awarded 'Trusted Landlord' status and has entered into a contract to provide advice to customers. Housing Services Income Team are working to mitigate the impact as far as possible through tenancy sustainment work with tenants at the pre-tenancy stage in order to ensure they take the right initial steps in applying for Universal Credit.

## **New Build**

### **Earl Carlson Grove**

23. An official opening ceremony took place in July on completion of the Council's largest housing development for some years. Councillor Bill Dixon performed the ceremony as one of his last acts as Leader of the Council. The family of Earl Carlson also attended the event and brought along memorabilia to explain who Earl Carlson was.
24. Work has now started on a new housing development opposite to this development consisting of eight three-bedroom and four four-bedroom houses and 18 two-bedroom flats. It is anticipated that development will be complete in Autumn 2019.

**Councillor A Scott**  
**Cabinet Member with Portfolio for Health and Partnerships**



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**OVERVIEW OF LEISURE AND LOCAL ENVIRONMENT PORTFOLIO**

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1. Since the last meeting of Council, the following are the main areas of work undertaken under the Leisure and Local Environment Portfolio.

**Garden Waste Collection Service**

2. Cabinet has given consideration to the introduction of an 'opt in' charged Garden Waste Collection Service for residents of the Borough and has agreed to a consultation exercise to gauge resident interest for the introduction of such a scheme.
3. Subject to enough residents wanting to participate in a Collection Service, it will be introduced from April 2019 on a fortnightly charged basis through to November 2019.
4. The proposed cost for the 'opt in' service will be £35 per year and the final decision to implement the service has been delegated to the Director of Economic Growth and Neighbourhood Services in consultation with me as the portfolio holder.

**Eastern Growth Zone Infrastructure Improvements**

5. We have approved the release of £500,000 from the Economic Growth Investment Fund to contribute towards the delivery of the strategic access road between Yarm Road and Tornado Way.
6. The Eastern Growth Zone comprises some of Darlington's key existing and future employment sites and the link road will complement planned highway infrastructure investment to deliver wider transport and economic benefits to the surrounding area.

**Well Managed Highway Infrastructure – A Code of Practice**

7. Cabinet Members have noted the adoption of the principles set out in the Well Managed Highway Infrastructure Code of Practice, the requirement to progress the specific recommendations and that operational highway assess management policies and procedures will be introduced or amended to reflect the new Code of Practice.
8. The Code of Practice replaces existing codes and promotes a risk based approach and also requires consideration of specific recommendations to be adopted when managing the Council's highway network.

9. Delegated authority has been given to the Director of Economic Growth and Neighbourhood Services, or nominated officers, to develop, update, bring into operation and review the policies and procedures that following principles in the Code of Practice.

### **Church Row**

10. There has been an increase in traffic passing alongside the market square area on Church Row outside St Cuthbert's Church. This is a result of the development of Feethams Leisure Park and the new bus stops outside of the Town Hall. This can occasionally cause some conflict in particular between buses, coaches and delivery vehicles. The existing footway is along the church yard boundary but many pedestrians are walking in the road as it is a more direct route. This is a road safety concern. In addition, the existing cobbled surface is suffering significant damage from road traffic and the effects of bad weather.
11. A scheme to remove the cobbles and widen the carriageway commenced mid-September and will be completed towards the end of November 2018. The road will be widened on the market square side to enable traffic to pass freely. A new footpath will be created on the church side of the road. The road surface will be reinstated with an asphalt material incorporating red chippings in order to provide a more even, hardwearing surface.

### **Schemes of Work**

12. Highways Maintenance Schemes complete:

- (a) Faverdale North – Faverdale to Faverdale West: Carriageway Resurfacing;
- (b) A68 West Auckland Road (John Fowler Way Junction): Carriageway Resurfacing;
- (c) Haughton Green/Stockton Road – A1150 Stockton Road Roundabout to Salters Lane North: Carriageway Restructuring;
- (d) A67 High Coniscliffe, throughabout 30mph zone: Carriageway Resurfacing; and
- (e) West End, Hurworth – Carriageway Resurfacing.

13. Highway Maintenance Schemes ongoing:

- (a) 100 plus sites throughout the Borough: Carriageway Micro Asphaltting; and
- (b) Lynton Gardens: Carriageway Reconstruction and Resurfacing.

14. Highway Maintenance Scheme due to start:

B6280 Carmel Road North/B6279 Staindrop Road Roundabout – Carriageway Resurfacing.

## Transport

15. **Town Centre** - A 20mph scheme has been introduced in the town centre, on all streets within the inner ring road. Signs clearly mark the beginning of the speed limit and variable messaging signs in five locations record and display the speeds of passing vehicles. This is to ensure that everyone can continue to enjoy a safe environment within the town centre. The speeds will be monitored and enforcement action from the Police requested as required.
16. **Parkgate Bridge** - Work has started on the preparations for the installation of Parkgate footbridge/cycle bridge, with the construction of the foundations on Adelaide Street and Central Park. The new bridge structure has been manufactured off site and will be transported and lifted into place at the end of October, with the new route opening in November.
17. **Bishop Line** - A new marketing campaign has been launched to promote the hourly, clock-face timetable for train services on the Bishop Line. Market research indicated that more people would use the rail service, more often, if it was both hourly (instead of every two hours during the day) and on a regular, easy to remember clock-face timetable (i.e. the same number of minutes past or to the hour). Reaction to the marketing campaign has been very favourable and use of the service has already increased.
18. **Respect Campaign** - Darlington Borough Council as part of Connect Tees Valley, is running an anti-social behaviour campaign around bus use. There will be a series of four themed posters/messages, the first of which 'It's a bus, not a playground' has been timed to coincide with the school holidays. The messaging will appear at town centre bus stops, on social media and on buses over the next year. The aim of the campaign is to encourage bus passengers to be considerate of others when travelling by bus, in order to ensure that everyone's journey is a good one.

## Cultural Services

### Active Darlington Project

19. The Project has engaged 2,948 participants to date over the last four years in a variety of informal sporting activities especially targeting the inactive participants and over 14 year olds. The project had 37,497 visits and 5,824 sessions delivered over the four years with 2,318 of the target project age group being over 14 years old. The demographic breakdowns were 55 per cent female, 45 per cent male and 10 per cent having a disability or from a BME background.
20. A new activity programme was launched in Red Hall in May to try and encourage Red Hall residents and people from the surrounding area to engage in physical activity. There are ten sessions being delivered, free of charge, to the participants, each week including Family Boxercise, Bootcamp, Zumba and Archery. The sessions are held in community spaces to remove any barriers when it comes to travel and are also during school time to eliminate any childcare issues. We

engaged with 90 residents from May to August and had 502 attendances.

### **Darlington Cycle and Castle Rides**

21. The annual 70 mile ride held on 1 July 2018 and the Castle Ride held on 5 August 2018 saw over 200 cyclists participate during two very hot days.

### **Proms in the Park**

22. A record-breaking crowd flocked to this year's Proms in the Park concert on 1 July and helped raise in excess of £1,200 for a soldiers' charity. Around 3,000 people of all ages gathered at the South Park bandstand for the annual event, which formed part of the Borough's celebrations to mark Reserves Day and Armed Forces Day (30 June). They brought along picnics and flags to join in the fun as they enjoyed an afternoon of free music and entertainment, which this year celebrated the 100<sup>th</sup> anniversary of the end of World War One and the centenary of the Royal Air Force.
23. It included music from The Royal Signals (Northern) Band, 102 Battalion Reme Pipes and Drums and Central and East Yorks Wing ATC Sector 1 Band with guest vocalist John Haigh. There were also performances from Mowden Junior School and Reid Street Primary School, representing Darlington Eurovision Junior Schools Choir, who sang songs from the show 'Oliver' and a 'Last Night Party' Colours and Standards ceremony.

### **Darlington Sherwoods Vauxhall 31<sup>st</sup> Anniversary 10K**

24. The 31<sup>st</sup> anniversary of the Darlington 10K on 12 August saw over 1,900 finish one of the most prestigious 10K runs in the North East. The day was launched with the Family Fun Run which attracted families pushing young children in buggies and parents running alongside their children; this was followed by the Junior 3K which attracted over 150 participants making it a hugely successful event for the town.

### **Darlington Hippodrome**

#### **Summer Season**

25. The season ended with a series of popular one night shows including Chris Ramsey, Last Night of the Proms and Whitney the Queen of the Night. July also saw several very successful community hires including Darlington Dance Festival, Joanne Banks School of Dance and the Melanie Edmenson School of Dance. All hirers were delighted with the improved facilities back stage for large companies with lots of young people, such as themselves.

#### **Autumn What's On Brochure**

26. The next What's On Brochure for the Hippodrome was published at the end of August and is sponsored by both Arriva and LNER. Shows include a number of prestigious West End transfers including Duet for One and The Simon and

Garfunkel Story. The autumn seasons begins with ballet LORENT's Rumpelstiltskin which features young dancers from St Bede's School and four dancers over the age of 70 from Darlington, dancing alongside the professional company. Following on is a co-production between Darlington Hippodrome and Wisecrack Productions of a new play The Great Joe Wilson which is set in Darlington and tells the story of a superstar of the music hall era. There is an accompanying exhibition in the Catherine Cookson Heritage Gallery which tells Joe Wilson's story set against the backdrop of the development of music hall and variety theatre nationally and in Darlington. Volunteers from Darlington Culture Volunteers helped to research the exhibition and also developed a music hall themed walking tour with the support of Chris Lloyd of The Northern Echo, which took place in early September.

27. Some large scale musicals are coming to Darlington, some of which could not have been presented in the old Civic Theatre. These include Rock of Ages, The Full Monty and Cilla the Musical. There are also some prestigious dramas including Dracula and Rain Man and a visit from The National Gilbert and Sullivan Opera Company.

### **Classical Music at the Hippodrome**

28. The Hippodrome is continuing to work in partnership with Orchestras Live and with the support of Creative Darlington and Durham and Darlington Music Hub, to present a vibrant high quality classical music programme with excellent outreach opportunities for young people. In early September the Orchestra of the Age of Enlightenment performed in Darlington with a curtain raiser by the Orchestra with students from Wyvern Academy and a special interactive concert performance of The Apple Tree for young people aged 2-5 years and their families in The Hullabaloo.

### **Darlington Culture Volunteers**

29. On 5 September the Hippodrome held a volunteer celebration event to mark the achievements of Darlington Culture Volunteers since its inception. There are 67 active volunteers and January to June 2018 saw the completion of 2871 hours of volunteering, which is an average of 478 hours per month and a significant increase on 2017. Volunteers support not only the Theatre but also other arts and cultural events in Darlington.

### **Audience Participation and Engagement**

30. The Hippodrome presented a series of engagement activities during August which included craft activities for adults and for young people, drama and dance workshops and live music in the Hippo Lounge on Saturday lunchtimes. The Theatre also launched a free family trail around the Theatre encouraging families to learn more about its history. Volunteers took part in a week of archiving activities led by the Theatre's Heritage Officer and there was also a drop in day for the public to come and see some of the interesting items in our collection.

31. On the last Friday of each month the Hippodrome is hosting Speakeasy with Mike McGrother, sponsored by Darlington Building Society, which is an afternoon of fun and music for older people at risk of loneliness and isolation.

### **Heritage on Track**

32. Heritage on Track is a programme exploring and promoting creative engagement with the heritage of the Stockton and Darlington Railway (S&DR) and of communities around North Road, of Red Hall and in Middleton St George which are located in close proximity to the railway track bed. Heritage on Track is one component of the Tees Valley Combined Authority led Great Place Tees Valley programme, which has secured a Great Place programme award from the Heritage Lottery Fund. The programme will run until the end of September 2020. Heritage on Track activity has already been staged at Darlington primary schools, Corporation Road, Red Hall and Middleton St George, and lead artist for the programme, Graeme Robinson, led community based activity in Red Hall during the 2018 summer holiday period.

### **Visual Arts**

33. The Dover Art Prize winners, Mally Mallinson and Shaun Doyle, have reached an agreement with Market Asset Management to exhibit new work supported by the award within Darlington Indoor Market. The work is informed by the heritage of the Bulmer stone in Darlington. The artists' work was displayed within the Indoor Market from 24 August, launched on 25 August and continued to be on display for a week, coming out of the market on 2 September 2018. The Dover Art Prize is a significant arts award managed by County Durham Community Foundation and over seventy proposals were submitted in consideration for the award, with Arts Council England, County Durham Community Foundation, Darlington Borough Council and Darlington Society of Arts representatives amongst the selection panel.
34. A new exhibition 'Images of Steam' of railway and landscape art by Stephen Bainbridge is currently on display in Crown Street Library (from 29 August to 16 October 2018). Stephen exhibited at Crown Street Library last year and has also worked at the Head of Steam Railway Museum. The exhibition coincides with the countdown to the bi-centenary of the first railway passenger journey on Locomotion No 1 on the Stockton and Darlington Railway on 27th September 1825.

### **Head of Steam**

### **Volunteers**

35. 25 Active volunteers provided 138.5 volunteer hours in July and 118 in August.

## **Exhibitions**

36. A new exhibition opened at the museum from 14 July to 2 September. 'Fashion on a Plate: 1950s Contemporary Tableware' was a colourful exhibition that gave a taste of some of the modern and striking tableware produced during the 1950s.

## **Events**

37. On 22 July the museum welcomed Chase from PAW Patrol for our family fun day. Over 2000 people attended the event.
38. The Head of Steam had a full summer holidays' programme with something every day during the week for families, including art inspired craft activities, That History Bloke, Crazy Creatures, Cool Science and Love Science workshops and Captain Raggy Beard!

## **Libraries**

39. As a result of the changing town centre retail environment and the recent slight improvement of the council's financial position, Cabinet have reviewed the earlier decision to move the central library service from Crown Street to the Dolphin Centre and decided not to implement the relocation. Plans to refurbish Crown Street and to refresh and modernise the internal design and services standards are being developed. A consultation will take place in October and November about the internal redesign and service standards. There are also plans to introduce a limited library service, a 'quick picks and returns' scheme in the Dolphin Centre to complement the main central library at Crown Street and provide greater convenience for the public. The proposals will be considered by Place Scrutiny Committee and then return to Cabinet, before coming to Council in January 2019.
40. The national Summer Reading Challenge took place at Darlington Libraries with over 650 children signing up. The purpose of the Reading Challenge is to prevent the 'reading dip' which teachers often notice after the long summer holidays. By keeping children regularly reading for pleasure we produce better outcomes for children in Darlington. All 4-11 year olds who completed the challenge received a certificate and prizes, with the chance to win a class disco for their school.
41. The Libraries Summer Events Programme was the best yet with events for children from birth to 14 years of age. Over 1,000 children attended events ranging from a Comic Book Masterclass to Sensory sessions for babies.
42. During September, the Library has been participating in national Heritage Open Days with regular tours of Crown Street Library.

## **Environmental Services**

### **Street Cleaning**

43. Members will be aware that additional resources were allocated to street cleaning as part of the 2018/19 MTFP. The additional staff and vehicles are now in place and making an impact on the overall cleanliness across the Borough. In particular, the addition of a Team Leader focused on the town centre is starting to make a significant difference with the visible improvements clearly evident.

### **Grounds Maintenance**

44. The additional resources allocated to grounds maintenance are also all in place ensuring that grass cutting is carried out on the 15 working day cycle. Alongside this, additional floral displays have been introduced across the town centre.
45. The Council also entered Northumbria in Bloom this year with judging taking place in April and July. At the time of writing the outcome of any judging is not known as results are expected on 26 September.

### **Reduction in Single Use Plastics**

46. Following a motion placed at Council in July, officers have started to carry out an audit of single use plastics in the Council, looking at opportunities where these can be reduced or removed. Progress has already taken place with plastic straws being removed, plastic stirrers and single use plastic cups within the Dolphin Centre Gym.
47. I will be launching the Northumbria in Bloom Refill Campaign where the Council will be supporting and encouraging businesses in the town to offer free tap water to residents and visitors who bring along a reusable drinks bottle. This campaign has worked successfully in other towns in the North East and I am looking forward to launching the campaign within Darlington in the near future.

### **Rail Heritage and 2025**

48. The Rail Heritage 2025 Board, that I attend, is progressing well with its Rail Heritage Programme. Milestones that have been achieved include:
- (a) Historic England has approved the resource of some £290,000 for the Heritage Action Zone Project Officer up to March 2024. The post will be hosted by Darlington but will be working across Durham and Stockton. . This post will focus primarily on the building conservation and management projects across the 26 miles of the S&DR.
  - (b) TVCA has appointed a Programme Manager to oversee the overall HAZ Programme. Work has been initially focusing on the Master Plan and Business Case Brief for the Regeneration of the North Road Area. The objective is to create a world class visitor attraction that will significantly boost visitor numbers, jobs and other opportunities in the Borough and the wider region. The procurement process for specialist advice has commenced and it is anticipated that the reports will be received in the spring of 2019.



- (c) An Interpretation Plan for the whole of the S&DR is being commissioned by TVCA on behalf of the Board. This will set the strategic narrative of the S&DR story and help inform audience development work, messaging, and the story to be told at different locations.
- (d) The vision includes creating a walking and cycling network that relates to the S&DR and connects into communities and other sites of interest along the way. Durham County Council has led the developed of a brief to investigate the options and deliverability of a cycling and walking network. TVCA is now commissioning that work.
- (e) Festivals and Events International have reported to the Board their recommendations for the 2025 rail festival and celebrations. Those recommendations included focusing the major set piece event in 2025 at North Road/Head of Steam. Officers from the four local authorities are currently reviewing the report and recommendations. Again officers are intending reporting to Cabinet in November 2018.
- (f) NGI has completed its report into tourism information recommendations. Officers are currently considering the recommendations and will report into Cabinet in November 2018.
- (g) Darlington has the privilege of hosting the annual birthday celebrations for the S&DR this year. The Council and the Friends of Stockton and Darlington Railway are hosting a dinner for distinguished guests who could be important in the development and delivery of our ambitions over the next seven years. The Head of Steam is hosting a family fun day on 30 September to mark the anniversary which is of course today, 27 September.

**Councillor Nick Wallis**  
**Cabinet Member with Leisure and Local Environment Portfolio**

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**TREASURY MANAGEMENT ANNUAL REPORT AND OUTTURN  
PRUDENTIAL INDICATORS 2017/18**

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**Responsible Cabinet Member - Councillor Stephen Harker  
Efficiency and Resources Portfolio**

**Responsible Director - Paul Wildsmith, Managing Director**

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**SUMMARY REPORT**

**Purpose of the Report**

1. This report provides important information regarding the regulation and management of the Council's borrowing, investments and cash-flow. It is a requirement of the Council's reporting procedures and covers treasury activity for 2017/18. The report also seeks approval of the Prudential Indicators results for 2017/18 in accordance with the Prudential Code.

**Summary**

2. The financial year 2017/18 presented similar circumstances to 2016/17 with regard to treasury management. However, due to the low returns for cash investments new ways to improve investment returns were sought. It was agreed to look at alternative investment types to increase return. Cost of borrowing remained low throughout 2017/18 and the cost of shorter term borrowing will remain low for a number of years in the future.
3. During 2017/18 the Council complied with its legislative and regulatory requirements. The borrowing need (Table 1) was only increased for capital purposes.
4. At 31st March 2018 the Council's external debt was £160.161M which is £33.000M more than the previous year, this increase relates to externalising debt which was in the past internal ie use of reserves. This externalisation enabled the Council to invest in Property Fund units to increase investment return. The average interest rate for borrowing was down from 4.30% in 2016/17 to 3.84% in 2017/18. This reduction in the average rate of interest is due to a new mix of maturity dates to take advantage of the lower cost of borrowing for short term debt. Investments totalled £52.443M at 31st March 2018 (£21.000M at 31st March 2017) earning interest of 0.31% on short term cash investments, 0.625% on longer term cash investments and 2.2% on Property Fund units net of costs.

5. Financing costs have been reduced during the year and a saving of £0.600M achieved from the original MTFP. The majority of the savings relate to the inclusion and purchase of Property Fund units in the investment portfolio, with the interest received reduced due to additional interest payments on debt and additional brokerage fees.

### **Recommendation**

6. It is recommended that:
  - (a) The outturn 2017/18 Prudential Indicators within this report and those in **Appendix 1** be noted.
  - (b) The Treasury Management Annual Report for 2017/18 be noted.

### **Reasons**

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

**Paul Wildsmith**  
**Managing Director**

### **Background Papers**

- (i) Accounting Records
- (ii) Annual Investment Strategy 2017/18
- (iii) Prudential Indicators and Treasury Management Strategy Report 2017/18

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

## MAIN REPORT

### Information and Analysis

8. This report summarises:
  - (a) Capital expenditure and financing for 2017/18
  - (b) The Council's underlying borrowing need
  - (c) Treasury position at 31st March 2018
  - (d) Prudential indicators and compliance issues
  - (e) The economic background for 2017/18
  - (f) A summary of the Treasury Management Strategy agreed for 2017/18
  - (g) Treasury Management activity during 2017/18
  - (h) Performance and risk benchmarking
9. Throughout this report a number of technical terms are used, a glossary of terms can be found at the end of this report.

### The Council's Capital Expenditure and Financing 2017/18

10. The Council undertakes capital expenditure on long term assets, which is financed either,
  - (a) immediately through capital receipts, capital grants, contributions and from revenue; or
  - (b) by borrowing.
11. Part of the Council's treasury activities is to address this borrowing need, either through borrowing from external bodies, or utilising temporary cash resources within the Council. The wider treasury activities also include managing the Council's cash flow, its previous borrowing activities and the investment of surplus funds. These activities are structured to manage risk foremost and then optimise performance.
12. Capital Expenditure forms one of the prudential indicators that are used to regulate treasury activity. Table 1 shows total capital expenditure and how this was financed, compared with what was expected to be spent and how this would have been financed. Actual expenditure was £98.973M less than planned, mainly due to not progressing the Loan Facility to Registered Social Landlords (RSL's). However the mix of funding differs from that which was expected as some schemes progressed quicker than others. This impacted slightly on borrowing needed to fund expenditure, resulting in £0.402M less borrowing need than expected at this time which excludes any loans to RSL's.

**Table 1 – Capital Expenditure and Financing**

	2016/17	2017/18		
	Outturn £m	Revised Estimate £m	Outturn £m	Variance £m
General Fund Capital Expenditure	19.911	22.240	24.797	2.557
HRA Capital Expenditure	14.185	17.164	15.634	-1.530
Loan Facility to RSL's		100.000	0	-100.000
<b>Total Capital Expenditure</b>	<b>34.096</b>	<b>139.404</b>	<b>40.431</b>	<b>-98.973</b>
Resourced by:				
Capital Receipts GF	1.464	3.093	5.534	2.441
Capital receipts Housing	0.641	0.000	0.985	0.985
Capital Grants	14.275	10.194	13.349	3.155
Capital Contributions	0.220	1.829	1.716	-0.113
Revenue	0.872	2.475	0.000	-2.475
Revenue ( Housing)	11.743	15.988	13.424	-2.564
<b>Total Resources</b>	<b>29.215</b>	<b>33.579</b>	<b>35.008</b>	<b>1.429</b>
<b>Borrowing needed to finance expenditure</b>	<b>4.881</b>	<b>105.825</b>	<b>5.423</b>	<b>-100.402</b>

**The Council's Underlying Borrowing Need**

13. The Council's underlying need to borrow is called the Capital Financing Requirement (CFR). The figure is a gauge for the Council's debt position. It represents 2017/18 and prior years' net capital expenditure which has not yet been paid for by revenue or other resources.
14. The General Fund element of the CFR is usually reduced each year by a statutory charge to the revenue accounts called the Minimum Revenue Provision (MRP). The total CFR can also be reduced each year through a Voluntary Revenue Provision (VRP).
15. The Council's CFR for the year is shown in table 2, and represents a key prudential indicator. The CFR outturn for 2017/18 is £198.788M which is £100.402M lower than approved because of the lower borrowing need than expected for 2017/18. No MRP repayments were made on the General Fund debt in line with the report to Council on 23<sup>rd</sup> February 2017.

**Table 2 - Capital Financing Requirement**

	2016/17	2017/18		
	Outturn £m	Approved Indicator £m	31 March Actual £m	Variance £m
Opening Balance	175.917	180.169	180.169	0.00
Add adjustment for the inclusion of leases on the balance sheet under IFRS	16.230	15.017	15.017	0.00
Add Capital Expenditure financed by borrowing	4.881	105.825	5.423	-100.402
Less MRP/VRP General Fund			0	
Less MRP/VRP Housing	-0.629	-0.629	-0.629	0.00
Less MRP/VRP PFI	-1.213	-1.192	-1.192	0.00
Closing balance	<b>195.186</b>	<b>299.190</b>	<b>198.788</b>	<b>-100.402</b>

**Treasury Position at 31 March 2018**

16. Whilst the measure of the Council's underlying need to borrow is the CFR, the Assistant Director of Resources can manage the Council's actual borrowing position by:
- borrowing to the CFR level; or
  - choosing to utilise some temporary cash flows instead of borrowing ("under borrowing"); or
  - borrowing for future increases in CFR (borrowing in advance of need, the "over borrowed" amount can be invested).
17. The financial reporting practice that the Council is required to follow (the Statement of Recommended Practice (SORP)), changed in 2007/08. Financial instruments (borrowing and investments etc.) must now be reported in the Statement of Accounts in accordance with national Financial Reporting Standards. The figures in this report are based on actual amounts borrowed and invested and so will differ from those in the Statement of Accounts.
18. The Council's total debt outstanding at 31st March 2018 was £160.161M. In addition to this, a liability of £13.825M relating to the PFI scheme and Finance Leases brings the total to £173.986M. The Council's revised CFR position was estimated to be £299.190M, which included £100.000M that related to possible loans to RSL's which were not realised in 2017/18. However, the actual out turn position was £198.788M. When comparing this to our actual borrowing of £173.986M this meant that the Council was "under borrowed" by £24.802M this "under borrowed" amount was financed by internal borrowing this means that the amount that could have been invested externally was reduced to cover this. The amount of under borrowing has reduced from 2016/17 to enable external investments to be made in Property Funds. The reduced under borrowed position still has the dual effect of reducing costs to the MTFP because borrowing costs are



generally greater than investment returns and it reduces counterparty risk by reducing our exposure to banks and other financial institutions.

19. The treasury position at the 31st March 2018, including investments compared with the previous year is shown in table 3 below.

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

Treasury Position	31 March 2017		31 March 2018	
	Principal £m	Average Rate %	Principal £m	Net annualised Average Rate %
General Debt - Fixed Rate Debt, Market and Public Works Loan Board (PWLB)	127.161	4.30%	135.161	4.08%
Property Fund Borrowing			25.000	1.17%
<b>Total Debt</b>	<b>127.161</b>	<b>4.30%</b>	<b>160.161</b>	<b>3.84%</b>
Cashflow Investments up to 6 months	12.000	0.44%	21.000	0.31%
Capital Investments over 6 months	9.000	0.79%	2.000	0.625%
Property Fund Investment -net of costs			29.433	2.2%
<b>Total Investments</b>	<b>21.000</b>		<b>52.433</b>	
<b>Net borrowing position</b>	<b>106.161</b>		<b>107.728</b>	

### Prudential Indicators and Compliance Issues

20. Some prudential indicators provide an overview while others are specific limits on treasury activity. These indicators are shown below:
21. **Gross Borrowing and the CFR** – Over the medium term the Council's external borrowing, net of investments, must only be for capital purposes. Gross borrowing should therefore not, except in the short term, have exceeded the CFR for 2017/18 plus the expected changes to the CFR over 2018/19 and 2019/20 Table 4 highlights the Council's Gross borrowing position against CFR. The Council has complied with this prudential indicator.

**Table 4 – Gross Borrowing Compared with CFR**

	31 March 2016 Actual £m	31 March 2018 Approved Indicator £m	31 March 2018 Actual £m
<b>Gross Borrowing Position</b>	<b>127.161</b>	<b>282.000</b>	<b>160.161</b>
<b>CFR Excluding PFI &amp; leases</b>	<b>180.169</b>	<b>285.365</b>	<b>184.963</b>
<b>CFR</b>	<b>195.186</b>	<b>299.190</b>	<b>198.788</b>

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

**Table 5 – Key Prudential Indicators**

	<b>Actual 2016/17 £M</b>	<b>Original Approved Limits 2017/18 £M</b>	<b>Revised Approved Limits 2017/18 £M</b>	<b>Actual Total Liabilities Borrowing + PFI/ leases 2017/18 Maximum £M</b>
<b>Approved Indicator – Authorised Limit</b>	<b>142.178</b>	<b>205.616</b>	<b>310.616</b>	<b>173.986</b>
<b>Approved Indicator – Operational Boundary</b>	<b>142.178</b>	<b>195.825</b>	<b>295.825</b>	<b>173.986</b>
<b>Financing costs as a percentage of net revenue expenditure</b>	<b>4.19%</b>	<b>4.65%</b>	<b>4.01%</b>	<b>4.00%</b>

25. At 31st March 2018 the total liabilities were £173.986m which is below both the approved Authorised Limit and the approved Operational Boundary. The Operational Boundary is the point at which we expect borrowing to be, but it can be lower or higher. Borrowing cannot exceed the Authorised Limit.
26. A further four prudential indicators are detailed in **Appendix 1**.

### **Economic Background for 2017/18**

27. A summary of the general economic conditions that have prevailed through 2017/18 provided by Link Asset Services, the Council’s treasury management advisors is attached at **Appendix 2**.

## Summary of the Treasury Management Strategy agreed for 2017/18

28. The revised Prudential Indicators anticipated that during 2017/18 the Council would need to borrow £105.825M to finance part of its capital programme including £100.000M of loans to RSL's.
29. The Annual Investment Strategy stated that the use of specified (usually less than 1 year) and non-specified (usually more than 1 year) investments would be carefully balanced to ensure that the Council has appropriate liquidity for its operational needs. In the normal course of the Council's business it is expected that both specified and non-specified investments will be utilised for the control of liquidity as both categories allow for short term investments.
30. Longer term instruments (greater than one year from inception to repayment) will only be used where the Council's liquidity requirements are safeguarded. An estimate of long term investments (over 1 year) were included in the report on the Prudential Indicators update these were as follows £30M for 2017/18, £50M for 2018/19 and £50M for 2019/20. Three investments of up to £10m each were made in 3 Property Funds during July August and December 2017. No other investments of over 1 year duration have been made during 2017/18.

## Treasury Management Activity during 2017/18

### Debt Position

31. **Borrowing** – this increased during 2017/18 by £33.000M in total

	PWLB			Market Loans (incl. other Local Authorities)			Total
	Amount £M	Length of Loan	Interest Rate	Amount £M	Length of Loan	Interest Rate	£M
New Loans taken							
	8.500	5 years	1.38%	5.000	1 year	0.53%	
	8.000	10 years	2.01%	5.000	1 year	0.42%	
	5.000	11 years	2.20%	3.500	1 year	0.46%	
				5.000	1 year	0.50%	
				5.000	2years	0.80%	45.000
Loans Repaid							
				-5.000	15years	3.82%	
				-5.000	2years	0.80%	
				-2.000	2years	0.99%	-12000
Total New Borrowing	21.500			11.500			33.000

32. The new borrowing of £33.000m was taken for various lengths of time at various interest rates as shown above.

33. **Rescheduling** – 1 loan of £5m with 11 years remaining at an interest rate of 3.82% was repaid early and replaced with a loan for 11 years at 2.20% producing net annual savings to the Council of £68,000 for the next 11 years.
34. **Summary of Debt Transactions** –The consolidated rate of interest decreased from 4.30% to 3.84% due to the above transactions.

### Investment Position

35. **Investment Policy** – the Council’s investment policy for 2017/18 is governed by the DCLG Guidance which has been implemented in the annual investment strategy for 2017/18 approved by Council on 23 February 2017.
36. The investment activity during the year conformed to the approved Strategy and the Council had no liquidity difficulties.
37. Investments held by the Council consist of temporary surplus balances, capital receipts and other funds.

**Table 6 - Temporary Surplus Cash Balances up to 6 months**

	<b>Original Budget 2017/18</b>	<b>Revised Budget 2017/18</b>	<b>Actual 2017/18</b>
Monthly Average level of Investments	<b>£8.878M</b>	<b>£18.500M</b>	<b>£20.000M</b>
Average Rate of Return on Investment	<b>0.35%</b>	<b>0.20%</b>	<b>0.31%</b>
Interest Earned	<b>£31,000</b>	<b>£37,000</b>	<b>£61,000</b>

**Table 7a – Longer Term 6 months to 5 years Cash**

	<b>Original Budget 2017/18</b>	<b>Revised Budget 2017/18</b>	<b>Actual 2017/18</b>
Monthly Average level of Investments	<b>0.00</b>	<b>£3.800M</b>	<b>£4.500M</b>
Average Rate of Return on Investment	<b>0.00%</b>	<b>0.50%</b>	<b>0.53%</b>
Interest Earned	<b>0.000</b>	<b>£19,000</b>	<b>£23,900</b>

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

	<b>Original Budget 2017/18</b>	<b>Revised Budget 2017/18</b>	<b>Actual 2017/18</b>
Monthly Average level of Investments	<b>0.0</b>	<b>£15.379M</b>	<b>£15.379M.</b>
Average Rate of Return on Investment (gross)	<b>0.0</b>	<b>3.62%</b>	<b>3.72%</b>
Interest Earned (Gross)	<b>0.0</b>	<b>£557,000</b>	<b>£571,600</b>

### **Performance and Risk Benchmarking**

38. A regulatory development is the consideration and approval of security and liquidity benchmarks. Yield benchmarks are currently widely used to assess investment performance and these are shown in **Table 10**. Discrete security and liquidity benchmarks are relatively new requirements to the member reporting. These were first set in the Treasury Strategy report of the 25th February 2010.

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

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

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

41. **Table 8** shows that there has been a reduction in the historic levels of default over the year. This is mainly due to some longer term investments actually being made for shorter terms i.e. up to six months rather than 1 year as these investments were better value than longer term investments and were also a better fit with how the council was expecting to utilise investments. It also shows more emphasis being placed on counterparties with a higher credit rating.

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

**Table 8**

<b>Maximum</b>	<b>Benchmark 2017/18</b>	<b>Actual June 2017</b>	<b>Actual October 2017</b>	<b>Actual January 2018</b>	<b>Actual March 2018</b>
Year 1	0.077%	0.013%	0.013%	0.007%	0.007%

43. The counterparties that we use are all high rated therefore our actual risk of default based on the ratings attached to counterparties is virtually nil.
44. Liquidity – In respect of this area the Council set liquidity facilities/benchmark to maintain
- (a) Bank Overdraft £0.100M
  - (b) Liquid short term deposits of at least £3.000M available within a weeks' notice.
  - (c) Weighted Average Life benchmark is expected to be 146 days with a maximum of 1year.
45. Liquidity arrangements have been adequate for the year to date as shown in Table 9.

**Table 9**

	<b>Benchmark</b>	<b>Actual June 2017</b>	<b>Actual October 2017</b>	<b>Actual January 2018</b>	<b>Actual March 2018</b>
<b>Weighted Average life</b>	<b>146days to 1 years</b>	<b>132 days</b>	<b>103 days</b>	<b>111 days</b>	<b>83days</b>

46. This benchmark includes fixed term investments are for up to 1 year with cash flow monies being invested in Money Market funds which can be accessed immediately.
47. Yield - In respect of this area performance indicators relating to interest rates for borrowing and investments were set with reference to comparative interest rates. For borrowing, the indicator is the average rate paid during the year compared with the previous year. Investment rates are compared with a representative set of comparative rates.

**Table 10 – Performance Compared With Indicators**

<b>Borrowing</b>	Average overall rate paid compared to previous years	<b>2016/17 4.30%</b>	<b>2017/18 3.84%</b>
<b>Investments</b>		<b>DBC 2016/17</b>	<b>DBC 2017/18</b>
Short term	Cash flow investment rate returned against comparative average rate	0.44%	<b>0.31%</b>
Long term	Capital investment rate returned against comparative average rates	0.79%	<b>0.53%</b>
<b>Comparative rates used to compare DBC performance: -</b>			
<b>Comparative Rates</b>		<b>Short Term Investments</b>	<b>Long Term Investments</b>
Overnight Bid Rate Overnight		0.20%	-
London Interbank Bid Rate 7 day		0.22%	-
London Interbank Bid Rate 1 month		0.23%	
London Interbank Bid rate 3 months		0.29%	
London Interbank Bid rate 6 months		-	0.40%
London Interbank Bid rate 12 months		-	0.60%
<b>Average External Comparators</b>		<b>0.24%</b>	<b>0.50%</b>

48. As can be seen from the table, the actual investment rate achieved for both short and longer term investments exceeds the average of comparative rates.

### **Risk**

49. The Council's treasury management activities are regulated by a variety of professional codes, statutes and guidance:-

- (a) The Local Government Act 2003(the Act), which provides the powers to borrow and invest as well as providing controls and limits on this activity.
- (b) The Act permits the Secretary of State to set limits either on the Council or nationally on all local authorities restricting the amount of borrowing which may be undertaken (although no restrictions were made in 2017/18).
- (c) Statutory Instrument (SI) 3146 2003, as amended, develops the controls and powers within the Act.
- (d) The SI requires the Council to undertake any borrowing activity with regard to the CIFPA Prudential Code for Capital Finance in Local Authorities.

- (e) The SI also requires the Council to operate the overall treasury function with regard to the CIPFA code of Practice for Treasury Management in Public Services.
  - (f) Under the Act the Department for Communities and Local Government has issued Investment Guidance to structure and regulate the Council's investment activities.
  - (g) Under section 238(2) of the Local Government and Public Involvement in Health Act 2007 the Secretary of State has taken powers to issue guidance on accounting practices. Guidance on Minimum Revenue Provision was issued under this section on 8 November 2007.
50. The Councils Treasury Management function has complied with all of the relevant statutory and regulatory requirements, which limit the levels of risk associated with its treasury management activities. In particular its adoption and implementation of both the Prudential Code and the code of Practice for Treasury Management means both that its capital expenditure is prudent, affordable and sustainable and its treasury practices demonstrate a low risk approach.
51. Officers of the Council are aware of the risks of passive management of the treasury portfolio and, with the support of Capita Asset Services, the Council's advisers, have proactively managed the debt and investments over the year.

### **Treasury Management Budget**

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



**Table 11** Changes to the Treasury Management Budget 2017/18

	£M	£M
<b>Original Treasury Management Budget</b>		<b>1.618</b>
<b>Debt</b>		
Add increased interest payable on debt	<b>0.106</b>	
Less further savings on MRP	<b>-0.133</b>	
Add additional annual premium on rescheduled debt	<b>0.002</b>	<b>-0.025</b>
<b>Investments</b>		
Less increased investment income including property funds		<b>-0.648</b>
<b>Other Costs</b>		
Add increased brokerage charges due to property funds		<b>0.073</b>
<b>Outturn Treasury Management Budget 2017/18</b>		<b>1.018</b>

53. The majority of the savings relate to the inclusion and purchase of Property Fund units in the investment portfolio, with the return reduced due to additional interest payments on debt and additional brokerage fees.

### Conclusion

54. The Council's treasury management activity during 2017/18 has been carried out in accordance with Council Policy and within legal limits. Financing costs have been reduced during the year and a saving of £0.600M achieved from the original MTFP.

### Outcome of Consultation

55. No formal consultation has been undertaken regarding this report, but it was examined by Audit Committee at their meeting on 26<sup>th</sup> July 2018

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

		<b>2016/17 Actual</b>	<b>2017/18 Approved Indicator</b>	<b>2017/18 Outturn</b>
<b>1</b>	<b>Upper limits on fixed interest rates (<i>against maximum position</i>)</b>	<b>79%</b>	<b>100%</b>	<b>83%</b>
<b>2</b>	<b>Upper limits on variable interest rates (<i>against maximum position</i>)</b>	<b>21%</b>	<b>40%</b>	<b>17%</b>
<b>3</b>	<b>Maturity structure of fixed rate borrowing (<i>against maximum position</i>)</b>			
	Under 12 months	<b>5.5%</b>	<b>25%</b>	<b>17%</b>
	12 months to 2 years	<b>7.9%</b>	<b>40%</b>	<b>3%</b>
	2 years to 5 years	<b>3.7%</b>	<b>60%</b>	<b>10%</b>
	5 years to 10 years	<b>1.6%</b>	<b>80%</b>	<b>5%</b>
	10 years and above	<b>81.3%</b>	<b>100%</b>	<b>65%</b>
<b>4</b>	<b>Maximum Principal funds invested greater than 364 days</b>	<b>£0M</b>	<b>£30M</b>	<b>£30M</b>

## The Economy and Interest Rates

1. **UK.** The outcome of the EU referendum in June 2016 resulted in a gloomy outlook and economic forecasts from the Bank of England based around an expectation of a major slowdown in UK GDP growth, particularly during the second half of 2016, which was expected to push back the first increase in Bank Rate for at least three years. Consequently, the Bank responded in August 2016 by cutting Bank Rate by 0.25% to 0.25% and making available over £100bn of cheap financing to the banking sector up to February 2018. Both measures were intended to stimulate growth in the economy. This gloom was overdone as the UK economy turned in a G7 leading growth rate of 1.8% in 2016, (actually joint equal with Germany), and followed it up with another 1.8% in 2017, (although this was a comparatively weak result compared to the US and EZ).
2. During the calendar year of 2017, there was a major shift in expectations in financial markets in terms of how soon Bank Rate would start on a rising trend. After the UK economy surprised on the upside with strong growth in the second half of 2016, growth in 2017 was disappointingly weak in the first half of the year; quarter 1 came in at +0.3% (+1.7% y/y) and quarter 2 was +0.3% (+1.5% y/y), which meant that growth in the first half of 2017 was the slowest for the first half of any year since 2012. The main reason for this was the sharp increase in inflation caused by the devaluation of sterling after the EU referendum, feeding increases into the cost of imports into the economy. This caused a reduction in consumer disposable income and spending power as inflation exceeded average wage increases. Consequently, the services sector of the economy, accounting for around 75% of GDP, saw weak growth as consumers responded by cutting back on their expenditure. However, growth did pick up in quarter 3 to 0.5% before dipping slightly to 0.4% in quarter 4.
3. Consequently, market expectations during the autumn rose significantly that the MPC would be heading in the direction of imminently raising Bank Rate. The MPC meeting of 14 September provided a shock to the markets with a sharp increase in tone in the minutes where the MPC considerably hardened their wording in terms of needing to raise Bank Rate very soon. The 2 November MPC quarterly Inflation Report meeting duly delivered on this warning by withdrawing the 0.25% emergency rate cut which had been implemented in August 2016. Market debate then moved on as to whether this would be a one and done move for maybe a year or more by the MPC, or the first of a series of increases in Bank Rate over the next 2-3 years. The MPC minutes from that meeting were viewed as being dovish, i.e. there was now little pressure to raise rates by much over that time period. In particular, the GDP growth forecasts were pessimistically weak while there was little evidence of building pressure on wage increases despite remarkably low unemployment. The MPC forecast that CPI would peak at about 3.1% and chose to look through that breaching of its 2% target as this was a one off result of the devaluation of sterling caused by the result of the EU referendum. The inflation forecast showed that the MPC expected inflation to come down to near the 2% target over the two to three year time horizon. So this all seemed to add up to

cooling expectations of much further action to raise Bank Rate over the next two years.

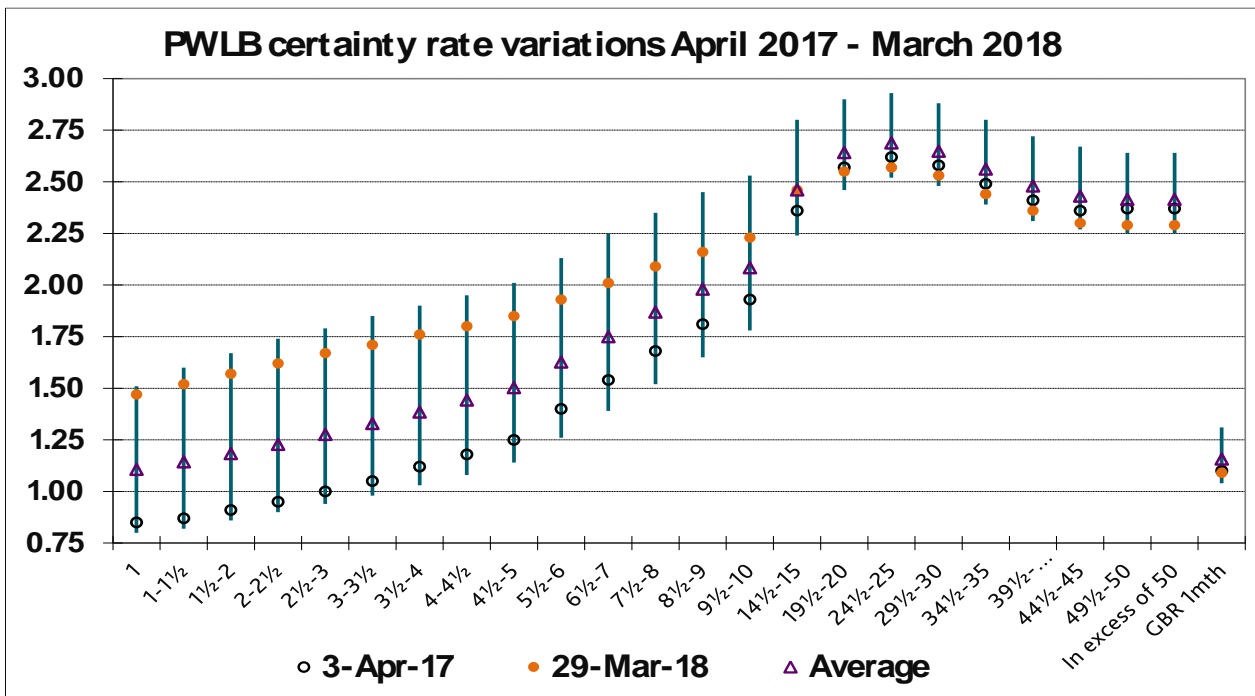
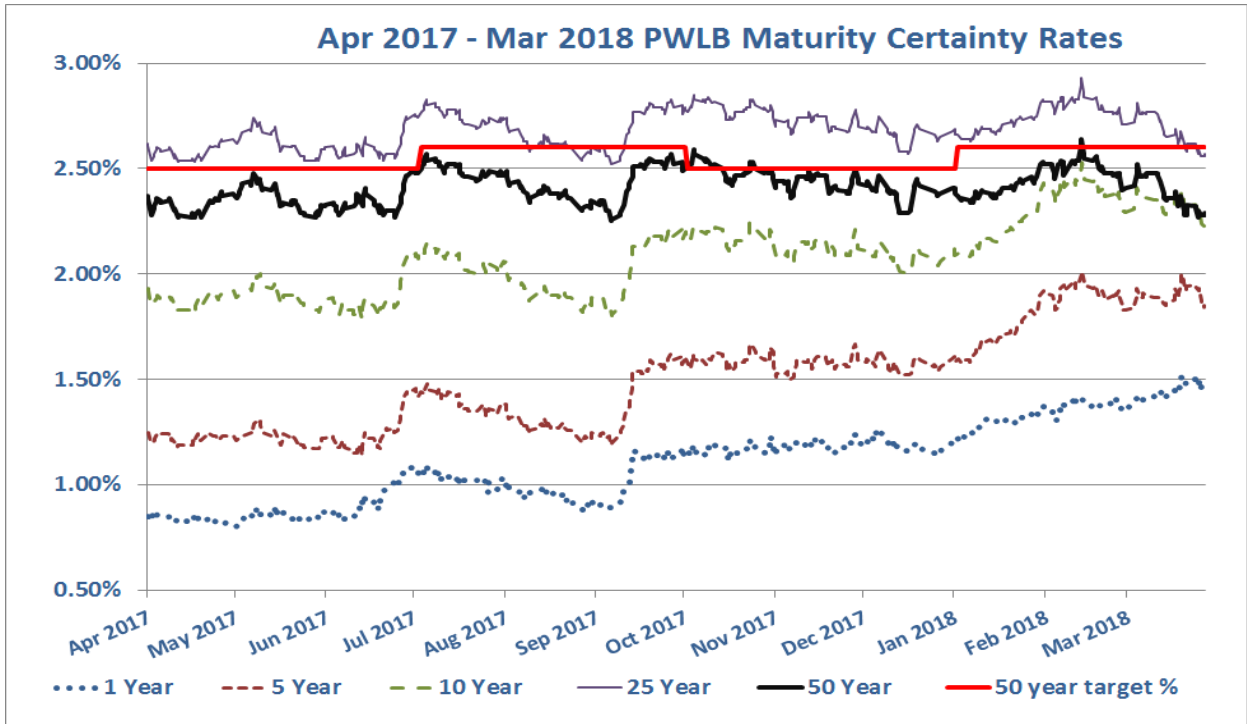
4. However, GDP growth in the second half of 2017 came in stronger than expected, while in the new year there was evidence that wage increases had started to rise. The 8 February MPC meeting minutes therefore revealed another sharp hardening in MPC warnings focusing on a reduction in spare capacity in the economy, weak increases in productivity, higher GDP growth forecasts and a shift of their time horizon to focus on the 18 – 24 month period for seeing inflation come down to 2%. (CPI inflation ended the year at 2.7% but was forecast to still be just over 2% within two years.) This resulted in a marked increase in expectations that there would be another Bank Rate increase in May 2018 and a bringing forward of the timing of subsequent increases in Bank Rate. This shift in market expectations resulted in investment rates from 3 – 12 months increasing sharply during the spring quarter.
5. **PWLB borrowing rates** increased correspondingly to the above developments with the shorter term rates increasing more sharply than longer term rates. In addition, UK gilts have moved in a relatively narrow band this year, (within 25 bps for much of the year), compared to US treasuries. During the second half of the year, there was a noticeable trend in treasury yields being on a rising trend with the Fed raising rates by 0.25% in June, December and March, making six increases in all from the floor. The effect of these three increases was greater in shorter terms around 5 year, rather than longer term yields.
6. As for equity markets, the FTSE 100 hit a new peak near to 7,800 in early January before there was a sharp selloff in a number of stages during the spring, replicating similar developments in US equity markets.
7. The major UK landmark event of the year was the inconclusive result of the general election on 8 June. However, this had relatively little impact on financial markets. However, sterling did suffer a sharp devaluation against most other currencies, although it has recovered about half of that fall since then. Brexit negotiations have been a focus of much attention and concern during the year but so far, there has been little significant hold up to making progress.
8. The manufacturing sector has been the bright spot in the economy, seeing stronger growth, particularly as a result of increased demand for exports. It has helped that growth in the EU, our main trading partner, has improved significantly over the last year. However, the manufacturing sector only accounts for around 11% of GDP so expansion in this sector has a much more muted effect on the average total GDP growth figure for the UK economy as a whole.
9. **EU.** Economic growth in the EU, (the UK's biggest trading partner), was lack lustre for several years after the financial crisis despite the ECB eventually cutting its main rate to -0.4% and embarking on a massive programme of quantitative easing to stimulate growth. However, growth eventually picked up in 2016 and subsequently gathered further momentum to produce an overall GDP figure for 2017 of 2.3%. Nevertheless, despite providing this massive monetary stimulus, the ECB is still struggling to get inflation up to its 2% target and in March, inflation was

still only 1.4%. It is, therefore, unlikely to start an upswing in rates until possibly towards the end of 2019.

10. **USA.** Growth in the American economy was volatile in 2015 and 2016. 2017 followed that path again with quarter 1 at 1.2%, quarter 2 3.1%, quarter 3 3.2% and quarter 4 2.9%. The annual rate of GDP growth for 2017 was 2.3%, up from 1.6% in 2016. Unemployment in the US also fell to the lowest level for 17 years, reaching 4.1% in October to February, while wage inflation pressures, and inflationary pressures in general, have been building. The Fed has been the first major western central bank to start on an upswing in rates with six increases since the first one in December 2015 to lift the central rate to 1.50 – 1.75% in March 2018. There could be a further two or three increases in 2018 as the Fed faces a challenging situation with GDP growth trending upwards at a time when the recent Trump fiscal stimulus is likely to increase growth further, consequently increasing inflationary pressures in an economy which is already operating at near full capacity. In October 2017, the Fed also became the first major western central bank to make a start on unwinding quantitative easing by phasing in a gradual reduction in reinvesting maturing debt.
11. **Chinese economic growth** has been weakening over successive years, despite repeated rounds of central bank stimulus and medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.
12. **Japan.** GDP growth has been improving to reach an annual figure of 2.1% in quarter 4 of 2017. However, it is still struggling to get inflation up to its target rate of 2% despite huge monetary and fiscal stimulus, although inflation has risen in 2018 to reach 1.5% in February. It is also making little progress on fundamental reform of the economy.

#### **PWLB certainty maturity borrowing rates 2017/18**

13. As depicted in the graph and tables below and in appendix 3, PWLB 25 and 50 year rates have been volatile during the year with little consistent trend. However, shorter rates were on a rising trend during the second half of the year and reached peaks in February / March.
14. During the year, the 50 year PWLB target (certainty) rate for new long term borrowing was 2.50% in quarters 1 and 3 and 2.60% in quarters 2 and 4.
15. The graphs and tables for PWLB rates show, for a selection of maturity periods, the average borrowing rates, the high and low points in rates, spreads and individual rates at the start and the end of the financial year.



	1	1-1.5	2.5-3	3.5-4	4.5-5	9.5-10	24.5-25	49.5-50	1 month variable
3/4/17	0.850%	0.870%	1.000%	1.120%	1.250%	1.930%	2.620%	2.370%	1.100%
29/3/18	1.470%	1.520%	1.670%	1.760%	1.850%	2.230%	2.570%	2.290%	1.090%
High	1.510%	1.600%	1.790%	1.900%	2.010%	2.530%	2.930%	2.640%	1.310%
Low	0.800%	0.820%	0.940%	1.030%	1.140%	1.780%	2.520%	2.250%	1.040%
Average	1.107%	1.143%	1.276%	1.384%	1.503%	2.083%	2.688%	2.415%	1.157%
Spread	0.710%	0.780%	0.850%	0.870%	0.870%	0.750%	0.410%	0.390%	0.270%
High date	21/03/2018	21/03/2018	21/03/2018	21/03/2018	15/02/2018	15/02/2018	15/02/2018	15/02/2018	21/03/2018
Low date	03/05/2017	03/05/2017	30/05/2017	15/06/2017	15/06/2017	15/06/2017	08/09/2017	08/09/2017	04/04/2017

	1 Year	5 Year	10 Year	25 Year	50 Year
1/4/17	0.85%	1.25%	1.93%	2.62%	2.37%
31/3/18	1.47%	1.85%	2.23%	2.57%	2.29%
Low	0.80%	1.14%	1.78%	2.52%	2.25%
Date	03/05/2017	15/06/2017	15/06/2017	08/09/2017	08/09/2017
High	1.51%	2.01%	2.53%	2.93%	2.64%
Date	21/03/2018	15/02/2018	15/02/2018	15/02/2018	15/02/2018
Average	1.11%	1.50%	2.08%	2.69%	2.41%

### Money market investment rates 2017/18

	7 day	1 month	3 month	6 month	1 year
1/4/17	0.111	0.132	0.212	0.366	0.593
31/3/18	0.364	0.386	0.587	0.704	0.878
High	0.366	0.390	0.587	0.704	0.879
Low	0.099	0.122	0.140	0.273	0.461
Average	0.215	0.233	0.286	0.401	0.606
Spread	0.267	0.268	0.447	0.432	0.418
High date	27/2/18	22/3/18	29/3/18	29/3/18	28/3/18
Low date	4/7/17	10/8/17	7/8/17	7/9/17	6/9/17

## Glossary of Terms

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



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## **OVERVIEW OF ADULTS AND HOUSING SCRUTINY COMMITTEE**

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1. Since the last meeting of the Council, the following are the main areas of work the Adults and Housing Scrutiny Committee has undertaken.

### **Performance Indicators Quarter 1 2018/19**

2. Members received an update on performance against those key performance indicators for 2018/19 at Quarter 1. We examined ten Adults Social Care Indicators and all six of the Housing Services indicators.

### **Welfare Reforms and Universal Credit**

3. Scrutiny received an update report following the roll-out of Universal Credit in Darlington in November 2015.
4. Universal Credit is replacing a number of existing means tested benefits for working age people, including Housing Benefit administered by the Council and the full roll-out commenced on 20 June 2018. Most working people making a new claim to benefit or reporting a significant change in their circumstances will now claim Universal Credit.
5. We were pleased to hear that implementation of Universal Credit has been successful in Darlington and we would like to acknowledge the hard work of all staff putting in place support for residents.
6. Members have also agreed to carry out a task and finish review to gauge the initial impact of the roll out of Universal Credit in Darlington in consultation with the Assistant Director, Adults and Housing. We will be carrying out a scoping exercise very shortly and hope to engage with organisations, Councillors and residents in looking at impacts.

### **Better Care Fund**

7. Members received an update on the delivery of the 2017-2019 Better Care Fund and the updated guidance received in July 2018 in respect of the second year of the plan.
8. There are seven broad workstreams of the plan to support the delivery of the Better Care Fund in the priority areas and additional grant funding to Adult Social Care will be used to offset expenditure on current pressures and demand to ensure sustainability while the service undergoes transformation

9. We also received a summary of the 2017/18 Quarter 4 (year-end) monitoring requirements to ensure that Darlington complies with the national conditions attached to the Better Care Fund.

### **Support to Carers**

10. The Darlington Carers Support contract has now been in place since 1 May 2017 offering a range of support and is performing well with 850 carers on the register in support of the service.
11. The National Carers Action Plan 2018-20, published on 5 June 2018, sets out the cross-government programme of work to support carers over the next two years. We are well placed to develop a response to the newly published Action Plan which will build on and expand work that was already in progress. Darlington's response will be co-produced and carer's views will be sought during the process.

### **Advocacy Services**

12. The authority is under a statutory duty to provide independent advocacy services for people with adult social care needs who need care and support and a new contract for the provision of these statutory services within Darlington was awarded to Darlington Association on Disability (DAD) on 1 April 2018.
13. We received a report which outlined the Council's duty under the Care Act 2014; the new arrangements with DAD and monitoring information provided by DAD in respect of advocacy activities in the contract April to June 2018; along with the Advocacy Charter and the Code of Practice that DAD adheres to.
14. In this last quarter, DAD responded to 89 per cent of all cases within 3 days of a request for a service under the contract and it has been recognised by both the Council and DAD that this is a new contractual arrangement and that further improvements to advocacy arrangements will continue to be explored.

**Councillor Marjory Knowles**  
**Chair of Adults and Housing Scrutiny Committee**

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## **OVERVIEW OF CHILDREN AND YOUNG PEOPLE SCRUTINY COMMITTEE**

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1. Since the last meeting of the Council, the following are the main areas of work the Children and Young People Scrutiny Committee has undertaken.

### **Performance Indicators Quarter 1 2018/19**

2. Scrutiny examined performance data for Quarter 1 April to June and areas performing well and where there was still a need to improve.
3. It was highlighted that 94.2 per cent of contacts were completed within 24 working hours an increase by 19.5 per cent compared to Quarter 1 last year; 94.1 per cent of children in had a Review Health Assessment completed; 98 per cent of initial Child Protection Conferences were held within 15 working days; 100 per cent of Child Protection Reviews had been completed within the required timescales; 100 per cent of children involved with Child Protection and Looked After had been allocated a Social Worker; and 100 per cent of Looked After Reviews were completed within timescale in Quarter 1.
4. It was also highlighted that 93.2 per cent of statutory visits of Looked After Children in Quarter 1 were completed within timescale which was above the target of 90 per cent; 9.6 per cent of Looked After Children had three or more placement moves within the last 12. an improvement compared to the end of Quarter 1 2017/18; 100 per cent of Return Home Interviews had been completed with 92.5 per cent completed within 72 hours of the child being returned home after the missing episode; and 27.5 per cent of Care Leavers were not in employment, education or training (NEET) which was better than the target of 33 per cent and w a reduction of 4.7 per cent when compared with 2017/18 year end figure.
5. Areas that required improvement were the percentage of assessments completed within 45 working days which was below the target of 90 per cent at 83.5 per cent but above the England average of 83 per cent; only 48.7 per cent of dental health checks had been completed at the end of Quarter 1 and progress against this indicator continues to undergo close scrutiny; and although the percentage of Looked After Children who have been in their current placement for two or more years has improved compared to Quarter 1 2017/18 at 63.1 per cent it has still not reached the Council's target of 65 per cent.
6. Members were particularly concerned that a number of indicators were slipping and the percentage of Looked After Children still remained high and we have asked that the Quarter 2 report provides us with more detailed reasons for this slippage and also the impact caused.

7. We were also concerned at the performance indicator for Care Leavers in unsuitable accommodation at 5.9 per cent and despite acknowledging that in reality only equates to one or two young people we wanted clarification on the recording of 'unsuitable accommodation' and assurances that these young people are not living in danger or poor conditions.

### **Independent Reviewing Officer Annual Report 2017/18**

8. We received the Annual Report of the Independent Reviewing Officer for 2017/18, a statutory service introduced in April 2011 with a key role in the improvement of Care Planning for Looked After Children (LAC) and for challenging drift and delay.
9. The report outlined the role of the Independent Reviewing Officers; detailed the staffing levels and the management of caseloads; provided statistical information relating to the number of Children Looked After, demographics and Looked After Reviews at 31 March; Performance Planning and Adoption; the Dispute Resolution Process to resolve problems arising out of the Care Planning process; and the requirement under Regulation 29 (The Fostering Services Regulations 2001) to review the approval of foster carers at least once a year.
10. The submitted report also highlighted Child Protection Activity; management of the IRO service; and scheduled action for 2018/19.
11. The Head of Quality Assurance and Practice Improvement was questioned how the 'voice of the child' is captured and how did we know what the impact was? He advised that the Independent Review Officer's visit young people prior to their review and ensure that the child's views are recorded within the record of the meeting. The majority of children over the age of 4 years attend their reviews and directly contribute to the discussion and outcome of the meeting.
12. It was highlighted that some young people chose not to participate directly in their Looked After Reviews and will brief an advocate or complete a consultation form.
13. Where an IRO challenge is required in relation to Care Planning this will be escalated to Managers for resolution.
14. We agreed that case examples of good practice would be a useful addition to next year's annual report.

### **Children and Young People Public Health Overview**

15. Members received an overview of the health promoting activities in relation to children and young people and the plans to address these issues.
16. We examined the Darlington Children and Young People's Profile 2018 and the Healthy Lifestyle Survey 2017 as a means of assessing need to plan services to improve health and wellbeing; and the Darlington Childhood Healthy Weight Action Plan 2017-2022 and the Oral Health Plan 2017-2022.

17. The health and wellbeing of children in Darlington was varied compared to the England average, with 11 of the 32 reported indicators for Darlington being significantly different when compared to England, with four significantly better and 11 significantly worse. These were mainly the high number of children admitted to hospital which is an ongoing priority for all partners.
18. Areas that showed some improvement in the 2018 profile from the previous years included the percentage of children aged 5 years with decayed, missing or filled teeth which had decreased from 35.4 per cent in 2017 profile (2015/16 data) to 26.4 per cent (2016/17 data) and Darlington is now significantly similar to the England average of 23.3 per cent.
19. Childhood obesity has been highlighted as an area for improvement as children in Reception and Year 6 were overweight compared to England averages and the Darlington Childhood Healthy Weight Plan 2017-2022 sets out a whole system approach to tackling childhood obesity and reducing inequalities.
20. The Darlington Oral Health Plan 2017-2022 will also complement the work of the Childhood Healthy Weight Action Plan as a high sugar diet is a recognised risk factor in dental decay.
21. The Healthy Lifestyle's Survey 2017 gathers and analyses information from children and young people in Darlington about their attitudes and behaviours across a range of health related topics and 6,340 pupils aged 9 to 16 years from 24 schools in Darlington took part in this year's survey.
22. Members expressed their concerns around energy drinks; the number of young people being admitted to hospital as a result of self-harm; ways to encourage parents to walk their children to school; the level of physical activity within schools and how the authority can influence the schools, in particular the academies; promoting eating within schools as a social event; and to examine ways to restrict the number of hot food takeaways across the town.

### **Designated Officer Annual Report**

23. Scrutiny received the annual report of the Designated Officer (DO) (previously known as the Local Authority Designated Officer (LADO) which outlined the function of the DO, local arrangements, the criterion for a Designated Officer referral; cross boundary issues; statistical information on the number of referrals and annual comparisons; areas of concern and the main category for referral; detailed the source of referrals by profession and employment setting; allegations by staff group; and gave detail of outcomes of cases.
24. The report also provided performance information relating to the Designated Officer Service; freedom of information requests; service improvements and developments 2017/18; and highlighted priorities for 2018/19.

25. Members agreed that it would be useful for them to have a copy of the public information available in relation to the role of the Designated Officer and other relevant safeguarding contacts to help us promote children's safeguarding to faith groups and other organisations within their individual Wards.

### **Looked After Children Missing from Care who have Autism or Another Disability**

26. Members requested information regarding the number of children who are Looked After with autism or another disability, who experience missing from home episodes.
27. There were no children or young people missing from home with a recorded disability including autism throughout the reporting year of 2017/18; however there has been one missing episode for one young person with autism in the current reporting year of 2018/19 and this young person left his foster placement in the early evening but was located and returned home within the hour.
28. We acknowledged that the report received provided information on the children who are already diagnosed with autism or another disability however, our main concern is how un-diagnosed children are picked up from incidents of going missing as this could be the first sign of a potential issue with the young person.
29. Members agreed that they would like to examine a copy of the Return Home Interview Pro-forma with a view to disability or health issues being recorded on it and to also include a criteria to recognise potential issues related to autism.

### **Meetings**

30. Since the last meeting of Council, I have attended the Public Health England North East Fluoridation Workshop at the Stadium of Light In Sunderland on 19 September 2018.

**Councillor Chris Taylor**  
**Chair of Children and Young People Scrutiny Committee**

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## **OVERVIEW OF EFFICIENCY AND RESOURCES SCRUTINY COMMITTEE**

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1. Since the last meeting of the Council, the following are the main areas of work the Efficiency and Resources Scrutiny Committee has undertaken.

### **Employee Survey Results 2018**

2. We were updated on the results of the Employee Survey 2018. All employees were invited to complete the survey between 6 February and 18 April 2018, either via Survey Monkey, or in a hard copy format.
3. The last survey was completed in 2014 and comparisons were made between that and the most recent survey and we welcomed the positive direction of travel in relation to all themes.
4. Scrutiny felt this was a very pleasing report, especially given the pressures staff have faced over the course of the last four years, and we were also pleased to note a higher than expected response rate. We also felt that the report represented an outstanding position, and that both staff and managers should be congratulated.

### **Performance Indicators Quarter 1- 2018/19**

5. We have received an update on performance, at quarter 1, against those key performance indicators under the remit of our Scrutiny Committee. Ten indicators are reported to our Committee, all on a quarterly basis, and these are :-
  - (a) FHR 001 - Sickness Absence;
  - (b) HBS 002 - Council Tax Arrears Collected;
  - (c) HBS 003 - Housing Benefit Overpayments recovered;
  - (d) HBS 009 - Percentage of Council Tax collected in year;
  - (e) HBS 010 - Percentage of Business Rates collect in year;
  - (f) LGP 008 - Contracted spent as a percentage of total non-salary spend;
  - (g) FHR 008 - Complaints upheld by the LG Ombudsman / Housing Ombudsman;
  - (h) FHR 009 - Number of complaints upheld by the ICO;
  - (i) FHR 003 - Reportable Accidents; and
  - (j) FHR 019 - Staff Turnover
6. We particularly discussed how complaints were processed before being forwarded to the Ombudsman, any financial implications relating to complaints, the percentage collection of Council Tax in year and the work conducted to specifically target the unrecovered amount at the end of each financial year. We requested that a further report be submitted to a future meeting of our Scrutiny Committee

outlining the recovery levels and on-going work associated with the collection of outstanding Council Tax at the end of each financial year.

### **Housing Revenue Account and Housing Business Plan**

7. The Assistant Director, Housing and Building Services and the Finance Manager, Resources, gave a presentation on the Housing Revenue Account and the Housing Business Plan. The presentation focused on the composition of the Housing Revenue Account, the estimated income and expenditure and estimated balances, for 2018/19, together with the on-going Housing Business Plan and Rent Reforms.

### **Capital Projects Controls and Procurement**

8. We also received a presentation on the Council's Capital Projects Controls and Procurement systems from the Assistant Director, Housing and Building Services, the Assistant Director, Transport and Capital Projects and the Head of Capital Projects.
9. The presentation provided an overview of the control processes in place within the capital project methodology and the procurement process within projects, including the three levels of control, with a focus on the corporate processes and the project specific procedures.

### **Work Programme**

10. As part of our work programme report we discussed a number of requests from Members for additional items to be added to the previously approved work programme.

**Councillor Ian Haszeldine**  
**Chair Efficiency and Resources Scrutiny Committee**



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## **OVERVIEW OF HEALTH AND PARTNERSHIPS SCRUTINY COMMITTEE**

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1. Since the last meeting of the Council, the following are the main areas of work the Health and Partnerships Scrutiny Committee has undertaken.

### **Performance Indicators Quarter 1 2018/19**

2. We received Quarter 1 performance data against key performance indicators for 2018/19.
3. Members were advised that the performance indicators were aligned with key priorities and the majority were used to monitor the Corporate Plan 2017/21. Of the 30 indicators for Health and Partnerships Scrutiny Committee 25 were Public Health Indicators and 5 were Cultural indicators.
4. The majority of indicators were reported annually and all Public Health indicators reported in line with the Public Health Framework National reporting schedule which means the data is at least one year in arrears or relates to aggregate periods.
5. Details were provided for indicators which had previous data for comparison and we noted that of the Culture indicators one was likely to achieve and one was unlikely to achieve end of year target.
6. Of the Public Health indicators four had achieved performance better than last reported and two were performing worse than when previously reported.
7. Members had a valuable and worthwhile discussion around Performance Indicator Numbers CUL 063 Number of school pupils participating in the Sports Development Programme and CUL 065 Number of Individuals participating in in the Community Sports Development Programme and were pleased to be made aware of the many and various sporting activities and Clubs available in the Borough to residents of all ages and abilities.

### **Better Care Fund: Social Prescribing Testbed Outcome**

8. We received a report detailing the outcome of the social prescribing testbed carried out under the Better Care Fund between 1 May 2017 and 30 April 2018.
9. Members noted that there were around 130 people referred to the testbed with considerable variation in GP referrals. Investment in the testbed was £93,000 and although three-month reviews indicated good levels of sustained achievement of

outcomes indications were that the current model was not cost effective.

10. Most of the referrals were to Age UK and Darlington Association on Disability and of those supported for three months or more the outcome was sustained.
11. Members have always supported Social Prescribing and the potential benefits for resident's well-being. It was disappointing to note the outcomes of the test bed model, however we were pleased that valuable lessons had been learned and taken into account in establishing a Wellbeing Facilitator service which will be delivered through Primary Care and managed by Primary Healthcare Darlington with an investment of £180,000 and a full set of quantitative measures and indicators.
12. Wellbeing Facilitation is key to new ways of working across health and social care and in Darlington pilots and initiatives are being tried and tested as Primary Care develops a hub approach in general practice.
13. The GP Federation, Primary Healthcare Darlington, will play a key role in these developments. It is anticipated that wellbeing facilitators will engage in the pilots involving primary care approaches and that the Federation will play a pro-active role in engaging with all practices and relevant stakeholders to support relationship building and embedding the care co-ordination role with GPs, practice nurses and other practice staff.
14. We look forward to receiving an update on progress

### **Growing Older Living in Darlington (GOLD)**

15. Health and Partnerships Scrutiny Committee undertakes an Annual Survey of attendees at the GOLD Tea Dance and this year's topic was Exercise, specifically the forms of activity available and the amount of exercise undertaken.
16. The survey analysis produced two documents one for residents of Darlington only and one for the all surveys completed.
17. Members welcomed the results of the surveys and have requested that a member of the Healthy Darlington Team, also present at the GOLD Tea Dance, be invited to our next meeting to discuss the Survey Results and the varied activities available to Darlington's residents.
18. We would like to help promote the benefits of regular exercise and how we can optimise opportunities for residents of all ages too undertake regular and enjoyable exercise and activities.

**Councillor Wendy Newall**  
**Chair of the Health and Partnerships Scrutiny Committee**

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## **OVERVIEW OF PLACE SCRUTINY COMMITTEE**

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1. Since the last meeting of the Council, the following are the main areas of work the Place Scrutiny Committee has undertaken.

### **Performance Indicators Quarter 1**

2. We received Quarter 1 performance data against key performance indicators for 2018/19.
3. As Place Scrutiny has a wide remit we heard the performance updates and background information on indicators from the Assistant Directors covering Cultural Services, Economic Initiatives, Environmental Services, Regulatory Services and Highways Management.
4. Members were advised that the performance indicators were aligned with key priorities and the majority were used to monitor the Corporate Plan 2017/21. Of the 39 indicators for Place Scrutiny Committee 17 were reported annually and one was reported six monthly at Quarters 2 and 4.
5. Details were provided for indicators which had previous data for comparison and we noted that seven indicators had achieved or exceeded year-end targets, seven had not achieved year end targets and six did not have a year-end target.

### **Broadband Infrastructure Delivery in Darlington 2012-20**

6. We welcomed the PowerPoint Presentation from Keith Wilson, Economic Strategy and Intelligence Manager of Tees Valley Combined Authority (TVCA) on Broadband Infrastructure Delivery in Darlington 2012-20 which included Broadband and Policies; Broadband Delivery UK (BDUK); Darlington Rollout, including Public, Rural and Commercial; and Future Investments.
7. Members were informed that TVCA and BDUK had committed funding for two phases of public sector funded Broadband infrastructure rollout programmes for the Borough with Digital Durham managing delivery of two Phases of the BDUK programme.
8. Phase 1 had been delivered in the Town Centre and Central Park Enterprise Zone plus four rural cabinets resulting in a 93.5 per cent Borough coverage.
9. Phase 2, the Superfast Extension Programme (SEP) has a target coverage of 95 per cent of UK premises by 2019/20. In late 2016 TVCA decided it wanted an enhanced Phase 2 in the Tees Valley enabling 98.1 per cent coverage with an

ambition of 100 per cent at the end of Phase 3

10. It was also reported that TVCA aimed to apply for Government programmes such as the Local Full Fibre Network (LFFN) (based on full fibre solutions) which would offer new infrastructure provision for speeds up to 1 gigabit per sec level which would enable 5G solutions.

**Councillor Bob Carson**  
**Chair of Place Scrutiny Committee**