

**DECISIONS SHOULD NOT BE IMPLEMENTED BEFORE
MONDAY 22 JANUARY 2024**

CABINET

Tuesday, 9 January 2024

PRESENT – Councillors Harker (Chair), Curry, McCollom, McEwan, Porter, Dr. Riley, Roche and Wallis

INVITEES – Councillors Dulston, K Nicholson and Snedker

ALSO IN ATTENDANCE – Councillors Beckett, Mammolotti, Robinson, Mrs Scott and Henderson

C80 DECLARATIONS OF INTEREST.

There were no declarations of interest reported at the meeting.

C81 TO HEAR RELEVANT REPRESENTATION (FROM MEMBERS AND THE GENERAL PUBLIC) ON ITEMS ON THIS CABINET AGENDA.

In respect of Minute C92 below, representations were made by Members and members of the public in attendance at the meeting.

C82 TO APPROVE THE MINUTES OF THE MEETING OF THIS CABINET HELD ON TUESDAY, 5 DECEMBER 2023

Submitted - The Minutes (previously circulated) of the meeting of this Cabinet held on 5 December 2023.

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

REASON – They represent an accurate record of the meeting.

C83 MATTERS REFERRED TO CABINET

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

C84 ISSUES ARISING FROM SCRUTINY COMMITTEE

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

C85 KEY DECISIONS:-

(1) MAINTAINED SCHOOLS CAPITAL PROGRAMME SUMMER 2024 AND HIGH NEEDS CAPITAL

The Cabinet Member with the Children and Young People Portfolio introduced the report of the Group Director of Services (previously circulated) requesting that consideration be given

to releasing the 2023/24 School Condition Allocation of £156,595 for the schools' summer works programme 2024; 2023/24 Devolved Formula Capital of £42,136 to the maintained schools; £360,000 of High Needs Capital Funding to refurbish the former Haughton Children's Centre as a sixth form centre for Beaumont Hill; and £35,000 of High Needs Capital Funding to remodel the Heathfield Primary Special Educational Needs (SEN) resource base.

The submitted stated that the 2023/24 School Condition Allocation (SCA) funding would be used for works including, electrical and mechanical surveys and works identified as a priority and any urgent works arising; Devolved Formula Capital (DFC) was a formula-based grant provided to all maintained schools to help support their ongoing capital needs; High Needs Capital Funding would be used to create a new sixth form centre for Beaumont Hill Academy in the old Haughton Children's Centre, which would free up 30 additional much needed secondary SEND places, following refurbishment of the vacant space, in the main school; and the High Needs Capital Funding would be used to remodel the Heathfield Primary SEN resource base, to provide an environment suitable to meet the increased numbers from 16 to 24 at the SEN resource base. It was reported that all projects would be managed in line with the Corporate Capital Process procedures.

RESOLVED – (a) That the 2023/24 School Condition Allocation of £156,595, be formally released, to support the 2024 maintained schools' summer works programme.

(b) That the 2023/24 Devolved Formula Capital (DFC) of £42,136, be formally released.

(c) That £360,000 of High Needs Capital Funding, be formally released, for Beaumont Hill Academy.

(d) That £35,000 of High Needs Capital Funding, be formally released, for Heathfield Primary School.

REASONS - (a) Release of the School Condition Allocation and Devolved Formula Capital will enable capital investment to be undertaken in the areas identified with the greatest need, in terms of asset management priorities.

(b) Release of the High Needs Capital funding will create 30 additional secondary SEND places at Beaumont Hill Academy and eight places at Heathfield Primary School to meet the increased local demand for specialist provision.

(2) NORTHERN ECHO REDEVELOPMENT

The Cabinet Member with the Economy Portfolio introduced the report of the Chief Executive (previously circulated) requesting that consideration be given to the Council completing discussions with the Tees Valley Combined Authority (TVCA) and utilising £4,000,000 from the TVCA Investment Fund to supplement other agreed funding streams, to enable the redevelopment of the former Northern Echo Building into an Adult Skills Facility on the ground floor and quality office space on the upper three floors.

The submitted report stated that the Council acquired the former Northern Echo Building for £925,000 in 2022, with funding from the Towns Fund and TVCA Indigenous Growth Fund; following the acquisition, the Council commenced plans for the building to host an Adult

Skills Hub, in partnership with the Darlington College, on the ground floor with the remaining floors being refurbished into quality office space for business; a procurement exercise had been completed to identify an experienced and imaginative development partner to design, redevelop, repurpose, and once complete to operate, manage, and maintain the entire building; the preferred tenderer had submitted a bid which included a full refurbishment of the building in addition to a full fit out of the Adult Skills Hub on the ground floor; and that the overall redevelopment would take around 18 months.

References were made to the funding for the redevelopment phase of the building; the overall budget for the purchase, design and redevelopment; the leasing of the building; and the process of drawing down funds from TVCA.

Particular reference was made at the meeting to the of importance of the building; the demand for office accommodation in the town centre; and to the environmental impact of the building, to ensure that it was net zero.

RESOLVED - (a) That the draw down of £4,000,000 from the TVCA Investment Fund alongside other funds, as detailed in the submitted report, be approved, to enable the full refurbishment of the former Northern Echo Building to accommodate the planned Adult Skills Hub and facilitate the delivery of circa 3,235 square metres of quality office space in addition to an Adult Skills facility on the whole of the ground floor.

(b) That the use of various funding initiatives, as detailed in the submitted report, to fully fund the construction project with no Darlington Borough Council requirement, be acknowledged, and that when completed it be a sustainable grade A office location in the Town Centre.

(c) That delegate authority be granted to the Assistant Director of Economic Growth to enter into the funding agreements with the preferred partner once the procurement process is complete.

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

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

DELEGATIONS - The delegation sought is to enable the design and build of the offices to advance in a timely manner to ensure the necessary project timetable can be adhered to, and to agree execution of Council funding.

(3) REVISED CLIMATE CHANGE STRATEGY

The Cabinet Member with the Economy Portfolio introduced the report of the Chief Executive (previously circulated) requesting that consideration be given to the revised Climate Change Strategy (also previously circulated), the net zero trajectory and the Interim Climate Change Action Plan (also previously circulated).

The submitted report stated that following the motion to Council in July 2023, the original Climate Change Strategy needed to be revised; the strategy detailed the Council's approach

to achieving the revised carbon neutral Council target of 2040 adopted in the new motion (Minute 20(7)/Jul/23 refers); the baseline year remained as 2010/11; and that the scope of the Council's ambition included those areas where emissions were significant, the Council had control over them, and the data was robust. Some areas of operations did not yet have robust data and it was reported that those areas would continue to be monitored and would be included as and when there was certainty over the data.

It was reported that the baseline carbon footprint had been calculated as 13,100 tonnes CO₂e; the carbon footprint had reduced by 50 per cent; the carbon footprint was reported using both market-based reporting and location-based reporting; and that location-based reporting demonstrated the carbon footprint of actual energy usage and market-based reporting considered the choices that were made in where electricity was sourced. Particular reference was made the four principles of the strategy which underpinned the proposed actions, namely to reduce overall energy consumption; reduce demand for fossil fuel-based energy; contribute to a greener grid; and sequester carbon.

RESOLVED - (a) That the Climate Change Strategy, as detailed at Appendix 1 to the submitted report, be approved.

(b) That the revised trajectory, as detailed in the submitted report, be approved.

(c) That the Interim Climate Change Action Plan, as detailed at Appendix 2 to the submitted report, be noted.

REASON - With increasing public pressure to act on climate change, the Council run the risk of significant damage to its reputation if it did not deliver on its stated commitment to dealing with the Council's contribution to climate change.

C86 COUNCIL PLAN - QUARTER TWO

The Leader introduced the report of the Chief Officers Executive (previously circulated) presenting an overview of performance to the end of the first two quarters of 2023/24.

It was reported that work had commenced on the development of the new Council Plan which would outline the long-term ambitions for Darlington and priorities for the Council with a focus on addressing inequalities; climate change; and efficient use of resources. The report would be brought to a future meeting.

Particular references were made at the meeting to the impact on the Town Centre and footfall of not continuing with the free car parking initiative in Council car parks and the Council's agile working policy; under investment in public transport as a contributing factor to the fall in footfall; and to whether the Council had considered applying to be an Accredited Real Living Wage Employer. The Leader and the Cabinet Members with the Economy and Resources Portfolios responded thereon.

RESOLVED - That the delivery against performance measures, as set out in the performance report attached as an Appendix to the submitted report, be noted.

REASON - To update Cabinet on the progress in implementing the priorities outlined in the

Council Plan.

C87 HOUSING SERVICES CLIMATE CHANGE STRATEGY 2024/29

The Cabinet Member with the Health and Housing Portfolio introduced the report of the Group Director of Operations (previously circulated) requesting that consideration be given to the Housing Services Climate Change Strategy 2024/29 (also previously circulated).

The submitted report stated that in July 2019, this Council declared a climate emergency; in relation to Council housing, tackling climate change and reducing the tenant's fuel bills were high priorities for the Council; Government targets of achieving an Energy Performance Certificate (EPC) rating of C for all Council homes by 2030 and net zero carbon by 2050, needed to be achieved; due to the long-term nature of the strategy and given there were still many unknowns in relation to funding, developing technology and capacity, it was difficult to provide precise targets as to how or when net zero carbon for all the Council's homes would be achieved; Housing Services Climate Change Strategy 2024/29 covered the initial actions required over the next three to five years; and that the Strategy would be continually updated to ensure that the Council remained on course.

It was reported that the strategy had been considered and endorsed by the Health and Housing Scrutiny Committee at its meeting held on 3 January 2024 and by the Economy and Resources Scrutiny Committee at its meeting held on 4 January 2024.

Reference was made at the meeting to the implications of the proposals on flats should all the flats in a particular block not be in Council ownership. The Cabinet Member with the Health and Housing Portfolio responded thereon.

RESOLVED - (a) That the report be noted.

(b) That the Housing Services Climate Change Strategy 2024/29, as detailed at Appendix 1 of the submitted report, be approved.

REASONS - (a) The Council, as a social housing provider, is required to meet Government targets in relation to climate change, specifically achieving an EPC rating of C for all the Council's housing by 2030 and net zero carbon by 2050.

(b) The adoption of a formal Housing Services Climate Change Strategy will help to monitor progress towards those goals.

(c) Tackling climate change and reducing Council tenant's fuel bills are high priorities for the Council.

C88 LAND AT CENTRAL PARK – SALE TO NETWORK RAIL

The Cabinet Member with the Economy Portfolio introduced the report of the Chief Executive (previously circulated) requesting that consideration be given to disposing of 990 square metres (0.245 acres) of land at Central Park, Darlington, as shown hatched on the plan (also previously circulated) to Network Rail.

The submitted report stated that as a consequence of the Darlington Railway Station Improvement Scheme and to accommodate new platforms at the station, Network Rail needed to relocate a storage area and freight loop to the north of the station and in order to facilitate this they needed to acquire a strip of land from the Council along the edge of the Central Park.

RESOLVED – (a) That the sale of 990 square metres (0.245 acres) of land at Central Park, Darlington, as shown on the plan appended to the submitted report, to Network Rail, be approved, at a price of £60,000, plus VAT, legal and surveyors costs.

(b) That the Assistant Director Law and Governance be authorised to document the sale accordingly.

REASONS – (a) To accommodate the Darlington Station Improvement Scheme.

(b) To achieve a capital receipt for the Council.

(c) To support economic growth.

C89 COUNCIL TAX AND BUSINESS RATES RECOVERY STRATEGY 2024/29

The Cabinet Member with the Resources Portfolio introduced the report of the Group Director of Resources (previously circulated) requesting that consideration be given to the Council Tax and Business Rates Recovery Strategy 2024/29 (also previously circulated).

The submitted report stated that the Local Government Finance Act 1992 and the Council Tax (Administration and Enforcement) Regulations 1992 provided the legal framework for the collection of Council Tax; the Local Government Finance Act 1988 and the Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989 provided the legal framework for the collection of Business Rates; once a Liability Order had been obtained from the Magistrate's Court for unpaid Council Tax and Business Rates, the Council had a number of options to recover and enforce those debts; and that the Council Tax and Business Rates Recovery Strategy 2024/29 set out how the Council would use its discretionary and statutory powers to facilitate payments, recover debts and maintain a firm but fair approach to collection and recovery.

It was reported that the report had been considered and endorsed by the Economy and Resources Committee at its meeting held on 4 January 2024.

RESOLVED - (a) That the report be noted.

(b) That the Council Tax and Business Rates Recovery Strategy 2024/29, as detailed at Appendix 1 to the submitted report, be approved.

REASONS - (a) The Council has a statutory responsibility for the collection of Council Tax and Business Rates, including the recovery and enforcement of debts.

(b) The adoption of a formal Council Tax and Business Rates Recovery Strategy will help to demonstrate how the Council will exercise its discretionary and statutory powers to ensure

fairness and consistency of decision making.

C90 COUNCIL TAX AND BUSINESS RATES DISCRETIONARY RELIEF POLICY 2024/29

The Cabinet Member with the Resources Portfolio introduced the report of the Group Director of Operations (previously circulated) requesting that consideration be given to the Council Tax and Business Rates Discretionary Relief Policy 2024/29 (also previously circulated).

The submitted report stated that Section 49 of the Local Government Finance Act 1988 provided the Council with discretionary powers to reduce a person's Business Rates liability in cases of hardship; section 69 of the Localism Act 2011 amended the Local Government Finance Act 1988 to allow Councils the discretion to award discretionary relief to all types of businesses; Section 13a(1)(c) of the Local Government Finance Act 1992 provided the Council with discretionary powers to reduce a person's Council Tax liability to such an extent as it thought fit; and that the Council Tax and Business Rates Discretionary Relief Policy 2024/29 set out the aims of the Council's discretionary powers and the priorities for awards, although all applications would be decided on their own individual merits.

It was reported that the report had been considered and endorsed by the Economy and Resources Committee at its meeting held on 4 January 2024.

RESOLVED - (a) That the report be noted.

(b) That the Council Tax and Business Rates Discretionary Relief Policy 2024/29, as set out in Appendix 1 to the submitted report, be approved.

REASONS - (a) The Council is responsible for administering discretionary relief in accordance with the Local Government Finance Act 1988, the Localism Act 2011 and the Local Government Finance Act 1992.

(b) The adoption of a formal Council Tax and Business Rates Discretionary Relief Policy will help to demonstrate how the Council will exercise its discretionary powers and ensure consistency of decision making and appeals.

C91 DISCRETIONARY HOUSING PAYMENT POLICY 2024/29

The Cabinet Member with the Resources Portfolio introduced the report of the Group Director of Resources (previously circulated) requesting that consideration be given to the Discretionary Housing Payment (DHP) Policy 2024/29 (also previously circulated).

The submitted report stated that the DHP was a scheme which aimed at providing residents who received Housing Benefit or Universal Credit, with additional financial assistance with their rental costs; the operation of the scheme was at the Council's discretion with additional funding provided by the Department for Work and Pensions (DWP), and was cash limited; the existing DHP Policy had been in place since April 2013 and was due for review, although no significant changes were proposed to the existing policy; and that all applications would be decided on their own individual merits.

It was reported that the report was considered and endorsed by the Economy and Resources Committee at its meeting held on 4 January 2024.

RESOLVED - (a) That the report be noted.

(b) That the Discretionary Housing Payment Policy 2024/29, as detailed at Appendix 1 of the submitted report, be approved.

REASONS - (a) The Council is responsible for administering DHP's in accordance with the Discretionary Financial Assistance Regulations 2001.

(b) The DWP's DHP Guidance Manual provides guidance and advice on good practice when considering payment of DHP's, including consistency of decision making and how the Council should publicise the scheme. The adoption of a formal DHP policy will help to demonstrate how we will achieve this.

C92 DELIVERY OF NEW HOMES AT BLACKWELL - JOINT VENTURE PROPOSAL

The Cabinet Member with the Resources Portfolio introduced the report of the Group Director of Operations (previously circulated) requesting that consideration be given to the establishment of a Joint Venture Company (JVC) to provide the infrastructure build and sale of homes at Blackwell, under the company name Blackwell Grange JV Limited and undertake the landscape restoration works to the parkland and to the sale of the land at Blackwell to the JVC.

In presenting the report the Cabinet Member with the Resources Portfolio stated that the housing development would only take place on site 403 and did not include the Parkland.

The submitted report recommended the establishment of a new JVC between this Council and Esh Homes Limited to acquire site 403 and bring forward residential development on the site; stated that an application for planning permission had been submitted for the delivery of 44 houses on site 403; and that nutrient neutrality (NN) had been applied for. It was reported that the purchase price for site 403 had been negotiated and that the JVC would purchase the site and undertake associated works to deliver housing and the landscape restoration works to the parkland; be based on a 50:50 split between the Council and Esh Homes Limited; return developer profits to the Council and Esh Homes Limited; and that the JVC would be fully funded by the Council and this would be via prudential borrowing of up to a maximum of £8.482m. The loan would be repaid via the JVC to the Council and the Council was estimated to receive a pre-tax profit share of £0.871m.

It was reported that the risks involved in the JV had been identified and mitigated via the agreement; due diligence on site condition had been undertaken; the site investigation reports (SI's) did not indicate known issues with the land; the SI report, cost appraisal and a valuation report on the sale prices had been reviewed by the Council's estates section and were considered achievable; the JV was set up to deal with changes in the sales market, with the ability to slow or stop development on agreed costs should there be changes in the market; the Council's lending was supported by a legal charge over the land and works; and that the abnormalities, section 106 obligations and investment into the Blackwell housing scheme were substantial. Reference was made to the £760,000 that would be made

available to enhance the historic parkland at Blackwell and to the £918,000 that would be provided for the development of off-site affordable homes and significant contributions to highways and sustainable transport.

Members and members of the public in attendance at the meeting addressed Cabinet in respect of a number of issues including the ambiguity around the wording contained within the report in relation to site 403 and the parkland; whether the parkland would remain in Council ownership or be transferred to the JVC; best value and whether consideration had been given to using Section 123 of the Local Government Act 1972; maintenance of the parkland; the sensitivity around the parkland restoration and the need to consider the ecology of the area and in particular the Great Crested Newts; the involvement of community groups and Ward Councillors in the proposals; whether the additional housing was required; and on the financial risk to the Council. Particular reference was made to the The Leader and the Cabinet Members with the Resources and Economy Portfolios responded thereon.

RESOLVED - (a) That the establishment of the Joint Venture Company, Blackwell Grange Joint Venture Limited, be approved, to acquire site 403 as marked in Appendix 1 to the submitted report, to deliver, build and sell new homes at Blackwell subject to obtaining nutrient neutrality credits, in addition to undertaking the landscaping and restoration works to the council owned parkland.

(b) That £8.482m from the Investment Fund to fund the Joint Venture Company financed by prudential borrowing, be approved, subject to a first Legal Charge in favour of the Council over the land acquired by the Joint Venture Company, together with a guarantee from the Joint Venture Partner in respect of 50 per cent of the loan sum.

(c) That the Joint Venture Agreement be approved and delegated authority be granted to the Chief Executive to negotiate the final terms of the Joint Venture Agreement and finalise the establishment of the Joint Venture Company, in line with the terms and supporting development appraisal and cashflows, as detailed at Appendices 2 and 3 to the submitted report.

(d) That conditional upon completion of the Joint Venture agreement a secured loan facility be entered into with the Joint Venture Company, as a secured loan simultaneous with the land acquisition.

(e) That the Chief Executive, Group Director of Operations and the Assistant Director Law and Governance be appointed to act as directors in the Joint Venture Company as part of its Executive Board.

REASONS - (a) To assist in the delivery of the Economic Strategy by speeding up the building of new homes.

(b) To deliver income for the Council.

C93 MEMBERSHIP CHANGES - TO CONSIDER ANY MEMBERSHIP CHANGES TO OTHER BODIES TO WHICH CABINET APPOINTS.

There were no membership changes reported at the meeting.

C94 TO CONSIDER THE EXCLUSION OF THE PUBLIC AND PRESS :-

**DECISIONS DATED –
FRIDAY 12 JANUARY 2024**