

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

CABINET

Tuesday, 6 February 2024

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

INVITEES – Councillors Dulston, K Nicholson and Snedker

C95 DECLARATIONS OF INTEREST.

There were no declarations of interest reported at the meeting.

C96 TO HEAR RELEVANT REPRESENTATION (FROM MEMBERS AND THE GENERAL PUBLIC) ON ITEMS ON THIS CABINET AGENDA.

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

C97 TO APPROVE THE MINUTES OF THE MEETING OF THIS CABINET HELD ON 9 JANUARY 2024

Submitted - The Minutes (previously circulated) of the meeting of this Cabinet held on 9 January 2024.

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

REASON – They represent an accurate record of the meeting.

C98 MATTERS REFERRED TO CABINET

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

C99 ISSUES ARISING FROM SCRUTINY COMMITTEE

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

C100 KEY DECISION - SCHOOLS ADMISSIONS 2025/26

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 the Local Authority's Admissions Policy (also previously circulated) for the 2025/26 academic year for maintained schools in the Borough.

The submitted report stated that, in line with the School Admissions Code 2021, an Admission Authority was required to annually determine the admission arrangements used to allocate places for schools for which it was the admission authority by 28 February in the

determination year; outlined the process for allocating places; the legal implications; and the consultation process.

Particular reference was made at the meeting to whether consideration had been given to including a further admission criteria, for oversubscribed schools, relating to whether a child had received free school meals in the previous six years. The Cabinet Member with the Children and Young People Portfolio responded thereon.

RESOLVED - That the admission arrangements for the two maintained primary schools in Darlington for entry in 2025/26 and for the administration of in-year applications thereafter, as detailed in the submitted report, be approved.

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

C101 MEDIUM TERM FINANCIAL PLAN (MTFP)

Pursuant to Minute C76/Dec/23, the Leader introduced the report of the Chief Officers Executive (previously circulated) proposing a Medium Term Financial Plan (MTFP) for 2024/25 to 2027/28 (also previously circulated) including setting a budget and council tax increase for 2024/25, to Council on Thursday 15 February 2024, for approval.

The submitted report stated that the Council was facing unparalleled financial challenges stemming from reductions in public spending between 2010 and 2019 where the Council's budget was reduced by £46m in real terms; the aftermath of Covid; the current economic climate; increased cost of living; income deprivation and rising poverty; increased demand for children's social care; high inflation; and rising interest rates.

It was reported that all budgets had been reviewed and challenged; savings of £4.019m had been achieved; reserves would be utilised to meet the 2024/25 funding gap; the Council could deliver a balanced position until 2025/26 utilising those reserves; there was a significant annual budget deficit which was not sustainable and would need to be addressed; and that unless further government funding was forthcoming, the Council would need to undertake a fundamental review of its services over the course of 2024 to decide what and how services would be delivered in the coming years.

Details of the detailed revenue estimates 2024/25, budget pressures and savings, fees and charges proposals 2024/25, assumptions used to prepare estimates, projected Revenue Outturn 2023/24, Capital MTFP 2024/25 to 2027/28, proposals for children's social care and the minutes from the meeting of the Economy and Resources Scrutiny held on 18 January 2024, were appended to the submitted report.

In presenting the report the Leader stated that the Council would receive approximately £1m of additional funding from the government, which was welcomed but would not address the shortfall, and that the capital programme would be increased by £10k as a result of quotes for the fully accessible toilet at the Hippodrome, which was partially funded from a Changing Places grant, coming in higher than anticipated.

Particular references were made at the meeting to the carry forward of balances and

reserves compared to the previous MTFP; the proposed Council Tax increase; the additional funding from the government; the amount of savings Council's had been expected to make; and the effectiveness of Scrutiny. The Cabinet Member with the Children and Young People Portfolio, the Cabinet Member with the Resources Portfolio and the Leader of the Council responded thereon.

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

(b) That it be recommended to the special meeting of Council scheduled to be held on Thursday 15 February 2024, that the Revenue Medium Term Financial Plan (MTFP) and the Capital Programme, as set out in Appendices 6 and 7 respectively of the submitted report, subject to a minor change in the capital programme to increase the funding for the Changing Places accessible toilet at the Hippodrome, as noted in paragraph 85(b) of the submitted report, by £10k due to the quotes for the works being higher than initially anticipated, be approved, including:-

- (i) a Council Tax increase of 2.99 per cent plus a two per cent Adult Social Care Precept to fund social care for 2024/25;
- (ii) the Schedule of Charges, as set out in Appendix 3, of the submitted report; and
- (iii) funding for Children's Services to address the dependency on expensive external provision and improve placement sufficiency for children and young people in Darlington, as noted in paragraphs 43 to 49 and detailed in Appendix 1 of the submitted report.

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

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

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

(d) To reduce the pressures on the MTFP in the medium term.

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

C102 HOUSING REVENUE ACCOUNT - MEDIUM TERM FINANCIAL PLAN 2024/25 TO 2027/28

Pursuant to minute C75/Dec/23, the Cabinet Member with the Health and Housing Portfolio introduced the report of the Group Director of Operations (previously circulated) requesting that consideration be given to the proposals for the revenue budget, capital programme, rent levels and service charges for the Council's Housing Revenue Account (HRA) for the financial year 2024/25, in the context of the HRA Medium Term Financial Plan (MTFP) to 2027/28 and the 30-year Business Plan.

The submitted report stated that the Council was the largest provider of social housing in the Borough, providing 5,278 homes to local residents; the homes were of a high standard of accommodation that met the Decent Homes Standard; as a result of the high quality of the

homes and the services provided they were in high demand; and to meet that demand the Council had an ambitious programme to build new homes in Darlington, funded through capital receipts from the right to buy sales, grant funding and estimated borrowing of £13.5m. The proposed revenue budget expenditure of £31.783m included £6.179m to fund responsive repairs and maintenance and £13.455m contribution to the capital programme. The proposed capital programme of £27.270m included funding for work to current properties and £15.815m to deliver the new build Council housing programme.

It was reported that the key decision to be made regarding the HRA each year was the balance between setting rent and service charge levels that were affordable to the Council's tenants whilst ensuring there was sufficient resources to invest in housing stock, tackle climate change, meet Decent Home Standards and Fire Safety Regulations and maintain services. Local Authorities had the discretion to increase rents by the Consumer Prices Index (CPI) plus one per cent and as the CPI for September 2023 was 6.7 per cent Members could decide to increase rents by up to 7.7 per cent.

Particular reference was made at the meeting to the increased rents and to what support was being given to the to assist residents of the Borough with the cost of living crisis. The Cabinet Member with the Health and Housing Portfolio responded thereon.

RESOLVED - That it be recommended to the special meeting of Council scheduled to be held on Thursday 15 February 2024 that :-

- (a) an average weekly rent increase of 6.7 per cent for 2024/25 be implemented giving an average social rent of £83.98 and affordable rent of £94.17;
- (b) garage rents and service charges be increased, as shown in Table 6 of the submitted report;
- (c) the revenue budget, as attached at Appendix 1 of the submitted report, be approved;
- (d) the Housing Business Plan, as attached at Appendix 2 of the submitted report, be agreed; and
- (e) the capital programme, as attached at Appendix 3 of the submitted report, be agreed, and the funding be released, should the programme be subsequently approved by Council.

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

C103 PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT STRATEGY REPORT 2024/25

The Cabinet Member with the Resources Portfolio introduced the report of the Group Director of Operations (previously circulated) requesting consideration be given to reviewing the Prudential Indicators and Limits for 2024/25 to 2026/27 relating to capital expenditure and Treasury Management activity; a policy statement relating to the Minimum Revenue Provision; and the Treasury Management Strategy 2024/25, which includes the Annual

Investment Strategy for 2024/25.

The submitted report outlined the Council's Prudential Indicators for 2024/25 to 2026/27; set out the expected treasury operations for that period; and reported that the expenditure plans, Treasury Management and Prudential Borrowing activities indicated that they were within the statutory framework and consistent with the relevant codes of practice, were prudent, affordable and sustainable and were an integral part of the Council's Revenue and Capital Medium Term Financial Plans.

RESOLVED - That it be recommended to the special meeting of Council scheduled to be held on Thursday 15 February 2024 that:-

(a) the Prudential Indicators and limits for 2024/25 to 2026/27, as summarised in Tables 1 and 2 of the submitted report, be approved;

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

(c) the Treasury Management Strategy 2024/25 to 2026/27, as summarised in paragraphs 47 to 80 of the submitted report, be approved; and

(d) the Annual Investment Strategy 2024/25, as contained in paragraphs 89 to 113 of the submitted report, be approved.

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

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

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

C104 REVENUE BUDGET MONITORING 2023/24 - QUARTER THREE

The Cabinet Member with the Resources Portfolio introduced the report of the Group Director of Operations (previously circulated) providing a forecast of the 2023/24 revenue budget outturn as part of the Council's continuous financial management process.

The submitted report stated that it was the third revenue budget management report to Cabinet for 2023/24 and that the latest projections showed an overall decline of £0.738m on the 2023/27 Medium Term Financial Plan, however, this was an improvement of £0.381m compared with Quarter Two (Minute C64/Nov/23refers) which was due to £0.509m of additional balances following the 2022/23 outturn, £1.2m of resources returned to reserves and a £0.225m improvement in corporate reserves, offset by £2.672 of projected departmental overspends in 2023/24.

RESOLVED - (a) That the forecast revenue outturn for 2023/24, as detailed in the submitted report, be noted.

(b) That the carry forward of resources, as detailed in paragraphs 18 to 20, be noted and approved.

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

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

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

C105 PROJECT POSITION STATEMENT AND CAPITAL PROGRAMME MONITORING - QUARTER THREE 2023/24

The Cabinet Member with the Resources Portfolio introduced the report of the Group Director of Services and the Group Director of Operations (previously circulated) providing a summary of the latest Capital resource and commitment position, to inform monitoring of the affordability and funding of the Council's capital programme; an update on the current status of all construction projects currently being undertaken by the Council; and requesting that consideration be given to a number of changes to that programme.

The submitted report stated that the projected outturn of the current Capital Programme was £324.747m against an approved programme of £324.414m; the investment was delivering a wide range of improvements to the Council's assets and services; the current project position statement showed that there were 41 live projects currently being managed by the Council, with an overall projected outturn value of £160.324m, the majority of which were running to time, cost and quality expectations, but were being monitored given the current pressures on resources in the construction sector nationally; and that the projects were managed either by the Council's in-house management team, a Framework Partner or by Consultants sourced via an open/OJEU tender process.

RESOLVED - (a) That the status position on construction projects, as detailed in the submitted report, be noted.

(b) That the projected capital expenditure and resources, as detailed in the submitted report, be noted.

(c) That the adjustments to resources, as detailed in paragraph 21 of the submitted report, be approved.

REASONS - (a) To inform Cabinet of the current status of construction projects.

(b) To make Cabinet aware of the latest financial position of the Council.

(c) To maintain effective management of resources.

C106 CALENDAR OF COUNCIL AND COMMITTEE MEETINGS 2024/25

The Leader introduced the report of the Group Director of Operations (previously circulated) requesting that consideration be given to the Calendar of Council and Committee

Meetings for the 2024/25 Municipal Year (also previously circulated).

Particular reference was made at the meeting to the role of Cabinet in agreeing the dates of future meetings of other Committees of the Council. The Assistant Director Law and Governance responded thereon.

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

(b) That the proposed dates for the meetings of Council be referred to the Annual Council meeting scheduled to be held on Thursday 23 May 2024, for approval.

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

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

C107 MEMBERSHIP CHANGES - TO CONSIDER ANY MEMBERSHIP CHANGES TO OTHER BODIES TO WHICH CABINET APPOINTS.

There were no membership changes reported at the meeting.

**DECISIONS DATED –
FRIDAY 9 FEBRUARY 2024**