



DARLINGTON

Borough Council

Cabinet Agenda

5.00 pm

Tuesday, 6 February 2024

Council Chamber, Town Hall, Darlington DL1 5QT

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

1. Introductions/Attendance at Meeting.
2. Declarations of Interest.
3. To hear relevant representation (from Members and the General Public) on items on this Cabinet agenda.
4. To approve the Minutes of the meeting of this Cabinet held on 9 January 2024 (Pages 5 - 14)
5. Matters Referred to Cabinet –
There are no matters referred back for reconsideration to this meeting
6. Issues Arising from Scrutiny Committee –
There are no issues referred back from the Scrutiny Committees to this Meeting, other than where they have been specifically consulted on an issue and their comments are included in the contents of the relevant report on this agenda.
7. Key Decision - Schools Admissions 2025/26 –
Report of the Group Director of People.
(Pages 15 - 22)
8. Medium Term Financial Plan (MTFP) –
Report of the Chief Officers Executive.
(Pages 23 - 114)

9. Housing Revenue Account - Medium Term Financial Plan 2024/25 to 2027/28 –
Report of the Group Director of Operations.
(Pages 115 - 136)
10. Prudential Indicators and Treasury Management Strategy Report 2024/25 –
Report of the Group Director of Operations.
(Pages 137 - 168)
11. Revenue Budget Monitoring 2023/24 - Quarter Three –
Report of the Group Director of Operations.
(Pages 169 - 186)
12. Project Position Statement and Capital Programme Monitoring - Quarter Three 2023/24
–
Report of the Group Director of Services and the Group Director of Operations.
(Pages 187 - 202)
13. Calendar of Council and Committee Meetings 2024/25 –
Report of the Group Director of Operations.
(Pages 203 - 206)
14. Membership Changes - To consider any Membership Changes to Other Bodies to which
Cabinet appoints.
15. SUPPLEMENTARY ITEM(S) (if any) which in the opinion of the Chair of this Committee are
of an urgent nature and can be discussed at this meeting.
16. Questions.



Luke Swinhoe
Assistant Director Law and Governance

Monday, 29 January 2024

Town Hall
Darlington.

Membership

Councillors Curry, Harker, McCollom, McEwan, Porter, Dr. Riley, Roche and Wallis

If you need this information in a different language or format or you have any other queries on this agenda please contact Lynne Wood, Elections Manager, Operations Group, during normal

office hours 8.30 a.m. to 4.45 p.m. Mondays to Thursdays and 8.30 a.m. to 4.15 p.m. Fridays (e-mail Lynne.Wood@darlington.gov.uk or telephone 01325 405803).

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**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 abnormal, 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 centre 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**

**CABINET
6 FEBRUARY 2024**

SCHOOLS ADMISSIONS 2025/26

**Responsible Cabinet Member -
Councillor Nick Wallis, Children and Young People Portfolio**

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

SUMMARY REPORT

Purpose of the Report

1. To seek Members' approval for the Local Authority's admission arrangements for the 2025/2026 academic year for maintained schools in the Borough.

Summary

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

Recommendation

3. It is recommended that Members approve the admission arrangements for the two maintained primary schools in Darlington for entry in 2025-2026 and for the administration of in-year applications thereafter.

Reasons

4. The recommendations are supported by the following reasons; all admission authorities are under a statutory duty to determine admission arrangements for schools for which it is the admission authority every academic year.

**James Stroyan
Group Director of People**

Background Papers

School Admissions Code of Practice – Issued September 2021

Melanie Dickinson: Extension 5908

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

MAIN REPORT

Information and Analysis

5. The Local Authority acts as a 'clearing house' for all applications for a place at a school in Darlington at the normal point of entry (September). This is part of a co-ordinated scheme. Co-ordination also includes the offering of places to children who are resident in Darlington but have stated a preference for a school in another LA area.
6. The Local Authority acting in its capacity as an admission authority will make a single offer of a school place each academic year, to parents* who have expressed a preference for their child to be admitted to a maintained school within Darlington. Although all applications will be considered on an equal weighting basis, should a child be eligible for a place at more than one school, parents are requested to rank their order of preference on the 'Primary School Application Form 2025/26' in order that only one offer will be made. The admissions oversubscription criteria will be applied should the school be oversubscribed. The equal preference system operates to give parents choice in their selection of schools, allocating their highest ranked preference wherever possible. Where a maintained school is not oversubscribed parents who have applied will be offered a place for their child.

Legal Implications

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

Consultation

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

Outcome of Consultation

11. Consultation was not required as Darlington LA last consulted on a scheme in 2022.

ADMISSIONS POLICY

Darlington Local Authority is the admissions authority for the following community schools:

- (a) Harrowgate Hill Primary – 60 Published Admission Number (PAN)
- (b) Red Hall Primary – 30 PAN
- (c) Whinfield Primary* – 60 PAN

*Whinfield Primary is due to join the Education Village Academy Trust in 2024.

Admission at the Normal Point of Entry

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

Admissions Oversubscription Criteria

If there are more applications than the number of places available in a particular school, then the school is deemed to be oversubscribed. When stating a preference, parents are entitled to state a reason for doing so. However, the only criteria used to allocate places are those detailed below.

After the admission of children with special educational needs where a school is named on the EHCP, and where the number of applicants is greater than the published admission number, applications will be considered against the criteria set out below, in the following order:

- Priority 1 Looked After, Previously Looked After Children & Internationally Adopted previously Looked After Children**
Looked after children and previously looked after but immediately after becoming looked after became subject to adoption, a child arrangement order or special guardianship order. Children who appear to Darlington Local Authority to have been in state care outside of England and ceased to be in state care as a result of being adopted (see note 1 & 2)

- Priority 2 Medical Reasons**
Children with exceptional medical factors directly relating to school placement. Applications under this criterion should be supported by written evidence from a professional practitioner (see note 3)

- Priority 3 Family Links**
Children who have a brother or sister already attending the school and are expected to be on roll at that school at the time of admission (see note 4).

Priority 4 Rural

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

Priority 5 Distance (Urban Wards of Darlington Borough Council)

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

Notes

1. Looked after children

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

State Care Outside of England

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

Medical Criterion

- 3. If a parent states a preference for any of the 3 maintained schools and indicate their reason for doing so is 'medical', then they are required to send a supporting letter from a professional practitioner. The supporting evidence should set out the particular reasons why the school in question is the most suitable school and the difficulties it would cause if their child had to travel to another school. Permission from parents must be given to share this information.

Family Links

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

Measurements

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

Home Address

6. The home address is used when applying under criteria 4 and 5 of the admissions policy. This means that when a parent states their school preference's they must give the home address at the time of application. Parents must not give the address of childminders or other family members who may share in the care of their child. For parents who may have more than one property, reference should only be made to the property in which they and the child(ren) mainly reside (Monday to Friday).

Similarly, where parents are separated and the child lives for periods with both, then the home address will be where the child mainly resides Monday to Friday or where a court has determined it should be. If the main address has changed temporarily, for example where a parent resides with extended family during a period of sickness or takes up temporary accommodation due to building works/renovation, then the home address remains that at which the parent was resident before the period of temporary residence began. However, if the property has been sold (exchanged contracts) and the family have moved into temporary accommodation, then parents will be required to provide evidence of their situation and a decision will be made based upon the evidence provided.

Tie-Break

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

Multiple Births

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

Consideration of late applications

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

Offer Day

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

Appeals Process

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

Waiting Lists

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

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

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

If a parent seeks a place in a year group outside of their normal age group, they should complete an application form and attach a covering letter along with any accompanying documentation that details the circumstances behind their request, for example if their child has missed a significant amount of time due to ill health or they believe their child to be gifted and talented.

This should be forwarded to the School Admissions Manager, Education Division, Town Hall, Darlington, DL1 5QT who will then contact the head teacher of the school/s concerned and ask for their views. Once a decision has been made the LA will write to the parent(s) informing them of the decision and setting out the reasons for such.

Parents of summer born children can also make a request to apply for their child to start school in the next academic year after they reach five and should follow the same process but should start the process in the September of the year prior to the year of entry.

Admission of children below compulsory school age

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

In-Year Applications Forms

Families who move into the area who require a place(s) at a Darlington school must contact the Schools Admissions Section at the Town Hall. Parents will be sent an In-year Application Form (IYAF) and directed to the Council's website for a copy of the Guide for Parents (paper copies are also available on request). Should a place be available at a school requested by a parent, a meeting with the Head Teacher must take place before a start date is agreed.

Should however a parent request a place at a maintained school that has no places available, then they will be informed about the appeals process and the availability of alternative school places within the Borough of Darlington.

**CABINET
6 FEBRUARY 2024**

MEDIUM TERM FINANCIAL PLAN (MTFP)

**Responsible Cabinet Member - Councillor Stephen Harker
Leader and all Cabinet Members**

Responsible Directors – Chief Officers Executive

SUMMARY REPORT

Purpose of the Report

1. To propose a Medium Term Financial Plan (MTFP) for 2024/25 to 2027/28 including setting a budget and council tax increase for 2024/25, to be forwarded to Council for approval on 15 February 2024.

Summary

2. The Council is 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, a 36% reduction in budget. This financial position has been further compounded in the aftermath of covid and the current economic climate, the cost of living is increasing, and income deprivation and poverty rising. It is a challenge for everyone including the Council with a spiralling increase in demand for children's social care, high inflation, and rising interest rates, all of which have a direct impact on the Council's contracted expenditure.
3. The Council has previously met the challenges faced head on through value for money service delivery, shared services, economic growth, and strong financial management and has utilised built up reserves to continue to provide vital services for the residents of Darlington. However, the additional demands and inflationary increases are putting an unprecedented pressure on affordability and our reserves will nearly be fully depleted by the end of 2025/26.
4. Unless additional government funding is forthcoming the Council will need to undertake a fundamental review over the course of 2024 to decide what and how services will be delivered in the coming years. Extensive consultation with residents, staff, charities, businesses and key stakeholders will be carried out to explore how we can deal with the scale of the financial challenge we face.
5. Over two thirds of our expenditure is spent on Adult and Children's social care, caring for our most vulnerable residents and children. The rise in inflation and interest rates directly impacts on our adult care contracts which increased by 15.6% over the last year, in addition, since the pandemic there has been a continual rise in the demand for children's care services. We are seeing more vulnerable children with increasingly complex needs

requiring help and support, there has during this year been a 33% increase in children in our care since pre pandemic levels. These are our largest budgets, and we have a statutory requirement to provide the services, but they only touch 4% of our population.

6. Darlington has the second lowest Council Tax in the North East and as such we cannot raise sufficient income from Council Tax charges to fund the spending pressures we face, every 1% increase in Council Tax increases revenue by £0.625m. Darlington has a low tax base with 44% of our properties in Band A and 79% Band A - C, this along with the council tax level means we generate significantly less Council Tax than some other more affluent areas. If Darlington had the average England Band D Council Tax level, we would generate an additional £8.7m per year. This highlights the disparity in how local government is funded.
7. To protect services as far as possible and push back the impending cliff edge, all budgets have been reviewed and challenged and savings of £4.019m achieved through back office efficiencies, restructures and income generation which do not affect front line service delivery. In addition a proposed Council Tax increase of 2.99% and a 2% social care precept to help fund adult social care has been made which would generate £1.869m and £1.250m respectively to help continue to provide vital services.
8. Darlington has some significant inequalities challenges across the borough from a financial as well as a health perspective. Duncan Selbie, the prior Chief Executive of Public Health England, said the best thing you can do to improve health is a good home, a good job, and a good friend. The Council is determined to address inequalities, and to have the best possible chance of doing this we need to continue to grow the Darlington economy, attract businesses and companies to the area helping to create more better paid jobs and provide energy efficient affordable homes to ensure inclusive growth for our residents.
9. However, this ambition is not an overnight fix, inclusive economic growth takes time, particularly in this economic climate. We have made a great start over the last 10 years, the structural landscape of Darlington has changed, new businesses and government departments have relocated to the town bringing high quality jobs, and 293 new Council houses have been built providing good quality affordable housing. There is significant investment going into Darlington station paving the way for improved rail services for the town and wider area as well as the redevelopment of Darlington's railway heritage quarter, both of which will help regeneration and jobs. But more needs to be done and we will allocate the resources we do have into realising this ambition.
10. The provisional Local Government Finance Settlement delivered on the 18 December 2023 confirmed funding for one year only and the anticipated Council Tax referendum limits of 3% for Council Tax and 2% for Social Care Precept. Subsequently, on the 24 January 2024, a £600m funding package was announced, however confirmation of the allocations and conditions attached will not be known until the final settlement in February, so it has not been included in the report figures. It is estimated the funding could be between £0.800m and £1.000m so whilst helpful does not change the overall context of the MTFP.
11. Future years funding beyond this period have not been confirmed and the consequence of this is that the draft 2024/25 – 2027/28 MTFP has an eye to future years but does not seek to presume what the future will look like. It aims to ensure that the Council can set a legal

budget in 2024/25 and continue to provide our core offer level of services to the residents of Darlington.

12. The Council has performed well in responding to the financial challenges over the years, taking early action to ensure that it is ahead of the curve and not therefore pushed into short term decisions. However the overwhelming demand for services, increased contract costs linked to inflation and living wage increases is making future budgets untenable without additional government funding.
13. Darlington is not alone in facing these pressures, Council's across the country are struggling with the same issues which have been widely reported in the media over the last year with a number indicating the inability to balance their books. A review of local government finances was discussed by Government in 2019 however proposals have been postponed over the years and it is not clear when, or if, a fundamental review will take place. The financial pressures faced have been raised with the Local Government Association and the Department for Levelling up Housing and Communities (DLUHC) directly.
14. The Council operates a core offer which is at a statutory service level with a small provision for discretionary services and this is the base level the new MTFP has been prepared on. A healthy level of reserves had been maintained for medium term stability and this is now a crucial component of the budget strategy given the unprecedented pressures faced in the coming year. The reserves will be utilised to meet the 2024/25 funding gap and allow time for detailed work to be completed on savings options during 2024 if no government funding is forthcoming.
15. In summary, if the recommendations are agreed, the Council can deliver a 2024/25 budget which will allow net revenue investment in Darlington and its residents of £128m and new capital investment of £98m to add to the current capital programme of £317m. It also allows time to undertake a detailed review of all service provision during 2024/25 to deliver savings required in future years.

Recommendation

16. It is recommended that Cabinet:
 - (a) Note the responses and comments received to the consultation.
 - (b) Approve and recommend to Council on 15 February 2024 the Revenue MTFP as set out in **Appendix 6** and the Capital Programme as set out in **Appendix 7**, including the following:
 - (i) A Council Tax increase of 2.99% plus a 2% Adult Social Care Precept to help fund social care for 2024/25.
 - (ii) The Schedule of Charges as set out in **Appendix 3**.
 - (iii) Funding for Children's Services to address the dependence on expensive external provision and improve placement sufficiency for children and young

people in Darlington as noted in paragraphs 43 - 49 and detailed in **Appendix 8.**

Reasons

17. The recommendation is supported by the following reasons:

- (a) The Council must set a budget for the next financial year.
- (b) To enable the Council to continue to plan services and finances over the medium term.
- (c) To ensure decisions can be made in a timely manner.
- (d) To reduce the pressures on the MTFP in the medium term.
- (e) To ensure investment in our assets is maintained.

Chief Officers Executive

Background Papers

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

Elizabeth Davison: Extension 5830

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

MAIN REPORT

Background and context

18. The Council is 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, a 36% reduction in budget. This financial position has been further compounded in the aftermath of covid and the current economic climate, the cost of living is increasing, and income deprivation and poverty rising. It is a challenge for everyone including the Council with a spiralling increase in demand for children's social care, high inflation, and rising interest rates, all of which have a direct impact on the Council's contracted expenditure.
19. The Council has previously met the challenges faced head on through value for money service delivery, shared services, economic growth and strong financial management and has utilised built up reserves to continue to provide vital services for the residents of Darlington. However, the additional demands and inflationary increases are putting an

unprecedented pressure on affordability and our reserves will nearly be fully depleted by the end of 2025/26.

20. Over two thirds of our expenditure is spent on Adult and Children's social care, caring for our most vulnerable residents and children. The rise in inflation and interest rates directly impacts on our adult care contracts which increased by 15.6% over the last year, in addition, since the pandemic there has been a continual rise in the demand for children's care services. We have seen more vulnerable children with increasingly complex needs requiring help and support, referrals have increased by 118% and early help assessments by 165% in the last two years alone, and there has been during this year a 33% increase in children in our care since pre pandemic levels. These are our largest budgets, and we have a statutory requirement to provide the services, but they only touch 4% of our population.
21. Darlington is not alone in facing these pressures, Council's across the country are struggling with the same issues which have been widely reported in the media over the last year with a number of Councils indicating the inability to balance the books. A fundamental review of how local government is financed (the Fair Funding Review) was announced by government back in 2019 but it has continually been postponed with no indication on when or if this will happen. The pressures Darlington faces have been raised with the Local Government Association and DLUHC directly.
22. The Council's core offer budget, which is based on statutory service provision along with a small discretionary provision, is the starting position for the 2024/25 budget. Back in 2014 it was recognised that strong economic growth was needed to help the Council's overall financial position but that it takes time to realise so we needed to maintain reserves as far as possible. This strategy to preserve reserves worked well to date allowing time for the financial impact of the economic growth strategy to come to fruition, however, the additional demands and increased costs have escalated the financial pressures faced to unprecedented levels and our reserves will nearly be fully depleted by the end of 2025/26. Unless additional government funding is forthcoming the core offer will be unaffordable, and the Council will need to undertake a fundamental review over the course of 2024 to decide what and how services will be delivered in the coming years.
23. Income and resource levels are discussed in detail later in this paper, however as we only have a provisional one year finance settlement, along with the turbulent times we find ourselves in, it makes it challenging to predict expenditure and income levels moving forward. Consequently, best estimates have been used and assumptions made on the impact of inflation and demand in 2023/24 going into 2024/25 and the income and resources we will receive in future years.

Updated Information and changes to the draft MTFP

24. As a result of updated information since the draft MTFP was approved for consultation, a number of changes have been made to this proposed MTFP. The net effect is an additional £2.849m in resources across the life of the plan. These changes along with the references to where they appear in the report are shown below:

No.	Change	Effect	Para	App
1	Council Tax - Additional properties.	Over the life of the MTFP increases reserves by £0.943m	72, 73, 76	4,6
2	Increase in business rates retained locally due Septembers CPI being used and changes in the multiplier.	The increases reserves by £1.018m in 2024/25 with a further increase in reserves of £4.568m over the life of the MTFP	72, 73, 76	4,6
3	Settlement – Reduction in Top Up Grant due to changes in the multiplier and the rate of increase applied.	Over the life of the MTFP reduces reserves by £0.431m	72, 73, 76	4,6
4	Settlement – New Homes Bonus scheme continues for a further year.	Increases reserves by £0.436m.	57, 72, 73, 76	4,6
5	Settlement – Increased Revenue Support Grant due to uplift of inflation	Over the life of the MTFP increases reserves by £0.730m	53, 72, 73, 76	4,6
6	Settlement – Reduction in Services Grant	Over the life of the MTFP reduces reserves by £3.120m	55, 72, 73, 76	4,6
7	Settlement – Increase in Social Care Grant	Over the life of the MTFP increases reserves by £0.300m	56, 72, 73, 76	4,6
8	Additional pressures/savings	Pressures identified in Waste Management, and Financing Costs. Reduces reserves by £0.908m over the life of the MTFP	25, 27-33, 50,51, 73,76	1,2 & 6
9	Stronger Communities Fund	Reduces reserves by £0.050m	40-42, 76	6
10	Quarter 3 Revenue Budget Management	Improved position at Quarter 3 increases reserves by £0.381m	74,76	5,6
11	Additional ring-fenced Social Care Grants.	Conditions for use. No impact on reserves.	70	1

Financial Analysis

Projected Expenditure

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

Summary of Pressures	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Service Demand	4.249	5.493	5.846	5.994
Price Inflation	1.629	2.776	3.309	4.745
Reduced Income	0.573	0.418	0.510	0.445
Pay Award	1.808	1.857	1.920	1.966
Other	0.421	0.434	0.448	0.464
Total	8.680	10.978	12.033	13.614

Pressures

26. There are some significant pressures emerging which fall into one of five categories being increased demand, price inflation, reduced income, pay award and other.
27. **Increased Service Demand** – The largest area by far regarding increased demand is Children’s Services, accounting for £3.631m of the 2024/25 pressure, and £18.889m across the MTFP. The past year has seen a 36% increase in the number of contacts (from partner agencies and the public concerned for a child’s welfare) compared to pre covid numbers in 2019/20. This has led to an increase in referrals of over 71% which must statutorily be responded to by a social work assessment. The increases in demand have subsequently led to an increase in the numbers of Children in Care, which during the year has increased by 33% from pre pandemic levels.
28. Darlington is not alone in seeing these pressures and Councils across the country are experiencing the same issues. Darlington has been proactive and partnered with Leeds City Council and the Department for Education in 2019 to develop Strengthening Families, a restorative and relational approach designed to improve family partnership working and reduce the need for children to become looked after. The approach we are taking is one of three nationally recognised best practice approaches and whilst increases to Children in Care has been experienced, it is the view of the service that the increases would have been much greater had the approach not been in place. Through the approach we have significantly increased the number of children being diverted from care through our Keeping Families Together Edge of Care Team and our Family Group Conferencing Team, both of whom have won prestigious national awards over recent years.
29. It is also worth noting that the governments independent review of children’s social care (the MacAllister review) concluded that children’s social care needed to be reset and to do that required an investment of £2bn. To date only £200m had been allocated.
30. **Price Inflation** – is a significant strain on the budget at £1.629m next year and £12.459m over the MTFP. 93% of that strain is related to our adult and children’s social care contracts. The Adults care contracts are linked to various inflation factors including the Consumer Price Index which in October stood at 4.6%, the national living wage of £11.44 per hour from 1 April 2024 – an increase of 9.8%, which automatically feeds through to the care providers. Also, the residential care contract contains an additional factor for interest rates increasing by 7.25% which impacts on the contract rate. Whilst this is a significant

pressure on the Council’s finances the pressure on the care sector is recognised and these uplifts are required to ensure stability in a very fragile market.

31. In the increased demand section, the rise in the number of children looked after was highlighted, whilst the number of children requiring help and support and in particular care has increased significantly, so too has the availability of care placements and the costs of care placements for children. The cost of commissioning external foster placements and external residential placements for children, which Darlington are heavily reliant upon due to our own limited number of in-house placements have increased by 17% and 33% respectively.
32. As a proactive measure to reduce the reliance on costly external provision a proposal has been put forward to reduce dependency on these placements for children as noted in paragraph 43 below.
33. **Reduced Income** - The main area of reduced income is crematorium fees with a reduction in numbers of people using the service, some of this is due to new facilities opening in the nearby area. There has also been slippage in Joint Venture investment returns which have been deferred for a year due to slower progress on schemes because of nutrient neutrality issues.
34. **Pay Award** – the 2023/24 pay award was settled at a flat rate of £1,925 per employee. The percentage increase was therefore different depending upon base salary; however, the average increase was approximately 6.5%. The 2023/24 MTFP budgeted for a 5% increase hence the pressure which is recurring each year. Given the high inflation rates a 4% award has been budgeted for in 2024/25 reverting back to 2% thereafter. Together this is a significant pressure of £7.551m over the life of the MTFP.
35. **Other** – this section includes a number of smaller pressures across all service areas, the main one being an increase in external audit fees of £110k, a 151% increase. This is due to the fragile state of the external audit market and an attempt by Public Sector Audit Appointments to alleviate the backlogs. The Government are looking to reset the system and take action to address the backlog and make the system more sustainable and timelier. The increase in fees should address the issue in part.

Savings

<u>Summary of Savings</u>	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Back office efficiencies & general house keeping	(2.420)	(1.801)	(1.869)	(1.901)
Energy savings	(0.550)	(0.550)	(0.550)	(0.550)
Increased income	(1.049)	(1.747)	(1.859)	(1.601)
Total	(4.019)	(4.098)	(4.278)	(4.052)

36. To protect front line services to our residents as far as possible we continually work to maximise savings and efficiencies across the Council. In total over £4m per year has been identified, £16.447m across the MTFP.
37. By reducing costs in management, back office, general housekeeping, £2.420m has been identified in 2024/25, and £7.991m over the life of the MTFP. These savings come from staffing vacancies through redesign of service provision, removal of historic underspends and reduction in supplies and services budgets e.g. subscriptions, travel, printing, stationary, furniture and equipment.
38. Energy usage has been closely monitored over the year given the substantial increase and £2.200m in savings over the MTFP are anticipated following reduced rates and usage savings.
39. We have also reviewed income streams and anticipated an additional £1.049m in 2024/25 £6.256m over the MTFP. This includes additional income from partners, rental income, increases in sales income at our leisure facilities, increase car parking patronage and additional income from garden waste collections.

Previous budget provision

40. **Stronger Communities Fund** – the Stronger Communities Fund was established in 2021/22 to assist in grass roots projects and initiatives in each of the elected members wards with £0.001m made available to each member to utilise as they see fit in their communities and reviewed on an annual basis.
41. A report was taken to the Communities and Local Services Scrutiny Committee on 11 January and subsequently forwarded to the Economy and Resources Committee on 18 January, updating on the spend to date and initiatives Councillors had funded.
42. Scrutiny recommended to Cabinet that the scheme should be extended for a further year. At the beginning of the financial year each member's fund will be topped back up to £1,000.

Children's sufficiency investment

43. Sourcing placements for looked after children is at crisis point nationally with an increasing reliance on high-cost unregulated emergency placements or expensive residential care due to a lack of more appropriate placements. This issue has been compounded in Darlington by increases in our looked after population and the mandated National Transfer Scheme for unaccompanied asylum-seeking children (UASC).
44. The increased number of children cared for by Darlington Borough Council, coupled with a lack of placement sufficiency has resulted in a significant increase in placement expenditure along with a reduction in placement stability for children and young people looked after by Darlington Borough Council.
45. A range of responses to these challenges have already been implemented which includes a panel to provide the needed peer challenge and ensure when a decision is made to make a

child looked after, it is after all other options have been exhausted. There is a strong focus on discharging Care Orders where children are living with parents.

46. These measures on their own cannot effectively meet the scale of the pressure. Darlington do not have the in-house sufficiency to meet the diverse needs of children downstream and our baseline support offer benchmarks negatively in the region in terms of core support.
47. A number of proposals have been developed in response which comprise the enhancement and growth of the Darlington Borough Council foster care service along with the expansion of Darlington’s own residential support provision.
48. The proposals are detailed in the Children’s Sufficiency Cabinet report tabled at the 5 December 2023 Cabinet meeting and attached at **Appendix 8**, in summary the proposals require a net investment of £1.292m in 2024/25 which is anticipated to deliver savings of £0.270m, £0.507m and £0.736m in 2025/26, 2026/27 and 2027/28 respectively.
49. The proposal was scrutinised at the Childrens and Young People Scrutiny on the 15 January 2024 who welcomed the proposals and their inclusion in the MFTP.

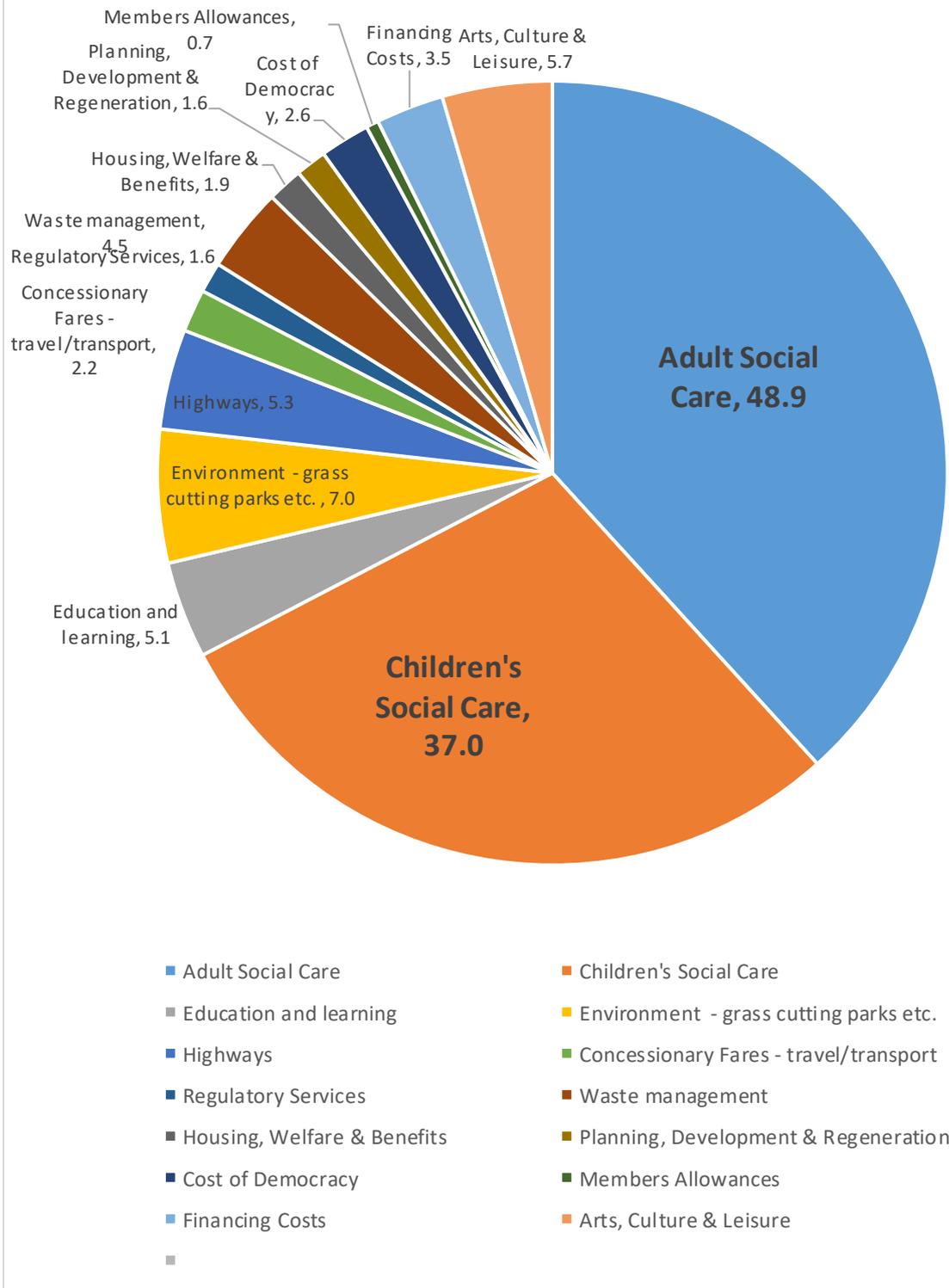
Total Expenditure

50. Taking the above savings, pressures and children’s sufficiency proposal into account the summarised projected expenditure is shown in the table below:

	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m
People Services	84.432	86.880	89.906	92.790
Chief Executives Office & Economic Growth	1.472	1.566	1.416	1.448
Services	25.347	26.276	26.947	27.590
Operations	13.580	13.964	14.268	14.571
Financing costs	3.547	3.722	3.539	3.468
Investment Returns - Joint Venture	(1.517)	(1.828)	(1.750)	(1.452)
Council Wide Pressures	0.631	0.643	0.658	0.669
Council Wide Contingencies	0.202	0.202	1.655	1.664
Total Expenditure	127.694	131.425	136.639	140.748

51. This proposed net investment in services of £128m in 2024/25 covers a wide range of areas from adult residential care to refuse collection, from Childrens Services to street lighting and grass cutting to our Leisure and Culture provision. The chart below shows the split of investment and as can be seen Social Care, both Children’s and Adults, are the most significant proportion of funding, accounting for two thirds of the overall budget.

WHERE THE MONEY WILL BE SPENT ON SERVICES FOR 2024/25 £m



Projected Income

Spending Review and Local Government Finance Settlement

52. The draft Local Government Finance Settlement was announced for consultation on 18 December 2023, confirmed funding for one year only and the Council tax referendum limits of 3% for Council Tax and 2% Social Care precept. Consultation on the settlement closed on the 15 January 2024 with the final settlement anticipated in February. In addition, a £600m funding package was announced on 24 January, £500m for social care and £100m for the funding guarantee, rural services, and authorities with internal drainage boards. Darlington will benefit from the £500m social care funding, however as there is no confirmation of the allocations or conditions attached it has not at this stage been included. It is estimated the funding could be between £0.800m and £1.000m so whilst helpful does not change the overall context of the MTFP. The MTFP is therefore based on the draft settlement and assumptions for years two to four of the plan using the best estimates on the latest information available. All assumptions are summarised in **Appendix 4** and detailed in the sections below.

Core Grant funding to Local Government

53. **Revenue Support Grant (RSG)** has become a reducing element of the Council core funding over recent years; however, it has been confirmed this will be uplifted by the Consumer Price Index (CPI) in 2024/25, and it has been assumed this will continue into future years with an annual inflationary increase of 2% in 2025/26 and 1.16% in future years.
54. **Better Care Fund and Adult Social Care Support Grant**- these funds were in recognition of the significant challenges faced in the Adult Social care sector and were initially time based. They have however been included as core funding for the last couple of years so it has been assumed this funding will continue into future years on a cash equivalent basis.
55. **Services Grant** – was announced in 2021 as an un-ringfenced package of support for Local Government, the Council received £1.579m in 2022/23 reduced to £0.926m in 2023/24. This grant has been significantly reduced in the draft 2024/25 settlement to £0.146m, which was unexpected and has been an unwelcome surprise across local authorities. It has been assumed this level will continue into future years on a cash flat basis.
56. **Social Care Grant** - this funding was announced in two tranches in the 2021 and 2022 spending reviews and can be spent on children's and adult social care. Whilst the 2022 grant was repurposed monies from delaying the charging reforms in 2023/24 and 2024/25 it is anticipated this funding will continue into future years given the significant pressures on the system.
57. **New Homes Bonus (NHB)** has been extended for a further year without legacy payments. There was no announcement on the future of the New Homes Bonus so it has been assumed no further NHB payments will be received in future years.

Council Tax Income

58. Due to reduction and reliance on Government funding over the last ten years, Council Tax is now by far the largest single funding stream and will increase further as a percentage

over the coming years representing 59% of projected resources anticipated by 2027/28. The ongoing increases reflect the Cabinet's view that income from Council Tax needs to increase to protect key service provision and enable investment in vital services. Members will recall that a 1% increase in Council Tax equates to an annual revenue of £0.625m.

59. In recognition of the significant pressures facing local authority budgets particularly in regard to social care with contract inflation, demographic demand and increased complexity of needs, the Chancellor announced in the 2022 Autumn Statement that further flexibilities would be given to Councils in both Council Tax and the Social Care Precept for two years with the referendum limit set at 5%, 3% for Council Tax and 2% for the Social Care Precept.
60. This MTFP assumes a Council Tax increase of 2.99% for 2024/25 reducing to 1.99% thereafter and an Adult Social Care precept of 2% for 2024/25 reverting to 1% thereafter. As can be seen in the chart in paragraph 51, Adult Social Care is by far our largest overall budget with a spend of £49m. The precept will raise £1.250 m which is crucial to meet the overall costs and pressure faced in this service area.
61. Darlington has the second lowest Council Tax in the North East, to put this in perspective if Darlington had the average North East Band D level the Council would generate an additional £3.3m per annum, and if we had the average England band D level, we would generate an additional £8.7m per annum.
62. Darlington has a low Council Tax Base with 44% of our properties in Band A and 79% of our homes in Band A – C, meaning we are limited to the amount we can collect.
63. Nutrient Neutrality has had an impact on the Council Tax Base with planning permissions stalled whilst mitigation schemes or credits are obtained by developers. It was also anticipated there would be an impact on housing demand due to rising interest rates and mortgage costs however we are still seeing a buoyant housing market and moving forward planning estimates anticipate growth levels to be an average of 511 Band D equivalent properties over the period of this plan which is a growth on the tax base of 1.4% per annum. These figures have been used to prepare the estimates; clearly should this be any different income levels will differ. The collection rate (of collectable debt) is anticipated to remain at 99% in 2024/25.

National Non-Domestic Rates (NNDR)

64. The Council retains 49% of NNDR collected and can gain or lose depending on whether the net tax collected increases or decreases. The Government via the valuation office sets rateable values and the rate paid in the pound is increased each year in line with the Consumer Price Index (CPI). The business tax-base is far more volatile than the Council Tax base and requires very close monitoring. In addition to the potential to "lose" income due to business closures, the Council also carries the risk of losing appeals by businesses against valuations.
65. Growing the economy is the key priority for the Council and the Economic Strategy gives priority to increasing business within the borough and significant effort has been put into achieving growth. This has been rewarded with a positive net increase in NNDR collection. Sites such as Symmetry Park and Central Park are all contributing to the growth and the

new Darlington Economic campus has been confirmed at Brunswick Street in 2026 housing His Majesty's Treasury Department along with several other government departments including the Department for Levelling up, Housing and Communities. This is providing a boost to the town with other employers looking to relocate to Darlington.

66. Notwithstanding these major developments, attracting businesses into the town by their very nature takes time and upfront investment and therefore is an area which needs continued prioritisation and pump prime funding so growth can continue. It needs to be remembered that net growth in NNDR collected relies on growth outstripping revaluations and reductions which can be very challenging in the current economic climate.
67. One area of uncertainty is the business rate reset. The business rates system changed in 2013 and Councils received 49% of the NNDR collected above the base level, this was to incentivise Councils to drive economic growth. The system was due to be reviewed in 2020, with the intention of resetting the baseline and a review of need across the board and a subsequent redistribution of funding. This was part of the Fair Funding Review which has been postponed for several years now and there is no indication if this will happen in 2024/25. As Darlington has seen a healthy increase in business rates any reset would likely reduce funding in this area. Given the review has been postponed and there would need to be consultation on any new formula system, it has been assumed this would not impact on Darlington until 2026/27.
68. The in-year collection rate target for NNDR is 98.0% and as at the end of December 2023 is 84.85% and on track to achieve the target.

Collection Fund

69. The Collection Fund account reflects the statutory requirements for the Council to maintain a separate fund in relation to the operation of Council Tax and the Business Rates Retention Scheme (BRRS). The Fund records all the transactions for billing in respect of National Non-Domestic Rates (NNDR) and Council Tax, exemptions and discounts granted, provision for bad debts and appeals and payments made to the Council's General Fund, the Police and Fire and Rescue precept authorities and Central Government.

Other Grants

70. Set out below are the estimated specific grants which as the title suggests are for specific areas of expenditure as dictated by the government and cannot be used for other areas; the main areas being the Dedicated Schools Grant which funds Darlington's maintained schools, special educational needs and early years provision and Public Health Grant, both which are ring-fenced. These grants are included in service estimates at Appendix 1.

Description	2024/25 £m
Public Health Grant	9.239
PFI Grant	3.200
Market Sustainability & Improvement Fund	2.193
Youth Justice Board	0.272
Local Reform & Community Voices	0.057
Adult & Community Learning	1.142
Staying Put	0.056
Remand Grant	0.037
Garden Village	0.088
Pupil Premium	1.662
Dedicated Schools Grant	29.704
Virtual Headteacher	0.150
School Improvement	0.040
Domestic Abuse	0.051
Unaccompanied Asylum-Seeking Children	0.356
Homeless	0.184
Home Office Anti-Social Behaviour	0.120
Towns Fund	0.087
Delayed Discharge Grant	1.049
	49.687

Fees and charges

71. The proposed fees and charges of the Council are set out in **Appendix 3** the increases proposed are based on the cost of providing the services and take account of inflation and market conditions. Overall, the proposed increases are anticipated to generate approximately £300,000 of income to help offset the cost of service provision.

Total Income

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

Resources - Projected and assumed	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Council Tax	65.872	68.778	71.977	75.196
Business rates retained locally	26.081	26.434	17.026	17.299
Top Up Grant	8.390	8.645	15.682	15.982
RSG	4.572	4.663	4.738	4.814
New Homes Bonus	0.436	0.000	0.000	0.000
Better Care Fund	4.488	4.488	4.488	4.488
Adult Social Care Support Grant	3.753	3.753	3.753	3.753
Social Care Grant	6.109	6.109	6.109	6.109
Services Grant	0.146	0.146	0.146	0.146
Strengthening Families Grant	0.500	0.000	0.000	0.000
Total Resources	120.347	123.016	123.919	127.787

Projected MTFP

73. Set out in the table below are the projections based on the income and expenditure analysis discussed in the previous sections, as can be seen there is a significant funding gap in each financial year. We are anticipating having £16m reserves which can be utilised to support the plan which would cover the position until 2025/26, however it is clear significant expenditure reductions will be required in future years if additional government funding is not forthcoming.

	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Estimated Expenditure	121.741	124.815	129.391	131.922
Children's Sufficiency	1.292	(0.270)	(0.507)	(0.736)
Pressures / Additional Savings	4.661	6.880	7.755	9.562
Projected Total Expenditure	127.694	131.425	136.639	140.748
Projected Total Resources	(120.347)	(123.016)	(123.919)	(127.787)
Projected budget deficit	7.347	8.409	12.720	12.961

Revenue Balances

74. The projected revenue outturn for 2023/24 detailed at **Appendix 5**, has improved by £0.381m since quarter two from £16.003m to £16.384m, after taking into account the Risk Reserve of £5.350m, it is anticipated we will have £16.4m of reserves which will nearly be fully utilised at the end of 2025/26. This is not a sustainable position, and a full review of service provision will need to be undertaken during 2024/25 to reduce expenditure and increase income unless further government funding is received.

75. In light of the significant financial pressures the Council is facing, efficiency measures and savings to reduce expenditure in areas which do not directly hit service provision has been undertaken and services are continually reviewed in this regard, a number of those savings at £4.019m are noted in the paragraphs above.
76. The Council has reviewed its earmarked reserves and there are three areas where it has been determined the provision can be released or partially released. £0.826m was held in the Covid reserve, £0.315m in the EU exit preparation reserve, both of these can be released fully. There is also £0.151m in the insurance reserve which it is felt prudent to release. In total, £1.292m will be transferred into general fund balances as show below.

Revenue Balances	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Opening balance	16.384	11.279	2.870	(9.850)
Net contribution from Collection Fund	1.000	0.000	0.000	0.000
Transfer to Stronger Communities Fund	(0.050)	0.000	0.000	0.000
Release of Earmarked Reserves	1.292	0.000	0.000	0.000
Contribution to/(from) balances	(7.347)	(8.409)	(12.720)	(12.961)
Closing balance	11.279	2.870	(9.850)	(22.811)

Capital Expenditure

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

80. The current capital programme stands at £317m as summarised in Table 1 below. The programme is monitored monthly and reported to Cabinet on a quarterly basis; the latest available monitoring report for 2023/24 was presented to Cabinet on 7 November 2023 and noted there was a projected £0.728m underspend on the approved capital programme.

Table 1

	Construction				Other Schemes/Not Allocated			Total
	Live Schemes 75k & Over	Annualised Schemes	Completed Schemes awaiting review	Live Schemes under 75k	Non construction	Capital investment fund	Housing New Build - not yet allocated	
Area	£m	£m	£m	£m	£m	£m	£m	£m
Housing	60.099	10.021	0.627	0.033	1.205	0.000	15.673	87.658
Economic Growth	41.593	0.080	3.388	0.337	10.817	33.481	3.476	93.172
Highways/Transport	63.152	10.011	14.949	1.380	1.645	1.877	1.512	94.526
Leisure & Culture	29.883	0.000	2.618	0.176	0.000	0.000	0.000	32.677
Education	5.279	0.230	0.007	0.361	0.079	0.000	0.290	6.246
Adult Social Care	0.000	0.000	0.000	0.000	0.071	0.000	0.000	0.071
Other	0.000	0.000	0.000	0.000	2.455	0.000	0.000	2.455
Total	200.006	20.342	21.589	2.287	16.272	35.358	20.951	316.805

81. In addition to the current agreed programme (including schemes approved in previous MTFP but not released to date) the Council looks ahead to future capital requirements based on the principles of the capital strategy. A four-year timeframe has been adopted to fall in line with the revenue Medium Term Financial Plan. Attached at **Appendix 7** are the priority proposals for addition to the plan along with the funding methods. The majority of schemes are focused on 'Housing and Transport, funded via the HRA and government grants respectively; there are also a number of Council funded corporate schemes that have already been approved.

82. The following paragraphs describe the major elements of the capital programme priorities for approval. Specific scheme funding release will be subject to detailed reports to Cabinet.

Corporate Schemes – funding required.

83. As noted previously the Council can supplement government capital funding, albeit options are limited in the current financial climate. Funding can come from prudential borrowing, repaid via revenue, which puts additional pressure on the revenue account or from capital receipts. Given the financial position of the Council only schemes that are a health and safety risk or that are self-funding have been considered while there is uncertainty over the overall funding envelope.

84. The risk assessed usable capital receipts over the next four years are in the region of £10m although they are not guaranteed.

85. There will be many competing priorities against the available resources for both regeneration and refurbishment and these schemes will emerge over the coming year/s. At this stage Members are requested to make capital provision for three priority schemes with a total value of £1.930m, which will be subject to full reports to Cabinet in due course, these are:

- (a) **A167 Victoria Road culvert repairs - £1.400m** - B19 Victoria Road Culvert is a large structure that carries the A167 over the River Skerne through Darlington. It was designed 60 years ago for modern weights and traffic volume; however it is overdue major maintenance to maintain its structural function. It requires replacement of its 20 expansion joint and concrete repairs and reinforcement due to water ingress caused by the failure of its expansion joints. Currently these repairs can be carried out from inside the culvert without affecting traffic flows or full carriageway reconstruction and resurfacing that would be necessary should more major works be necessary due to further deterioration.
- (b) **Changing places accessible toilet at the Hippodrome - £0.030m** – for the provision of a changing places accessible toilet large enough to allow parents and carers to change their children in a safe environment. The total cost is £0.070m due to the positioning of the toilet and the complexity of the work in the space, however £0.040m has been received in grant so the ask is £0.030m.
- (c) **Capitalised repairs - £0.500m** – £0.250m is required for repairs on the Council building stock in 2026/27 and 2027/28 to ensure it is fit for purpose. This is a rolling programme and funding has already been agreed for 2024/25 – 2025/26. Details on specific areas of spend will be brought to Cabinet for consideration.

Government Funding

86. Set out below are details of the levels of Government funding available for investment by the Council in 2024/25 and an outline of the proposed use of these funds.

	2024/25 £m
Children’s Services	
School Condition Allocation	0.067
Transport	
Local Transport Plan	3.068
Other	
Disabled Facilities Grant	1.063
Total Capital Grant Available	4.198

School Condition Allocations

87. The Local Authority now only receives school condition funding for Maintained Schools. Maintenance funding for Academies is available through other routes. The funding

received by the Local Authority will be spent in line with key priorities identified with each maintained school through the locally agreed asset management planning (LAMPA) process, carried out each January. There are no strict spend deadlines for these small-scale condition related projects which are prioritised and completed as funding becomes available.

Transport and Highways

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

Disabled Facility Grants

90. These grants are available if you are disabled and need to make changes to your home with examples being:
- (a) Widen doors and install ramps,
 - (b) Improve access to rooms and facilities – e.g., stair lifts or a downstairs bathroom,
 - (c) Provide a heating system suitable for your needs, and
 - (d) Adapt heating or lighting controls to make them easier to use.

Housing

91. All Housing capital schemes are funded fully from the Housing Revenue Account. The priorities identified through the Housing Business Plan will be funded from the estimated capital resources for 2024/25. Further detail is given in the Housing Revenue Account financial plan but in summary includes:
- (d) Adaptations and lifts - £0.214m
 - (e) Heating Replacement - £1.286m
 - (f) Structural Works - £0.427m
 - (g) Lifeline Services - £0.250m

- (h) Repairs before Painting - £0.066m
- (i) Roofing and Repointing work - £1.050m
- (j) Garages - £0.050m
- (k) External Works - £0.210m.
- (l) Pavements - £0.027m
- (m) Window & Door Replacement - £1.495m
- (n) Internal planned maintenance (IPM) - £2.898m
- (o) Communal Works - £0.160m
- (p) Energy Efficiency Improvements - £3.068m
- (q) New Build housing - £15.815m
- (r) Fees -£0.254m

Scrutiny and Consultation

92. Consultation on the draft plan ran from 5 December 2023 to 22 January 2024. The plan was promoted on the Council's consultation website, social media, an article in the One Darlington Magazine and there was coverage in the Northern Echo. There was also information available at Cockerton and Crown Stret Libraries.
93. Council Scrutiny Committees reviewed the MTFP and its proposals through January and the Economy and Resources Committee met on 18 January 2024 to consider the responses from all the Council's Scrutiny Committees. The minutes of that meeting are shown in **Appendix 9** and include the resolution from all the scrutiny meetings; in summary the committee submitted the following response for Cabinet consideration:
94. That Cabinet be advised that the following is the response of the Economy and Resources Scrutiny Committee on behalf of all the Council's Scrutiny Committees in relation to the Medium Term Financial Plan 2024/25 to 2027/28 consultation:
- (i) That the report and the input of the scrutiny committees' representatives be noted with the majority view that the MTFP is approved for onward submission.
 - (ii) A minority view was recorded from members who do not support the MTFP in its current form.
95. Further feedback has been received from four members of the public via the website consultation pages and is summarised into two categories as follows;
- (a) Council Tax levels
 - (i) Questions concerning what impact the rise in Council Tax is going to achieve.
 - (ii) A note that Council Tax and the social care precept increases will push more people into poverty, impacting on other services and businesses.
 - (b) Services
 - (i) A lack of plans to reduce the Council's liabilities over time.
 - (ii) A request to invest more into preventative anti-social driving on green spaces.
 - (iii) A question of allocating funding to adult social care with this reaching a small percentage of the population.

- (iv) To build a greener, healthier and more educated Darlington as the focus of the new MTFP.
- (v) A review of social housing.
- (vi) A review of management costs and Council buildings.

96. Further feedback has been received from organisations operating in Darlington via the website consultation pages and is summarised as follows;

- (i) A request for further consultation and meaningful involvement of disabled people and their families in future Council plans.
- (ii) An appreciation of the constraints on Local Authority funding and the pressure that will put on all organisations supporting local people.
- (iii) Evidence suggests that disabled people and their families are likely to be amongst the most impacted by changes to services.
- (iv) A question regarding the language used in the report concerning the percentage of the population that social care touches.
- (v) A recognition of the strong efforts of officers and members to maximise service delivery.
- (vi) To support the raising of Council Tax, despite the unfairness of the current funding regime.
- (vii) To be kept informed through normal channels of future developments for service delivery which impact on policing.

Conclusion

97. The Council has faced significant financial challenges over the last decade, with significant reductions in government funding followed by the financial instability during the pandemic, but to date has risen to these challenges well which has previously enabled a balanced MTFP.
98. 2023 has presented further challenge with continued high inflation, and demand for services increased since the pandemic, particularly in children's social care where there is a £4.5m overspend this financial year anticipated to increase in 2024/25.
99. The future of Local Government financing is still uncertain; there have been a number of Councils issuing a section 114 notice and evidence of more to come, however, it is clear from the Autumn Statement and the draft Local Government Finance Settlement that public funding will not keep up with inflation. The Council can deliver a balanced position until 2025/26 utilising reserves as per our financial strategy, however there is a significant annual budget deficit which is not sustainable and will need to be addressed. Unless additional government funding is forthcoming the Council will need to undertake a fundamental review over the course of 2024 to decide what and how services will be delivered in the coming years.
100. Planning beyond the current year is extremely difficult, given the uncertainty around future funding and the review of the new Local Government financial system, inflation, and economic uncertainty. Current planning suggests reserves will be nearly depleted in 2025/26 and there will be an in year budget deficit of £12.7m the year after, however for

the reasons above, this will certainly change. At this stage it is not possible to know whether this will be a positive or negative position.

101. In summary, the Council continues to face significant financial challenges which have increased substantially over the last year due to the demand in children's services. However, due to the healthy reserves position which now play a crucial role in the budget strategy, the Council can afford a 2024/25 budget and have reserves available enabling time to achieve the savings required for future years. Making these savings will be challenging, there are no easy options and there are risks given current economic uncertainty and estimated impacts of interest rates, inflation and demand have been factored in, if these change plans will need to be adjusted.
102. As the Council's Statutory Chief Financial Officer, the Group Director of Operations must advise the Council on the robustness of the budget and adequacy of reserves. The budget presented to Members in this report has been based on the most accurate information available at this point in time, therefore the Director is confident that they are an accurate reflection of the Council's financial position. Notwithstanding this there is a significant degree of uncertainty about the future economic position and local government funding so the position presented whilst as accurate as possible will change, however at this juncture I cannot be sure if that will be for the better or worse.
103. General Fund reserves are adequate for the coming financial year; however, the Council is carrying a significant financial risk over the lifetime of the plan with an unsustainable annual deficit which will need to be met from changes in service provision and increased income if no further government funding is realised. It is essential income is maximised where possible, services are provided in the most efficient and effective manner, and the growing pressures in social care are addressed through transformation, to ensure reserves are preserved allowing as much time as possible to reduce the ongoing annual funding gap. Savings will need to be identified during 2024/25 to ensure the medium term stability of the council.

APPENDICES

Appendix 1	Detailed Revenue Estimates 2024/25
Appendix 2	Budget Pressures/Savings
Appendix 3	Fees and Charges Proposals 2024/25
Appendix 4	Assumptions used to prepare estimates
Appendix 5	Projected Revenue Outturn 2023/24
Appendix 6	Proposed MTFP 2024/25 to 2027/28
Appendix 7	Capital Medium Term Financial Plan 2024/25 – 2027/28
Appendix 8	Children’s Social Care in Darlington: Ensuring Placement Sufficiency and Enabling Creative Alternatives
Appendix 9	Economy and Resources Scrutiny Committee Minutes 18 January 2024

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REVENUE ESTIMATES 2024/25 -SUMMARY

APPENDIX 1

	2023/24	2024/25			
	Net Budget	Gross Budget	Income	Grants	Net Budget
	£000	£000	£000	£000	£000
People Group	77,192	152,178	(18,574)	(49,172)	84,432
Services Group	27,901	62,330	(36,863)	(120)	25,347
Operations Group	14,074	48,188	(34,388)	(220)	13,580
Chief Executive Office & Economic Growth Group	1,532	3,916	(2,269)	(175)	1,472
Group Totals	120,699	266,612	(92,094)	(49,687)	124,831
Financing Costs	3,477	3,547	0	0	3,547
Investment Returns - Joint Ventures	(1,816)	(1,517)	0	0	(1,517)
Council Wide Pressures / Savings	64	631	0	0	631
Contingencies	1,570	202	0	0	202
Grand Total	123,994	269,475	(92,094)	(49,687)	127,694

PEOPLE GROUP - Revenue Estimates 2024/25

	2023/24	2024/25			
	Net Budget	Gross Budget	Income	Grants	Net Budget
	£000	£000	£000	£000	£000
Group Director of People	602	611	0	0	611
Children & Adult Services					
Transformation & Performance	756	846	(53)	0	793
Business Support	1,627	1,661	(13)	0	1,648
Children's Services					
Children's Services Management & Other Services	664	711	(30)	0	681
Assessment Care Planning & LAC	4,387	4,645	0	(165)	4,480
First Response & Early Help	3,972	3,622	(35)	0	3,587
Adoption & Placements	16,787	21,718	0	(284)	21,434
Disabled Children	1,240	1,473	(152)	0	1,321
Youth Offending	313	711	(132)	(272)	307
Quality Assurance & Practice Improvement	138	253	(114)	0	139
Development & Commissioning					
Commissioning	2,261	2,352	(198)	(187)	1,967
Voluntary Sector	334	350	0	(57)	293
Education					
Education	484	31,177	(1,589)	(28,886)	702
Schools	0	7,012	0	(7,012)	0
Transport Unit	3,133	3,165	(54)	0	3,111
Public Health					
Public Health	0	9,271	(32)	(9,239)	0
Adult Social Care & Health					
External Purchase of Care	33,424	51,770	(12,966)	(2,918)	35,886
Intake & Enablement	719	3,072	(2,175)	0	897
Older People Long Term Condition	1,616	2,157	(495)	0	1,662
Physical Disability Long Term Condition	15	41	(27)	0	14
Learning Disability Long Term Condition	2,088	2,272	(19)	0	2,253
Mental Health Long Term Condition	1,237	1,637	(474)	0	1,163
Service Development & Integration	1,063	1,220	0	(152)	1,068
Workforce Development	332	431	(16)	0	415
Total People Group	77,192	152,178	(18,574)	(49,172)	84,432

SERVICES GROUP - Revenue Estimates 2024/25

	2023/24	2024/25			
	Net Budget	Gross Budget	Income	Grants	Net Budget
	£000	£000	£000	£000	£000
Group Director of Services	174	184	0	0	184
<u>Transport & Capital Projects</u>					
AD Transport & Capital Projects	135	138	(27)	0	111
Building Design Services	56	588	(526)	0	62
Capital Projects	410	663	(289)	0	374
Car Parking R&M	583	612	0	0	612
Concessionary Fares	2,741	2,249	(2)	0	2,247
Flood & Water Act	89	89	0	0	89
Highways	4,660	5,367	(1,130)	0	4,237
Highways - DLO	(437)	9,181	(9,618)	0	(437)
Investment & Funding	190	202	(112)	0	90
Sustainable Transport	113	166	(70)	0	96
<u>Community Services</u>					
AD Community Services	149	99	0	0	99
Allotments	17	27	(8)	0	19
Building Cleaning - DLO	244	946	(913)	0	33
Cemeteries & Crematorium	(960)	1,072	(1,893)	0	(821)
Dolphin Centre	1,064	4,655	(3,682)	0	973
Eastbourne Complex	31	260	(224)	0	36
Emergency Planning	103	105	0	0	105
Head of Steam	298	433	(64)	0	369
Hippodrome	337	5,705	(5,482)	0	223
Indoor Bowling Centre	19	19	0	0	19
Libraries	928	988	(42)	0	946
Move More	52	137	(106)	0	31
Outdoor Events	549	555	(33)	0	522
Community Catering - DLO	84	339	(257)	0	82
Strategic Arts	125	122	0	0	122
Street Scene	6,236	8,361	(2,081)	0	6,280
Transport Unit - Fleet Management	212	138	(81)	0	57
Waste Management	3,681	4,109	0	0	4,109
Winter Maintenance	623	643	(25)	0	618
<u>Community Safety</u>					
CCTV	280	758	(474)	0	284
Community Safety	795	983	(82)	(120)	781
General Licensing	10	191	(191)	0	0
Parking	(1,636)	283	(2,332)	0	(2,049)
Parking Enforcement	(20)	188	(170)	0	18
Private Sector Housing	108	122	(10)	0	112
Stray Dogs	51	54	(1)	0	53
Taxi Licensing	63	216	(188)	0	28
Trading Standards	259	266	(6)	0	260
<u>Building Services</u>					
Construction - DLO	(235)	6,094	(6,460)	0	(366)
<u>Corporate Landlord</u>					0
Corporate Landlord	5,481	4,818	(284)	0	4,534
<u>General Support Services</u>					
Works Property & Other	114	76	0	0	76
<u>Joint Levies & Boards</u>					
Environment Agency Levy	125	129	0	0	129
Total Services Group	27,901	62,330	(36,863)	(120)	25,347

OPERATIONS Group - Revenue Estimates 2024/25

	2023/24	2024/25			
	Net Budget	Gross Budget	Income	Grants	Net Budget
	£000	£000	£000	£000	£000
Group Director of Operations	132	230	(94)	0	136
Resources					
AD Resources	116	120	0	0	120
Financial Services	1,635	2,031	(433)	0	1,598
Financial Assessments & Protection	288	380	(43)	(36)	301
Xentrall (D&S Partnership)	1,830	2,617	(649)	0	1,968
Human Resources	880	1,051	(371)	0	680
Health & Safety	195	240	(39)	0	201
Head of Strategy Performance & Communications					
Communications & Engagement	1,134	1,183	(139)	0	1,044
Systems	1,264	1,132	0	0	1,132
Law & Governance					
AD Law & Governance	135	136	0	0	136
Complaints & FOI	300	330	0	0	330
Democratic Services	1,343	1,398	(17)	0	1,381
Registrars	(15)	268	(294)	0	(26)
Administration	615	644	(94)	0	550
Legal	1,678	1,921	(153)	0	1,768
Procurement	186	250	(55)	0	195
Coroners	278	321	0	0	321
Xentrall Shared Services					
ICT	1,076	1,013	(202)	0	811
Maintenance					
Maintenance DLO	(642)	7,085	(7,769)	0	(684)
Housing & Revenues					
Local Taxation	480	956	(483)	0	473
Rent Rebates / Rent Allowances / Council Tax	(132)	21,543	(21,675)	0	(132)
Housing Benefits Administration	453	1,122	(671)	0	451
Customer Services	339	525	(201)	0	324
Homelessness	350	1,382	(852)	(184)	346
Service, Strategy & Regulation and General Services	156	310	(154)	0	156
Total Operations Group	14,074	48,188	(34,388)	(220)	13,580

CHIEF EXECUTIVES OFFICE & ECONOMIC GROWTH - Revenue Estimates 2024/25

	2023/24	2024/25			
	Net Budget	Gross Budget	Income	Grants	Net Budget
	£000	£000	£000	£000	£000
Chief Executive					
Chief Executive	208	216	0	0	216
Darlington Partnership	74	188	(103)	0	85
AD Economic Growth					
AD - Economic Growth	148	155	0	0	155
Building Control	170	405	(213)	0	192
Consolidated Budgets	143	46	0	0	46
Development Management	34	758	(706)	0	52
Economy	253	346	0	(87)	259
Environmental Health	356	376	(25)	0	351
Place Strategy	570	717	(26)	(88)	603
Property Management & Estates	(424)	709	(1,196)	0	(487)
Total Chief Executives Office & Economic Growth	1,532	3,916	(2,269)	(175)	1,472

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Analysis of Pressures/Savings	Estimate 24/25 £m	Estimate 25/26 £m	Estimate 26/27 £m	Estimate 27/28 £m
Savings				
Consolidated Budgets - reduced budget	(0.145)	(0.145)	(0.145)	(0.145)
People Services - reduced running costs	(0.478)	(0.464)	(0.427)	(0.408)
Operations - reduced running costs	(0.384)	(0.384)	(0.455)	(0.494)
Concessionary Fares & Sustainable Transport - reprofiled expenditure	(0.779)	(0.544)	(0.578)	(0.590)
Services - reduced running costs	(0.550)	(0.264)	(0.264)	(0.264)
Financing Costs - reduced borrowing costs on property funds	(0.084)	0.000	0.000	0.000
Corporate Landlord - reduced utility prices	(0.450)	(0.450)	(0.450)	(0.450)
Street Lighting - reduced utility prices	(0.100)	(0.100)	(0.100)	(0.100)
Adults - additional OT grant	(0.170)	(0.170)	(0.170)	(0.170)
People Service - increased partner income	(0.155)	(0.155)	(0.155)	(0.155)
Children's Services - additional Youth Offending Grant	(0.051)	(0.051)	(0.051)	(0.051)
JV Investment Returns - additional income/reprofile	0.000	(0.698)	(0.620)	(0.322)
Car Parking - additional income from patronage	(0.380)	(0.380)	(0.380)	(0.380)
Dolphin Centre & Eastbourne Sports Complex - additional income from patronage	(0.194)	(0.194)	(0.194)	(0.194)
Estates - income from Feethams House	0.000	0.000	(0.190)	(0.229)
Waste Service -increase garden waste income	(0.040)	(0.040)	(0.040)	(0.040)
Registrars - increase ceremony income	(0.008)	(0.008)	(0.008)	(0.009)
Council Tax/NNDR - increased penalty charges	(0.051)	(0.051)	(0.051)	(0.051)
	(4.019)	(4.098)	(4.278)	(4.052)
Increased Demand				
Adults - Packages of Care - increased overall package costs	0.368	0.352	0.338	0.409
Childrens Service's - Packages of Care - increased overall package costs	3.427	3.832	4.212	4.237
Childrens Service's - increased numbers of families/children requiring support	0.079	0.044	0.002	0.002
Children's Services - social work increased caseload demand	0.025	0.025	0.026	0.026
Strengthening Families Team - increase in children needing support	0.000	0.832	0.851	0.869
Children's Legal Fees -increased demand and complexity of cases	0.100	0.100	0.100	0.100
Systems Team - staffing changes	0.000	0.050	0.052	0.054
Waste Disposal - increased growth with new builds	0.000	0.000	0.000	0.024
Waste Disposal - increased collection from HWRC, street cleaning etc.	0.200	0.206	0.212	0.218
Waste Disposal - increased demand from DIY waste	0.050	0.052	0.053	0.055
	4.249	5.493	5.846	5.994
Price Inflation				
Adult - Packages of Care - contractual inflation	0.760	1.453	1.686	2.979
Economic Growth - contractual inflation and fixed rental income	0.001	0.001	0.039	0.059
Children's - Packages of Care/Contracts - contractual inflation	0.813	1.193	1.333	1.348
School Transport - contractual inflation	(0.064)	0.003	0.030	0.054
Operations - contractual inflation	0.014	0.014	0.018	0.034
Services - contractual inflation	(0.035)	(0.032)	0.054	0.118
Waste Disposal - contractual inflation	0.140	0.144	0.149	0.153
	1.629	2.776	3.309	4.745
Reduced Income				
Estates - rent slippage and rent review	0.041	0.041	0.010	0.010
Education - reduction in grant income	0.029	0.030	0.031	0.032
Educational Psychology - reduction in traded income	0.041	0.041	0.041	0.041
Financing Costs - lower investment returns	0.018	0.058	0.175	0.104
JV Investment Returns - slipped schemes	0.201	0.000	0.000	0.000
Customer Services - reduced income from the DFE	0.020	0.020	0.020	0.020
Crematorium - reduced income from competition & changes in regulatory services	0.165	0.170	0.175	0.180
Tree Team - reduced levels of work from other service areas	0.058	0.058	0.058	0.058
	0.573	0.418	0.510	0.445
Other and Contingencies				
LD Day Service - increase in rent and cleaning	0.077	0.077	0.077	0.077
Economic Growth - staffing changes	0.010	0.012	0.013	0.014
Corporate Management - members allowance review due 2024/25	0.010	0.010	0.010	0.010
External Audit Fees - increased contract cost	0.110	0.110	0.110	0.110
Operations - staffing changes	0.078	0.085	0.094	0.103
Customer Services - additional security	0.011	0.012	0.013	0.014
Archives Service - increased charge from DCC	0.020	0.021	0.021	0.021
Coroners Service - increased charge from DCC	0.035	0.036	0.037	0.041
Street Scene - fly tipping and back lane clearance	0.070	0.071	0.073	0.074
	0.421	0.434	0.448	0.464
Pay Award				
Pay Award 2023/24	0.660	0.713	0.752	0.778
Additional Estimated Pay Award 2024/25	1.148	1.144	1.168	1.188
	1.808	1.857	1.920	1.966
Total Net Pressures	4.661	6.880	7.755	9.562

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SCHEDULE OF CHARGES 2024/25				
Description	Type*	Existing Charge £	New Charge £	Financial Effect £
*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed				
LEARNING SKILLS - LEARNING FOR LIFE				
Fees Policy: August 2023 to July 2024 (Next Review July 2024)				
Full Fees (including enrolment and tuition fees) per hour	L	3.00	3.00	NIL
<p>Accredited Learning Full accreditation fee (if applicable) - if the course has a qualification there will be additional fees to pay for registration and certification.</p> <p>No fees will be charged for publicly subsidised courses where:</p> <ol style="list-style-type: none"> 1. Learners are aged 16-18 (on 31st August of the academic year) 2. Learners are aged 19-24 (on 31st August of the academic year) with a learning difficulty and / or disability as evidenced through an Education, Health and Care (EHC) Plan or Learning Difficulty Assessment (LDA) 3. Learners are aged 19 or older where the learning aim is up to and including level 2, and the learner is studying English or Maths 4. Learners are aged 19-23 (on their first day of study) and are studying their first 'full' level 2 or first 'full' level 3, excludes English for Speakers of Other Languages (ESOL) 5. Learners are aged 19 or older where the learning aim is up to and including level 2 (including ESOL), the skills training will help them into work, and the learner is classed as unemployed and one of more of the following apply: <ol style="list-style-type: none"> a. They receive Job Seeker's Allowance (JSA) - this includes those receiving National Insurance credits only, or b. They receive Employment and Support Allowance (ESA) and the learner is in the work-related activity group (WRAG), or c. They receive of Universal Credit, earn less than 16 times the national minimum wage or £330 a month and are determined by Jobcentre Plus (JCP) as being in one of the following groups: <ol style="list-style-type: none"> i. All Work Related Requirements Group ii. Work Preparation Group iii. Work Focused Interview Group d. They are released on temporary licence (RoTL) and studying outside a prison environment and not funded through the Offender's Learning and Skills Service (OLASS) <p><i>Evidence required: Letter of entitlement from Job Centre Plus indicating the date and claim or for copy of licence (RoTL) from Probation Service</i></p> 6. Learners aged 19-24 who are unemployed and on a Traineeship <p>Courses with no public subsidy For learners aged 19 or above and where the learning aim is level 3 or above (except for exclusion above), learners may need to take out an Advanced Learning Loan, subject to funding availability. Further details can be found on our Student Loans page. Asylum Seekers - individuals will be assessed for eligibility in conjunction with SFA guidance Special fees - some courses have special fees, cost on application. FE course - NVQ and similar price on application.</p> <p>The following courses are free: Family Learning, Functional Skills, Distance Learning, Continuing Professional Development, Learning for Inclusion, Bespoke Employer Led Programmes, Multiply, Study Programme and courses which are funded through external projects.</p> <p>Additional Learning Support (ALS) Is intended to enable disadvantaged learners to achieve their learning goal by providing funding, on top of programme funds, to help them overcome their barriers to learning. The funding is intended to be flexible and to help support learners who have a range of learning difficulties and / or disabilities.</p>				

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed				
REGISTRATION OF BIRTHS, DEATHS, MARRIAGES AND CIVIL PARTNERSHIPS				
The following fees do not incur VAT				
Marriages				
Entering a Notice of Marriage or Civil Partnership	N			
For a Registrar to attend a Marriage at the Register Office	N			
Civil Partnership Registration	N			
Incumbents for every Entry Contained in Quarterly Certified	N			
Copies of Entries of Marriage	N			
Registrars fee for attending a marriage at a registered building or for the housebound or detained	N			
Superintendents Registrar fee for attesting a notice of marriage away from his office for housebound or detained	N			
Superintendents Registrar fee for attending the marriage of the housebound or detained	N	These charges set nationally by Statute and will be charged at the advised rate for 2023/24	These charges set nationally by Statute and will be charged at the advised rate for 2024/25	
Certification for Worship and Registration for Marriages				
Place of Meeting for Religious Worship	N			
Registration of Building for Solemnisation of Marriage	N			
Certificates issued from Local Offices				
Standard Certificate (SR)	N			
Standard Certificate (RBD) (at time of Registration)	N			
Standard Certificate (RBD) (after Registration)	N			
Short Certificate of Birth (SR)	N			
Short Certificate of Birth (RBD)	N			
Certificates of Civil Partnership (at time of Ceremony)	N			
Certificates of Civil Partnership (at later date)	N			
General Search fee	N			
Each Verification	N			
Civil Partnership Ceremony				
All Ceremonies – Approved Premises				
Application Fee for licence as an approved venue (valid for 3 years)	N	1,750.00	1,750.00	
Fee for Attendance - All days including Bank Holidays	L	580.00	610.00	
Non-refundable booking fee (inclusive of VAT)	L	50.00	50.00	
All Ceremonies – Town Hall				
The Council Chamber (Monday to Saturday)	L	310.00	325.00	
The Council Chamber Foyer (Monday to Saturday)	L	140.00	147.00	
REGISTER OF ELECTORS, OPEN REGISTER AND MONTHLY UPDATES - SALE				
The following fees do not incur VAT.				
Register – Printed Form	N	10.00	10.00	
Per 1,000 Names – Printed	N	5.00	5.00	
Register – Data Form	N	20.00	20.00	
Per 1,000 Names – Data	N	1.50	1.50	
LIST OF OVERSEAS ELECTORS – SALE				
The following fees do not incur VAT.				
List – Printed Form	N	10.00	10.00	
Per 1,000 Names – Printed	N	5.00	5.00	
List – Data Form	N	20.00	20.00	
Per 1,000 Names – Data	N	1.50	1.50	
MARKED COPY OF THE REGISTER OF ELECTORS AND MARKED ABSENT VOTERS LIST - SALE				
The following fees do not incur VAT				
Register – Printed Form	N	10.00	10.00	
Per 1,000 Names – Printed	N	2.00	2.00	
Register – Data Form	N	10.00	10.00	
Per 1,000 Names – Data	N	1.00	1.00	
				8,000

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

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed				
FINANCIAL PROTECTION SERVICES				
Category				
I. Work up to and including the date upon which the court makes an order appointing a deputy for property and affairs	N	745.00	745.00	
II. Annual management fee where the court appoints a local authority deputy for property and affairs, payable on the anniversary of the court order:				
- for the first year	N	775.00	775.00	
- for the second and subsequent years	N	650.00	650.00	
where the net assets are below £16,000, the local authority deputy for property and affairs will take an annual management fee not exceeding 3% of the net assets on the anniversary of the court order appointing the local authority as deputy				
Where the court appoints a local authority deputy for health and welfare, the local authority will take an annual management fee not exceeding 2.5% of the net assets on the anniversary of the court order appointing the local authority as deputy for health and welfare up to a maximum of £500.				
III. Annual property management fee to include work involved in preparing property for sale, instructing agents, conveyancers, etc or the ongoing maintenance of property including management and letting of a rental property	N	300.00	300.00	
IV. Preparation and lodgement of an annual report or account to the Public Guardian	N	216.00	216.00	
V. Conveyancing Costs				
Where a deputy or other person authorised by the court is selling or purchasing a property on behalf of P, the following fixed rates will apply except where the sale or purchase is by trustees in which case, the costs should be agreed with the trustees:				
A value element of 0.15% of the consideration with a minimum sum of £350 and a maximum sum of £1,500, plus disbursements				
Travel Rates are allowed at a fixed rate per hour for travel costs	N	40.00	40.00	
Please note that these rates are set by The Office of Public Guardian and are the rates as of 1st April 2017, these may be amended during 2024/25				
Administration Fee				
Administration fee for arranging the care and support needs for those with capital in excess of the upper capital limit or those who have chosen not to disclose their financial information.	L	119.00	127.00	
Minimal				
DEFERRED PAYMENT FEES				
Administration cost for setting up a Deferred Payment Agreement	L	365.00	390.00	
plus cost of valuation (this will be dependant on property type)	L	Actual cost of valuation	Actual cost of valuation	
Minimal				

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed				
LIBRARIES				
Fines On Overdue Items				
Adults – per day	L	No charge	No charge	
Maximum charge per book	L	No charge	No charge	
Senior Citizens – per day	L	No charge	No charge	
Children – per day	L	No charge	No charge	
Non-collected reservations				
Per item	L	0.50	0.50	
Reservation Fees for Books Obtained from Outside the Authority				
Single charge for all books obtained from other libraries	L	6.00	6.00	
Repeat Fee for Renewal of Books from Outside the Authority				
Single Charge for all books obtained from other local authorities	L	6.00	6.00	
Replacement Tickets				
Adults	L	1.50	1.50	
Senior Citizens	L	1.50	1.50	
Children/Unemployed	L	1.50	1.50	
Language Courses (per element)				
Subscription for whole course to be paid in advance	L	1.35	1.35	
Local History Research				
Look Up Service	L	5.00	5.00	
Photocopies				
A4 B&W	L	0.20	0.20	
A3 B&W	L	0.40	0.40	
Printing				
Text Printouts				
A4 B&W	L	0.20	0.20	
A3 B&W	L	0.40	0.40	
Test Printouts				
A4 colour	L	0.60	0.60	
Reproduction of Images from Stock				
Digital copies for Private/Study purposes – per photo	L	5.50	5.50	
Digital copies for small local commercial use – per photo	L	5.50 + 2 copies of publications	5.50 + 2 copies of publications	
Digital copies for local commercial use - per photo	L	10.50 + 2 copies of book	10.50 + 2 copies of book	
Digital copies for national/international commercial	L	110.00	110.00	
Scan and e-mail Service				
First sheet	L	1.00	1.00	
Each subsequent sheet	L	0.50	0.50	
Hire of Locker				
	L	0.50	0.50	
Internet Use				
Library members First 60 minutes FREE , Members & Non Members £1.00 per 30 minutes hereafter	L	1.00	1.00	
Lost & Damaged Items				
	L	Full current Replacement Cost (non-refundable)	Full current Replacement Cost (non-refundable)	
Room Hire				
Per hour	L	20.00	20.00	
Partner organisations per hour	L	15.00	15.00	
				NIL

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

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed				
LICENSING The following fees do not incur VAT				
Prosecution Costs				
Hourly rate for Preparation of Case Reports	L	50.00	60.00	
General Licensing				
Pavement Café Licence, per person				
1-20	L	0.00	100.00	
21-40	L	0.00	100.00	
41-60	L	0.00	100.00	
61-80	L	0.00	100.00	
81-99	L	0.00	100.00	
100 or over	L	0.00	100.00	
Duplicate licence fee	L	0.00	50.00	
Transfer of licence	L	0.00	50.00	
Change of detail	L	0.00	30.00	
Variation of Covers	L	0.00	100.00	
Goods on Highway Licence	L	155.00	155.00	
Sex Shop Grant of application	L	3,885.00	3,885.00	
Sex Shop Renewal	L	1,260.00	1,260.00	
Sex Shop transfer	L	1,260.00	1,260.00	
Cosmetics				
Premise Grant	L	294.00	294.00	
Personal Grant	L	68.00	68.00	
Variation	L	68.00	68.00	
Scrap Metal Dealers				
Collectors Licence (3 years) - grant	L	158.00	158.00	
Collectors Licence (3 years) – renewal	L	158.00	158.00	
Major Variation	L	53.00	53.00	
Minor Variation	L	16.00	16.00	
Site Licence (3 years) Grant	L	368.00	368.00	
Additional Sites (per site per year of licence)	L	205.00	205.00	
Site licence (3 years) – renewal	L	284.00	284.00	
Additional sites (per site per year of licence)	L	205.00	205.00	
Minor Variation Site	L	16.00	16.00	
Major Variation Site	L	53.00 + 68.00 per additional site per year	53.00 + 68.00 per additional site per year	

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

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

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

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

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

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed				
HACKNEY CARRIAGES				
Taxi Licencing				
Taxi licensing fees are agreed annually by licensing committee normally between January to March and will be published separately as part of this process. Existing licence holders will be notified accordingly.				
ENVIRONMENTAL HEALTH				
Pest Treatment Charges – All charges shown exclusive of VAT. Charges will be made plus the appropriate VAT rate				
Insects – per Treatment	L	58.50	58.50	
Rodents in Private Premises	L	8.33	8.33	
Re-rating Food Hygiene Inspections	L	150.00	150.00	
Prosecution Costs				
Hourly Rate for preparation of case reports and carrying out works in default of legal notices	L	50.00	60.00	
Environmental Searches				
Environmental search 1 or 2 report includes environmental information held by the Council on a site (additional charges apply for sites larger than 10,000m2 and distance buffer greater than 250m radius)	L	65.00	65.00	
Additional photocopying for example copies of site investigation reports;				
A4 B&W	L	0.10	0.10	
A3 B&W	L	0.20	0.20	
A4 Colour	L	1.00	1.00	
A3 Colour	L	2.00	2.00	
Scanned Copy	L	Free	Free	
LAPPC and LAIPPC Permits				
Charges are annually set by Defra in March and are subject to change. Current charges as known are;				
LAPPC Charges				
Application Fee;				
Standard process (includes solvent emission activities)	N	1,650.00	1,650.00	
Additional fee for operating without a permit	N	1,188.00	1,188.00	
PVRI, SWOBs and Dry Cleaners	N	155.00	155.00	
PVR I & II combined	N	257.00	257.00	
VRs and other Reduced Fee Activities	N	362.00	362.00	
Reduced fee activities: additional fee for operating without a permit	N	71.00	71.00	
Mobile plant**	N	1,650.00	1,650.00	
for the third to seventh applications	N	985.00	985.00	
for the eighth and subsequent applications	N	498.00	498.00	
Where an application for any of the above is for a combined Part B and waste application add an extra to the above amounts	N	310.00	310.00	
Annual Subsistence Charge;				
Standard process Low*	N	772.00 (+104.00)	772.00 (+104.00)	

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

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed				
LA-IPPC charges				
Every subsistence charge below includes the additional £104 charge to cover LA extra costs in dealing with reporting under the E-PRTR Regulation				
Application	N	3,363.00	3,363.00	
Additional fee for operating without a permit	N	1,188.00	1,188.00	
Annual Subsistence Low	N	1,447.00	1,447.00	
Annual Subsistence Medium	N	1,611.00	1,611.00	
Annual Subsistence High	N	2,334.00	2,334.00	
Late Payment Fee	N	52.00	52.00	
Variation	N	1,368.00	1,368.00	
Transfer	N	235.00	235.00	
Partial Transfer	N	698.00	698.00	
Surrender	N	698.00	698.00	
Subsistence charges can be paid in four equal quarterly instalments paid on 1st April, 1st July, 1st October and 1st January. Where paid quarterly the total amount payable to the local authority will be increased by £38.00				
Newspaper adverts may be required under EPR at the discretion of the LA as part of the consultation process when considering an application. This will be undertaken and paid for by the LA and the charging scheme contains a provision for the LA to recoup its costs				
				Minimal
TRADING STANDARDS				
Please note that VAT may be added to some charges. Check with the service before the work is agreed.				
Prosecution Costs				
Hourly rate for Preparation of Case Reports	L	50.00	60.00	
Measures				
Linear measures not exceeding 3m each scale	L	15.00	16.50	
Not exceeding 15kg	L	40.50	44.00	
Exceeding 15kg but not exceeding 100kg	L	70.50	76.50	
Exceeding 100kg but not exceeding 250kg	L	84.50	91.50	
Exceeding 250kg but not exceeding 1 tonne	L	147.00	159.00	
Exceeding 1 tonne but not exceeding 10 tonnes	L	235.50	254.50	
Exceeding 10 tonnes but not exceeding 30 tonnes	L	494.00	533.50	
Exceeding 30 tonnes but not exceeding 60 tonnes	L	734.00	792.00	
Charge to cover any additional costs involved in testing incorporating remote display or printing facilities based on the above fee plus a charge per hour (minimum charge of 2 hours)	L	70.00 per hour	76.00 per hour	
Measuring Instruments for Intoxicating Liquor				
Not exceeding 150ml	L	23.50	25.50	
Other	L	27.00	29.50	

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed				
Measuring Instruments for Liquid Fuels and Lubricants				
Container Type (un-subdivided)				
Multi-grade (with price computing device):	L	102.00	110.50	
Single Outlets	L	139.50	151.00	
Solely Price Adjustment	L	255.00	275.50	
Otherwise				
Other Types – Single Outlets				
Solely Price Adjustment	L	112.00	121.00	
Otherwise	L	152.00	164.00	
Other Types – Multi Outlets:				
1 Meter Tested	L	162.50	176.00	
2 Meters Tested	L	267.00	288.50	
3 Meters Tested	L	365.00	394.00	
4 Meters Tested	L	465.00	502.00	
5 Meters Tested	L	562.00	606.50	
6 Meters Tested	L	660.00	712.50	
7 Meters Tested	L	746.00	805.00	
8 Meters Tested	L	861.00	929.50	
Charge to cover any additional costs involved in testing ancillary equipment such as payment acceptors based on the above fee plus a charge per hour (minimum of 2 hours)	L	70.00 per hour	76.00 per hour	
Special Weighing and Measuring Equipment				
For all specialist work undertaken by the service which is not included above a charge per hour on site (minimum charge of 2 hours) plus cost of provision of testing equipment applies	L	70.00 per hour	76.00 per hour	
Discounts				
Fees from Measures to Certification Calibration will be discounted as follows :-				
a) Where more than a single item is submitted on one occasion the second and subsequent fees will be reduced by 20%				
b) Where tests are undertaken using appropriately certified weights and equipment not supplied by the Borough Council the fees will be reduced by 20%				
c) Special rates can be negotiated for multiple submissions or where assistance with equipment or labour is provided				
NB – Where different fees are involved the highest fee will be charged in full and any discounts calculated from the remaining lesser fees				
Licensing – VAT not applicable				
Explosives and Fireworks Licences (Statutory Fee)				
Licence for the storage of explosives	N	**See Note	**See Note	
Licence for the sale of fireworks all year round	N	**See Note	**See Note	
**These are statutory rates that are set centrally in April				
				Minimal

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

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed				
Car Parks – Contract Parking – all charges are inclusive of VAT at 20%				
Parking locations as determined by the Director of Services.				
Per year one space	L	950.00	950.00	
Per year two spaces	L	900.00	900.00	
Per year three spaces	L	860.00	860.00	
Per year four spaces	L	830.00	830.00	
Per year five to nine spaces	L	800.00	800.00	
Per year ten or more spaces	L	700.00	700.00	
Four Riggs				
Per calendar month	L	64.00	64.00	
Morton Palms				
Per year one space	L	300.00	300.00	
Silver Street				
Per year one space	L	600.00	600.00	
Car Parks – Staff & Members per year	L	173.04	173.04	
Residents Parking Permits (excluding Town Centre)				
3 month temporary permit	L	12.00	12.00	
6 month permit	L	24.00	24.00	
12 month permit	L	40.00	40.00	
Residents Parking Permits (Town Centre only)				
12 month permit	L	350.00	350.00	
Tradesmen Parking Permits				
Daily Waiver	L	5.00	5.00	
3 month permit	L	50.00	100.00	
6 month permit	L	90.00	150.00	
12 month permit	L	150.00	250.00	
				Minimal

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed				
DOLPHIN CENTRE				
Pricing based on the introduction of a leisure card.				
Swimming				
Adult swim				
Card holder	L	4.40	4.55	
Non card holder	L	5.05	5.20	
Concession	L	3.30	3.45	
Junior Swim	L	2.80	3.00	
Family swim junior rate discount (up to 4 children accompanying 1 adult)				
Per card holder	L	2.00	2.10	
Per non card holder	L	2.45	2.55	
Under 12 months	L	Free	Free	
Lessons	L	50.00	52.50	
Fitness Areas				
The Gym				
Card holder	L	5.50	5.75	
Non card holder	L	5.95	6.25	
Concession	L	4.10	4.30	
Junior Gym	L	4.10	4.30	
Concession	L	3.20	3.35	
Health & Fitness Classes				
Health & Fitness Classes				
Card holder	L	4.55	4.75	
Non card holder	L	5.25	5.50	
Concession	L	3.45	3.60	
Half Main Hall				
Adult				
Card holder	L	44.50	47.00	
Non card holder	L	51.00	53.50	
Junior (1 hour courts only)	L	31.00	32.50	
Weekday lunchtime				
Card holder	L	39.00	41.00	
Non card holder	L	43.00	45.00	
Badminton				
Adult				
Card holder	L	8.85	9.15	
Non card holder	L	10.10	10.40	
Concession	L	6.70	6.90	
Junior (1 hour courts only)	L	5.00	5.15	
Concession (1 hour courts only)	L	3.85	4.00	
Equipment Hire				
Footballs	L	Free	Free	
Footballs – Deposit (FOC for card holders)	L	5.00	5.00	
Badminton	L	2.00	2.00	
Badminton – Deposit (FOC for card holders)	L	5.00	5.00	
Table Tennis Bats	L	1.40	1.40	
Table Tennis Bats – Deposit (FOC for card holders)	L	5.00	5.00	
Pram Lock	L	Free	Free	
Pram Lock – Deposit (FOC for card holders)	L	5.00	5.00	

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed				
Children's Activities				
Soft play admissions	L	5.25	5.50	
Sensory Room	L	5.25	5.50	
Parent/toddler (Soft play)	L	5.25	5.50	
Other Activities				
Showers				
Card holders	L	2.50	2.65	
Non card holders	L	2.85	3.00	
Fit 4 Life Packages				
12 month Full Membership	L	323.40	323.40	
12 month Seniors	L	252.00	252.00	
12 month Student	L	204.00	204.00	
6 Month Full	L	207.00	207.00	
12 Month Upfront	L	299.00	299.00	
Swimming Pools				
Main Pool - per hour	L	105.00	110.00	
Diving Pool - per hour	L	60.00	63.00	
Teaching Pool - per hour	L	60.00	63.00	
Gala - per hour				
Swimming Galas - whole complex				
Normal opening hours - per hour	L	335.00	352.00	
Outside normal opening hours - per hour	L	176.00	185.00	
Swimming Galas - Schools, Junior Clubs and Organisations				
Main Pool - Peak	L	235.00	247.00	
Main Pool - Off Peak	L	166.00	175.00	
Main Pool and Teaching Pool - Peak	L	196.00	206.00	
Main Pool and Teaching Pool - Off Peak	L	202.00	212.00	
Electronic Timing	L	99.00	104.00	
Ten Pin Bowling				
Adult Standard - 1 game				
Juniors (under 16) - 1 game	L	7.45	7.70	
Students & Seniors - Off Peak - 1 game	L	5.95	6.15	
Family Package - Peak - 1 game	L	5.95	6.15	
Family Package - Off Peak - 1 game	L	23.50	24.60	
Family Package - Off Peak - 1 game	L	21.50	23.00	
Adult, Students, Seniors - Peak - 2 game				
Adult, Student, Seniors - Off Peak - 2 game	L	14.90	15.40	
Juniors (under 16) - Peak - 2 game	L	10.50	10.75	
Juniors (under 16) - Peak - 2 game	L	11.90	12.30	
Juniors (under 16) - Off Peak - 2 game	L	10.50	10.75	
Disabled and carer - Off Peak - 1 game (per person)				
Disabled and carer - Off Peak - 2 game (per person)	L	4.95	4.95	
Disabled and carer - Off Peak - 2 game (per person)	L	9.90	9.90	
Dry Sports Hall				
Main Sports Hall - per hour	L	110.00	115.50	
Special Events - per hour Weekends	L	362.00	367.00	
Preparation - per hour Weekends	L	189.00	194.00	
Special Events - Schools - per hour off peak	L	49.00	52.00	
Function Room	L	N/A	28.00	
Seminar Room/Stephenson Suite meeting rooms	L	36.00	38.00	
Pease Suite/Studio	L	46.00/N/A	48.00	
Central Hall				
All Events (except commercial, exhibitions and local societies)				
Exhibitions - commercial - per hour	L	115.00	121.00	
Exhibitions - commercial - per hour	L	150.00	157.50	
Local Societies event - per hour	L	80.00	84.00	
				48,000

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed				
PARKS				
Football - Hire of Hundens Park Pitch Seniors' Match	L	25.00	26.00	
Juniors Match	L	15.00	16.00	
				Minimal
EASTBOURNE SPORTS COMPLEX				
3G Pitch				
Non Charter Standard Pay and Play				
1/2 3G Pitch - Adult (1 hour)	L	50.00	50.00	
1/2 3G Pitch - Junior (1 hour)	L	40.00	40.00	
Full 3G pitch per hour – Adult	L	80.00	80.00	
Full 3G pitch per hour – Junior	L	55.00	55.00	
Charter Standard and Partner Clubs				
1/2 3G Pitch (1 hour)	L	25.00	25.00	
Full 3G pitch per hour	L	50.00	50.00	
Off Peak Summer Prices (May to August) Charter Standard and Partner Clubs Only				
1/2 3G Pitch (1 hour)	L	25.00	25.00	
Full 3G pitch per hour	L	50.00	50.00	
Grass Pitch				
Adult per match	L	25.00	26.00	
Junior per match	L	15.00	16.00	
Athletics Track				
Non club rate				
Adult	L	5.00	5.00	
Junior	L	4.00	4.00	
Full track per hour	L	120.00	120.00	
Club rate				
Adult	L	4.00	4.00	
Junior	L	4.00	4.00	
Full track per hour	L	65.00	75.00	
Other				
Shower	L	2.20	2.40	
Function room and pavilion hire per hour (exclusive of VAT)	L	22.00	23.00	
Multi Purpose Studio per hour (exclusive of VAT)	L	16.00	17.00	
				1,000

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed				
HIPPODROME & HULLABALOO				
Hire & Conferencing (all pricing exclusive of VAT)				
John Wade Group Lounge - max capacity 40 (theatre style) - per hour	L	38.75	38.75	
John Wade Group Lounge - max capacity 40 (theatre style) - day hire**	L	231.75	231.75	
Living Water Tower Room - max capacity 18 - per hour	L	33.25	33.25	
Living Water Tower Room - max capacity 18 - day hire**	L	198.50	198.50	
Hippo Lounge - max capacity 70 - per hour	L	46.25	46.25	
Hippo Lounge - max capacity 70 - day hire**	L	277.75	277.75	
Hippo Education Space - max capacity 40 (workshop of approx. 25) - per hour	L	38.75	38.75	
Hippo Education Space - max capacity 40 (workshop of approx. 25) - day hire**	L	231.75	231.75	
Hullabaloo Rehearsal Space - max capacity 35 - per hour	L	38.75	38.75	
Hullabaloo Rehearsal Space - max capacity 35 - day hire**	L	231.75	231.75	
Hullabaloo Café - max capacity 70 - per hour	L	46.25	46.25	
Hullabaloo Café - max capacity 70 - day hire**	L	277.75	277.75	
Hippodrome Theatre Hire - max capacity 1,000 - w/end full day	L	2,095.00	2,200.00	
Hippodrome Theatre Hire - max capacity 1,000 - w/end half day	L	1,047.50	1,100.00	
Hippodrome Theatre Hire - max capacity 1,000 - w/day full day	L	1,929.50	2,025.00	
Hippodrome Theatre Hire - max capacity 1,000 - w/day half day	L	965.00	1,015.00	
Hullabaloo Theatre Hire - max capacity 150 - per hour	L	68.50	72.00	
Hullabaloo Theatre Hire - max capacity 150 - day hire**	L	496.50	520.00	
**day hire - 9am to 6pm				
Community Rate may be applicable for charities, NHS, children's groups and local artists if qualifying criteria met. This equates to 30% reduction on the above charges.				
				4,000

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed				
HEAD OF STEAM (closed for refurbishment)				
Re-opening Summer 2024 and new pricing will be published accordingly				
REFUSE COLLECTION AND DISPOSAL				
Refuse sacks (per 25) (Exclusive of VAT)	L	118.50	126.80	
Garden Waste Sacks (Non VATable) (for collection of 10 bags)	L	12.80	13.70	
Bulky Household Collection up to 6 items	L	21.40	22.90	
Garden Waste Service	L	39.00	45.00	
Cost of replacement (inclusive of 20% VAT)				
360L Wheeled Bin	L	60.60	60.60	
240L Wheeled Bin	L	23.90	23.90	
Caddie	L	8.50	8.50	
Glass Box	L	6.00	6.25	
55L Box	L	6.00	6.25	
Lid for recycling box	L	2.50	2.50	
Lid for 240L bin	L	6.00	7.50	
				51,000

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed				
CEMETERIES				
Burial fees without exclusive right of burial (these fees will be tripled where the deceased is a non-resident of Darlington at time of death)				
Individual foetal remains	N	No Charge	No Charge	
Stillborn or child not exceeding 12 months	N	No Charge	No Charge	
Person over 12 months up to 18 years	N	No Charge	No Charge	
Person over 18 years	L	990.00	1,050.00	
Burial fees with exclusive right of burial (these fees will be doubled where the deceased is a non-resident of Darlington at time of death)				
Individual foetal remains	N	No Charge	No Charge	
Child not exceeding 12 months	N	No Charge	No Charge	
Person over 12 months up to 18 years	N	No Charge	No Charge	
Person over 18 years	L	990.00	1,050.00	
Cremated remains	L	220.00	230.00	
Exclusive rights of burial (these fees will be doubled if the purchaser is a non-resident of Darlington if not purchased at time of first interment).				
Exclusive burial rights (50 years)	L	1,010.00	1,040.00	
Exclusive burial rights for a bricked grave	L	2,020.00	2,080.00	
Other charges				
Scattering of cremated remains	L	50.00	50.00	
Indemnity form (to produce duplicate grant)	L	50.00	50.00	
Use of Cemetery Chapel	L	120.00	125.00	
Use of Crematorium Chapel for burial/memorial service	L	N/a	250.00	
After post mortem remains	L	220.00	230.00	
Exhumation of a body (excl. re-interment)	L	2,150.00	2,215.00	
Exhumation of cremated remains (excl. re-interment)	L	550.00	565.00	
Grave Maintenance (inclusive of 20% VAT)				
Initial payment	L	50.00	55.00	
Annual Maintenance	L	38.00	40.00	
Memorials (fees will be doubled where the deceased to whom the memorial/inscription refers was non-resident of Darlington at time of death)				
Memorial rights including first inscription (30 years)	L	220.00	230.00	
Provision of kerbs – traditional sites only)	L	100.00	100.00	
Vases not exceeding 300mm	L	80.00	85.00	
Additional inscription	L	80.00	85.00	
Total financial effect for Cemeteries				12,500

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed				
CREMATORIUM				
Crematorium fees (inclusive of certificate of cremation, use of organ and scattering of remains in Gardens of Remembrance at an unreserved time)				
Individual foetal remains	N	No charge	No charge	
Hospital arrangement – foetal remains	L	220.00	230.00	
Stillborn or child not exceeding 12 months	N	No charge	No charge	
Person over 12 months up to 18 years	N	No charge	No charge	
Person over 18 years	L	960.00	1,050.00	
Direct Cremation	L	700.00	550.00	
After post mortem remains	L	220.00	230.00	
Other charges				
Medical Referee Fee	N	22.00	22.00	
Postal Carton	L	20.00	20.00	
Metal Urn	L	40.00	40.00	
Wooden Casket	L	50.00	50.00	
Baby Urn	L	10.00	10.00	
Extended use of Crematorium Chapel	L	120.00	125.00	
Scattering of remains at reserved time	L	50.00	50.00	
Webcasts (inclusive of 20% VAT)				
Live Webcast and watch again	L	54.00	55.00	
Keepsake (DVD, Blu-ray, USB or audio CD)	L	60.00	60.00	
Extra copies of Keepsake	L	30.00	30.00	
Tributes (inclusive of 20% VAT)				
Single Tribute	L	N/a	15.00	
Tribute Slideshow	L	N/a	45.00	
Tribute Slideshow set to music	L	N/a	80.00	
For every additional 25 images	L	N/a	20.00	
Tribute Keepsake	L	N/a	20.00	
Book of Remembrance (inclusive of 20% VAT)				
Single Entry (2 lines)	L	70.00	75.00	
Double Entry (3 or 4 lines)	L	110.00	115.00	
Additional lines	L	25.00	25.00	
Crest or floral emblem	L	115.00	120.00	
Memorial Cards (inclusive of 20% VAT)				
Single entry card (2 lines)	L	25.00	30.00	
Double entry card (3 or 4 lines)	L	30.00	35.00	
Additional lines	L	5.00	5.00	
Crest of floral emblem	L	70.00	80.00	
Personal photographs – set up	L	50.00	50.00	
Additional photographs – after set up	L	10.00	10.00	
Memorial Books (inclusive of 20% VAT)				
Single entry book (2 lines)	L	80.00	85.00	
Double entry card (3 or 4 lines)	L	85.00	90.00	
Additional lines	L	5.00	5.00	
Crest of floral emblem	L	70.00	80.00	
Personal photographs – set up	L	50.00	50.00	
Additional photographs – after set up	L	10.00	10.00	
Other Memorial Schemes				
Replacement kerb vase plaque	L	300.00	300.00	
Replacement flower holder	L	5.00	5.00	
Wall plaques	L	250.00	250.00	
Planter plaques	L	370.00	370.00	
Lease of space for memorial plaques (per annum)	L	26.00	26.00	
Total financial effect for Crematorium				125,000

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed				
ALLOTMENTS & STABLES				
Rent per year	L	195.00	200.00	Minimal
HIGHWAYS				
Private apparatus in the Highway (Section 50 Licence, new installations)	L	550.00	550.00	
Private Road Openings (repair existing)	L	225.00	225.00	
Vehicle Crossings – estimate fee (taken as part of payment if go ahead with the works)	L	25.00	25.00	
Vehicle Crossings (plus actual construction costs)	L	100.00	100.00	
Vehicle Crossings if planning permission required on a classified road (plus actual construction costs)	L	150.00	150.00	
Temporary Traffic Regulation Notices (road closures etc)	L	175.00	184.00	
Temporary Traffic Regulation Orders (road closures etc) (plus advertising)	L	288.00	302.00	
Emergency Traffic Regulation Orders	L	136.00	143.00	
Application to Secretary of State for TTRO extension (plus advertising)	L	100.00	105.00	
Personal Search - Highways (by email) per question	L	6.00	6.00	
Street Naming Royal Mail Income (per address, Nationally agreed price LGIH)	L	1.00	1.00	
Street Naming & Numbering of Properties:				
- Per road name (developer suggests)	L	173.00	182.00	
- Per road name (council names)	L	210.00	221.00	
- Per plot	L	16.00	16.00	
Street Naming & Numbering of Properties:				
- Per plot or renaming of a property	L	37.00	37.00	
Rechargeable Works	L	Actual cost + 10%	Actual cost + 10%	
Temporary Traffic Light Applications	L	No Charge	No Charge	
Section 50 Licence associated bond costs	L	Individually priced based on requirements	Individually priced based on requirements	
Access protection markings	L	No charge	No charge	
Tourist Sign (plus actual cost of sign)	L	£75.00 + VAT	£75.00 + VAT	
Accident Data Requests	L	£75.00 + VAT	£75.00 + VAT	
Traffic Count Data	L	75.00	75.00	
Street Lighting Design Service	L	Individually priced based on charge out rate	Individually priced based on charge out rate	
Oversailing Licence	L	No charge	No charge	
Banner Licence	L	No charge	No charge	
Placing Goods on the Highway	L	155.00	155.00	
Deposits upon the Highway	L	No charge	No charge	
Temporary Development Signs – Admin Fee	L	200.00	200.00	
Temporary Development Signs – DBC undertake work on behalf of developer	L	Actual costs	Actual costs	
Switch off / on traffic signal / pelican crossings – per visit	L	150.00	150.00	
Unauthorised marks or affixing of signs to street furniture	L	No charge	No charge	

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed				
Section 278 Highway works agreement	N	6% of works + legal if delivered by developer	6% of works + legal if delivered by developer	
Section 116 Stopping Up of the Highway	N	Actual Costs	Actual Costs	
Section 38 Road Adoption agreement	N	6% of works + legal if delivered by developer	6% of works + legal if delivered by developer	
NRSWA Defect Charges	N	Nationally set scale of charges	Nationally set scale of charges	
NRSWA Road Opening Inspection Charges (sample)	N	Nationally set scale of charges	Nationally set scale of charges	
Section 74 – charges for overstay	N	Nationally set scale of charges	Nationally set scale of charges	
				1,000
PUBLIC RIGHTS OF WAY				
Public Path Orders (HA 80 S 118 and 119, TCPA 90 s247, 257)				
Actual cost based on charge out rate plus advertising and legal costs		3,000.00 (minimum)	3,000.00 (minimum)	
PROW Temporary Closures – as Highways fees and charges				
Landowner Rights of Way Statement and Declaration s31.6				
One parcel of land, includes 2 notices	L	250.00	250.00	
Additional parcel	L	50.00	50.00	
Additional notice	L	50.00	50.00	
Authorisation for installing a new gate or stile (HA 80 s147)	L	100.00	100.00	
Path Orders under Deregulation Act				
Actual cost based on charge out rate plus advertising and legal costs, to include but not restricted to pre-application advice, processing the application, resolving objections, making the order, confirmation of the order, and any subsequent Public Inquiry or Hearing				
				NIL
SUSTAINABLE TRANSPORT				
Charges for Concessionary Travel (ENCTS);				
Replacement pass for lost/stolen without a CRN	L	10.00	10.00	
Production, placement and retrieval of notices when bus stops are temporarily per bus stop	L	60.00	60.00	
Production and placement of bus timetable information when bus services have to be re-registered due to road closures – up to 6 timetables	L	84.00	84.00	
				NIL

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed				
TRANSPORT SERVICES				
Charges for Taxi Licensing;				
Taxi Vehicle Test	L	53.00	56.00	
Taxi Vehicle Test and MOT	L	63.00	66.00	
Failure to attend (less than 48 hours' notice)	L	53.00	56.00	
Re-test	L	26.00	27.00	
Re-test including emissions	L	37.00	39.00	
Re-test emissions only	L	11.00	12.00	
Charges for General Public;				
MOT for Standard Car Class IV	L	35.00	37.00	
MOT for Class V Vehicles	L	40.00	42.00	
MOT for Class VII Vehicles	L	40.00	42.00	
				3,000
PRIVATE SECTOR HOUSING				
Works in default & statutory activities per hour				
	L	50.00	60.00	
Housing inspections & consultancy per hour (inclusive of VAT)				
	L	60.00	60.00	
Charge for the service relevant Housing Act 2004 legal notice				
	L	450.00	450.00	
Securing empty homes (addition of VAT by agreement)				
	L	300.00	300.00	
Houses in Multiple Occupation Activities;				
HMO licence fee per letting/let/tenancy				
	L	187.00	187.00	
Other relevant HMO activities per hour				
	L	50.00	60.00	
Variation of HMO licence				
	L	50.00	60.00	
Housing Immigration Inspections;				
Within 10 working days (including VAT)				
	L	150.00	150.00	
Fast Track within 5 working days (including VAT)				
	L	200.00	200.00	
General Enforcement Activities:				
Hourly rate for preparation of case reports/prosecutions				
	L	50.00	60.00	
Additional copies of legal notices via post				
	L	10.00	10.00	
Additional copies of legal notices - Scanned copy by Email				
	L	Free	Free	
The Smoke and Carbon Monoxide Alarm (Amendment) Regulations 2022				
Fines for failing to provide a working smoke or carbon monoxide alarm. Offence by the same individual or organisation;				
First	N	500.00	500.00	
Second	N	1,000.00	1,000.00	
Third	N	2,000.00	2,000.00	
Fourth	N	3,000.00	3,000.00	
Fifth or more	N	5,000.00	5,000.00	
The Redress Schemes for Letting Agency Work and Property Management Work (England) Order 2014;				
Fines for failing to join an approved letting and management redress scheme;				
Businesses that have been served with a notice of intent and failed to join an approved scheme				
	N	5,000.00	5,000.00	
Businesses that have joined an approved scheme following the service of the notice of intent				
	N	4,000.00	4,000.00	
Businesses that have joined an approved scheme prior to enforcement action being taken, after the 1st October 2014				
	N	3,000.00	3,000.00	
**The Redress Scheme is currently undergoing a national review and may be replaced prior to April 2024 by a new civil penalty policy				

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed				
Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015				
Penalty (less than 3 months in breach) renting a non-compliant property	N	Up to 2,000.00 and/or publication penalty	Up to 2,000.00 and/or publication penalty	
Penalty (3 months or more in breach) renting out a non-compliant property	N	Up to 4,000.00 and/or publication penalty	Up to 4,000.00 and/or publication penalty	
Providing false or misleading information on the PRS Exemptions Register	N	Up to 1,000.00 and/or publication penalty	Up to 1,000.00 and/or publication penalty	
Failing to comply with a compliance notice	N	Up to 2,000.00 and/or publication penalty	Up to 2,000.00 and/or publication penalty	
Housing and Planning Act 2016				
Failure to comply with an Improvement Notice (under section 30 of the Housing Act 2004)				
Failure to comply with a Prohibition Order (under section 32 of the Housing Act 2004)				
Breach of a banning order made under section 21 of the Housing and Planning Act 2016	N	Civil penalties of up to 30,000 per offence as an alternative to prosecution	Civil penalties of up to 30,000 per offence as an alternative to prosecution	
Using violence to secure entry to a property (under section 6 of the Criminal Law Act 1977)				
Illegal eviction or harassment of the occupiers of a property (under section 1 of the Protection from Eviction Act 1977)				
COST OF REVENUE COLLECTION				
Council Tax – All Charges do not incur VAT				
Issue of Summons for Liability Order	L	38.00	40.00	
Issue of Liability Order	L	47.00	50.00	
Issue of Summons for Committal Hearing	L	99.00	105.00	
Issue of Statutory Demand	L	173.00	184.00	
Schedule 3 of the Local Government Finance Act 1992				
Penalty where				
- A person is requested to supply information and fails to	L	0.00	70.00	
- A person knowingly supplies inaccurate information	L	0.00	70.00	
- A person fails to notify a material change without a reasonable excuse	L	0.00	70.00	
Where a penalty has been imposed and there is a further request for the same information a further penalty				
- A person fails to supply information	L	0.00	280.00	
- A person knowingly supplies inaccurate information	L	0.00	280.00	
Business Rates (NNDR) – All Charges do not incur VAT				
Issue of Summons for Liability Order	L	38.00	40.00	
Issue of Liability Order	L	47.00	50.00	
Issue of Summons for Committal Hearing	L	99.00	105.00	
Issue of Statutory Demand	L	173.00	184.00	
				Minimal
				51,000

APPENDIX 4

**KEY ASSUMPTIONS USED IN PROJECTED
RESOURCES, EXPENDITURE AND INCOME 2024/25-2027/28**

Factor	Assumption
Resources	
Council Tax base	Variable depending on projected additional properties.
Council Tax	2.99% increase in 2024/25 and then 1.99% to 2027/28
Adult Social Care Precept	2% increase in 2024/25 and then 1% to 2027/28
Council Tax collection	99% collected
Government Grants	Government grants, as indicated in the provisional Local Government Finance Settlement 2024/25 and indicative figures for 2025/26 – 2027/28.
	Increase in Business Rates Scheme Top Up Grant of 2.9% in 2024/25, 3.0% in 2025/26, reset in 2026/27 & 1.9% 2027/28.
	Revenue Support Grant per provisional settlement 2024/25, 2% uplift in 2025/26 and then 1.16% to 2027/28.
	Continuation of Improved Better Care Fund (iBCF) at 2024/25 rates.
	Continuation of Adult Social Care Support Grant of £3.753m as per 2024/25 provisional settlement, flatlined and assumed to continue to 2027/28.
	Services Grant 2024/25 as per provisional settlement, flatlined and assumed to continue until 2027/28
	Social Care Grant, per 2024/25 provisional settlement at £6.109m, flatlined and assumed to continue to 2027/28.
	New Homes Bonus (NHB) per 2024/25 provisional settlement and then assumed nil from 2025/26
	Supporting People Grant estimated at 2023/24 rate for 2024/25, then ceases.
Expenditure	
Pay inflation	2024/25 4% and thereafter 2% in line with national scheme.
Price inflation	Only contractual inflation on running costs
Local Government Pension Scheme	Contribution rate of 18.3% for 2024/25 until next triennial revaluation in 2025/26.
Financing Costs	
Interest rates payable	Average rate on existing debt 2024/25 of 3.87%; 2025/26 of 3.64%, 2026/27 of 3.45% & 2027/28 of 3.45%.
Interest rates payable on new debt – 10 year rate	2024/25 of 4.50%; 2025/26 of 3.78%, 2026/27 of 3.53% & 2027/28 of 3.50%.
Interest rates receivable	4.70% in 2024/25, 3.00% in 2025/26, 2.80% in 2026/27 & 3.05% in 2027/28.
Income	
Inflationary increases	Various based on individual service considerations

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REVENUE BUDGET MANAGEMENT 2023/24

<u>Projected General Fund Reserve at 31st March 2024</u>		2023-27 MTFP (Feb 2023)
Medium Term Financial Plan (MTFP) :-		£000
MTFP Planned Opening Balance 01/04/2023		23,397
Approved net contribution from balances		(6,275)
Planned Closing Balance 31/03/2024		17,122
Increase in opening balance from 2022-23 results		509
Projected corporate underspends / (overspends) :-		
Council Wide		0
Contingencies		148
Additional Income Received		325
Services Group Rebase		700
People Group Rebase		500
Unallocated Grant Income		302
Pay Award 2023/24		(550)
Projected General Fund Reserve (excluding Departmental) March 2024	at 31st	19,056
Planned Balance at 31st March 2024		17,122
Improvement		1,934

<u>Departmental projected year-end balances</u>	Improvement / (decline) compared with 2023-27 MTFP £000
People Group	(3,752)
Services Group	1,138
Operations Group	88
Chief Executive & Economy	(146)
TOTAL	(2,672)

<u>Summary Comparison with :-</u>	2023-27 MTFP £000
Corporate Resources - increase in opening balance from 22/23 results	509
Corporate Resources - additional in-year Improvement/(Decline)	225
Quarter 1 Budget Rebase	1,200
Departmental - Improvement / (Decline)	(2,672)
Improvement / (Decline) compared with MTFP	(738)
Projected General Fund Reserve at 31st March 2024	16,384

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MEDIUM TERM FINANCIAL TERM 2024 TO 2028

	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m
People Group	84.432	86.880	89.906	92.790
Chief Executives Office & Economic Growth	1.472	1.566	1.416	1.448
Services Group	25.347	26.276	26.947	27.590
Operations Group	13.580	13.964	14.268	14.571
Financing costs	3.547	3.722	3.539	3.468
Investment Returns - Joint Venture	(1.517)	(1.828)	(1.750)	(1.452)
Council Wide Pressures/(savings)	0.631	0.643	0.658	0.669
Council Wide Contingencies	0.202	0.202	1.655	1.664
Contribution to/(from) revenue balances	(7.347)	(8.409)	(12.720)	(12.961)
Total Net Expenditure	120.347	123.016	123.919	127.787
<u>Resources - Projected and assumed</u>				
Council Tax	65.872	68.778	71.977	75.196
Business rates retained locally	26.081	26.434	17.026	17.299
Top Up Grant	8.390	8.645	15.682	15.982
Revenue Support Grant	4.572	4.663	4.738	4.814
New Homes Bonus	0.436	0.000	0.000	0.000
Better Care Fund	4.488	4.488	4.488	4.488
Adult Social Care Support Grant	3.753	3.753	3.753	3.753
Social Care Grant	6.109	6.109	6.109	6.109
Services Grant	0.146	0.146	0.146	0.146
Strengthening Families Grant	0.500	0.000	0.000	0.000
Total Resources	120.347	123.016	123.919	127.787
<u>Balances</u>				
Opening balance	16.384	11.279	2.870	(9.850)
Release of Earmarked Reserve - LCTS	1.292	0.000	0.000	0.000
Net contribution to GF from Collection Fund	1.000	0.000	0.000	0.000
Transfer to Stronger Communities Fund	(0.050)	0.000	0.000	0.000
Contribution to/(from) balances	(7.347)	(8.409)	(12.720)	(12.961)
Closing balance	11.279	2.870	(9.850)	(22.811)

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Capital Medium Term Financial Plan 2024/25 - 2027/28					APPENDIX 7
	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Total £'000
Children, Families & Learning					
School Condition Allocations	67	67	67	67	268
	67	67	67	67	268
Housing					
Adaptations / Lifts	214	224	231	238	907
Heating replacement programme	1,286	1,351	1,391	1,433	5,461
Structural works	427	449	462	476	1,814
Lifeline Services	250	210	202	213	875
Repairs before painting	66	69	71	136	342
Roofing	1,050	1,103	683	703	3,539
Garages	50	50	26	27	153
External Works (footpaths, fencing, etc.)	210	221	227	234	892
Pavement Crossing	27	28	29	30	114
Window and Door Replacement Programme	1,495	1,570	1,617	1,666	6,348
IPM works	2,898	3,043	3,134	3,228	12,303
Energy Efficiency	3,068	3,221	3,318	3,418	13,025
Communal Works	160	168	173	178	679
New build (net of HE grant)/regeneration	15,815	2,513	1,000	1,000	20,328
Fees	254	265	274	279	1,072
	27,270	14,485	12,838	13,259	67,852
Transport					
Highway Maintenance	1,206	1,206	1,206	1,206	4,824
Integrated Transport	893	893	893	893	3,572
Pothole Funding	969	969	969	969	3,876
	3,068	3,068	3,068	3,068	12,272
Other Capital Programmes					
Disabled Facility Grants	1,063	1,063	1,063	1,063	4,252
	1,063	1,063	1,063	1,063	4,252
Council funded Schemes					
A167 Victoria Road Culvert	1,400	-	-	-	1,400
Hippodrome Accessible changing	30	-	-	-	30
Advanced Design Fees (Already approved to 2025/26)	150	150	-	-	300
Economic Growth Investment Fund (Already approved to 2025/26)	500	500	-	-	1,000
Capitalised Repairs (Already approved to 2025/26)	250	250	250	250	1,000
Total Council Funded Schemes	2,330	900	250	250	3,730
Self Financing Scheme					
Development of Office Block at Preistgate (Already approved to 2025/26)	2,000	8,000	-	-	10,000
Total Self Financing Schemes	2,000	8,000	-	-	10,000
Total Spending Plans	35,798	27,583	17,286	17,707	98,374
Funded by:					
Capital Grants	4,198	4,198	4,198	4,198	16,792
HRA Revenue Contributions	13,455	12,668	12,535	12,956	51,614
HRA Capital Receipts	303	303	303	303	1,212
Borrowing	13,512	1,514	-	-	15,026
Corporate Resources	2,330	900	250	250	3,730
Self Financing	2,000	8,000	-	-	10,000
Total Resources	35,798	27,583	17,286	17,707	98,374
Commitments - see above	35,798	27,583	17,286	17,707	98,374
Resources Available for Investment	-	-	-	-	-

14486

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

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**CABINET
5 DECEMBER 2023**

**CHILDREN'S SOCIAL CARE IN DARLINGTON
ENSURING PLACEMENT SUFFICIENCY AND ENABLING CREATIVE ALTERNATIVES**

**Responsible Cabinet Member –
Councillor Nick Wallis, Children and Young People Portfolio**

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

Purpose of the Report

1. To outline a series of proposals to reduce dependence on costly external placements, and to support and improve placement sufficiency for children and young people in Darlington.

Summary

2. Sourcing placements for looked after children is at crisis point nationally with an increasing reliance on high-cost unregulated emergency placements or expensive residential care due to a lack of more appropriate placements. This issue has been compounded in Darlington by increases in our looked after population and the mandated National Transfer Scheme for unaccompanied asylum-seeking children (UASC).
3. The increased number of children cared for by Darlington Borough Council, coupled with a lack of placement sufficiency has resulted in a significant increase in placement expenditure along with a reduction in placement stability for children and young people looked after by Darlington Borough Council.
4. A range of responses to these challenges have already been implemented which includes a panel to provide the needed peer challenge and ensure when a decision is made to make a child looked after, it is after all other options have been exhausted. There is a strong focus on discharging Care Orders where children are living with parents.
5. These measures on their own cannot effectively meet the scale of the pressure. Darlington do not have the in-house sufficiency to meet the diverse needs of children downstream and our baseline support offer benchmarks negatively in the region in terms of core support.

6. A number of service critical proposals have been developed in response (summarised in **Appendix 1**) which comprise the enhancement and growth of:
 - (a) The DBC foster care service.
 - (b) DBC directly provided children's residential care services.
7. The proposals avoid an overreliance on high-cost external placements and support the growth of step down and transition to adulthood provision in response to increase demand.

Recommendation

8. It is recommended that Cabinet consider the report and support the proposals, and progress to Council within the Medium Term Financial Plan (MTFP) process.

Reasons

9. The recommendation is supported by the following reasons: -
 - (a) The current overreliance on externally provided children's social care placements is unsustainable.
 - (b) The Council needs to diversify the range of directly provided children's social care services in order to meet the needs of Darlington children and improve placement stability.
 - (c) The proposals have a positive impact on the MTFP.

James Stroyan
Group Director of People

Background Papers

No background papers were used in the preparation of this report

Chris Bell : Extension 5852

S17 Crime and Disorder	There are no implications for Crime and Disorder arising from these proposals.
Health and Wellbeing	There are positive impacts for the health and wellbeing of Darlington children and young people arising from these proposals.
Carbon Impact and Climate Change	There are no implications for Carbon Impact and Climate Change arising from these proposals.
Diversity	There are positive impacts for the health and wellbeing of Darlington children and young people arising from these proposals.
Wards Affected	The proposals are need led for all Darlington children and young people.
Groups Affected	Children and young people are positively impacted.
Budget and Policy Framework	The proposals will be incorporated into and have a positive impact on the draft MTFP for 24/25 – 27/28
Key Decision	This is not a key decision
Urgent Decision	This is not an urgent decision
Council Plan	These proposals will contribute positively to the Council Plan
Efficiency	These proposals would make us more efficient
Impact on Looked After Children and Care Leavers	These proposals will have a significant benefit for Looked After Children and Care Leavers

MAIN REPORT

Background

10. As at the 31 March 2023 there were 136 young people in an external placement arrangement. The costs associated with external placements are significantly higher than our internal costs:
 - (a) There is a £532 per week difference (equivalent to £27,738 per placement per annum) between Darlington Borough Council foster carer and Independent Foster Agency (IFA), which will be exacerbated by a pending Consumer Price Index (CPI) award due to IFA providers in April 2024 which will see the IFA placements cost rise further.
 - (b) On average it is £773 per week cheaper to place a young person in an in-house home versus placing within the independent sector for a residential placement (equivalent to £40,304 per child per annum).
11. Having placements directly provided by the Council also has a key benefit for the young person as the level of placement stability tends to be higher and reduces the need for an out of area placement, based on placement availability alone. Placement stability has been on a declining trajectory and the council's overreliance on external

placements is one of the compounding factors. This is further exacerbated by the extreme demand for foster care and residential placements outstripping supply which is enabling external providers to be extremely selective as to which children are offered placements.

Proposal Summary

12. A number of service critical proposals have been developed in response which comprise the enhancement and growth of the DBC foster care service (Proposals 1-8). There are a number of very specific proposals to ensure the DBC foster service is viable, attractive (and can effectively reduce the number of carers leaving to go to more costly independent providers) with improved retention rates.
13. The proposals will seek to retain the current cohort of 59 Darlington Borough Council foster carers and incrementally grow the foster service by 5 carers in first year and 10 carers in subsequent years. The proposals are outlined below (correspondingly RAG rated) along with their costings.

Red RAG rated foster care proposals.

Proposal 1:

Uplift the age-related payments

Age related payments are paid towards the direct costs incurred from caring for a child and are received by foster carers, special guardianship carers, and child arrangement carers. The proposal is to increase age related payments by £10 per child per week – costing £180,671 in year 1. This would mean carers are being paid over the minimum set by the government.

Risk of not proceeding

Carers deregister or move to another Council or IFA in which case Darlington would not only lose the foster carers, but also have to correspondingly increase the payments for the new care arrangement. Foster carers would have less money for the direct care of the children in their care without this uplift.

Likelihood

High. There are instances where this has occurred already with a significant number of foster carers stating that it is their intent should an improved foster care offer not be made. However, it is felt on balance, should a commitment to proceed with the professional fee increase be made that an uplift to the age-related payment would not have as significant a prioritisation as this proposal does have a scope of carers broader than just foster carers.

Risk of proceeding

There is a risk that payments to existing foster carers are increased and there is no increase in the number of new DBC foster carers or improvement in the retention of existing carers.

Likelihood

Low. Whilst this remains a risk it is felt to be low as the primary rationale for prospective carers in not coming to foster for Darlington Borough Council or continuing to foster for Darlington Borough Council is payment rates.

Proposal rescaling opportunities

This proposal is broader than just foster carers. Should the remaining foster care specific proposals be agreed, this proposal could be removed due to its encompassment of a broader caring group which isn't experiencing the same stability risks as the in house foster service.

Proposal 2:

Restructure the professional fees that are paid to in-house foster carers to be more competitive – cost £138,171 in year 1.

Risk of not proceeding

Carers deregister or move to another Council or IFA to care and there continues to be no incentive for carers to care for more complex children.

Likelihood

Exceptionally high. There are instances where this has occurred already with a significant number of foster carers stating that is their intent should an improved foster care offer not be made. We currently have one foster carer considering transferring to DBC from an IFA, but only if an improved offer is made. There is another DBC foster carer moving to a bordering Council foster service due to the better financial offer they would receive. A Council in the Tees Valley has significantly improved their fees after losing 21 sets of carers to IFAs in 2022 and has already seen a positive change in enquiries since the new rates were put in place. On this basis uplifting the professional fees is considered to be one of highest priorities in the foster carer proposals.

Risk of proceeding

There is a risk that payments to existing carers are increased and there is no corresponding increase in the number of new DBC foster Carers or improvement in the retention of existing carers.

Likelihood

Whilst this remains a risk, the likelihood is felt to be low as the primary rationale for prospective carers in not coming to foster for Darlington Borough Council is payment rates of which the professional fee represents the most significant payment. There is a low risk that the IFAs will correspondingly increase their foster agency fees which would negate the benefit of the improved offer for Darlington Borough Council foster carers. The majority of IFAs operating in the Northeast are in a contractual arrangement with all 12 North East councils for a period up at least to 2025 and up to 2028, with pre-set pricing and the provision for annual inflationary uplifts. Other neighbouring councils who have vastly enhanced their foster carer offer and payments have seen positive benefits and did not experience a corresponding fee increase by the IFAs.

Proposal rescaling opportunities

The professional fee uplift is considered to be one of the most critical components of the revised foster care offer. Uplifting the rates is essential to stabilise the fostering service and reduce the risk of carers being lost to other Councils and IFAs. Even with the uplifted rates accounted for Darlington will benchmark in a mid-position against other local authority rates. However, it is felt that the specific component parts of the enhanced offer including, but not limited to; a council tax financial contribution and enhanced professional fees will be significant in incentivising new foster carers.

The payment structure for proposal 2 is shown in the table below.

Current payment arrangement	Proposed payment
Band A £100pw	Band A removed.
Band B £125pw	New Band 1 (Paid to new foster carers) £175pw for the first child and £100pw for subsequent children
Band C £200pw	New Band 2 (Paid to experienced carers who have successfully completed the training and development standards and are able to care for children with diverse needs) £275pw for the first child and £200pw for subsequent children
	New Band 3 (Paid to experienced carers caring for children with more complex needs, who require a very specific form of care) £375pw for the first child (very complex care needs) £300pw for subsequent children (very complex care needs)
	Discretionary additional £100pw for exceptionally challenging to place young people where the only alternative would be bespoke high cost residential.

Amber RAG rated fostering proposals.**Proposal 3:**

Provide a financial contribution towards Council Tax of up to £1,500 for people who are foster carers for Darlington Borough Council. Cost £88,500 in year 1.

Risk of not proceeding

Financial viability is becoming a key determiner for foster carers; a Tees Valley council has council tax support to this value in place for their foster carers (as part of a package of enhancements) and have successfully managed to grow their in house foster service and reduce their previous over reliance on IFAs. This is something only Councils can offer and shows the value we place on our foster carers.

Likelihood

Is felt to be high. This financial contribution offer is key to having a firm council commitment to incentive individuals to continue to foster for Darlington Borough Council and an effective incentivisation for new foster carers.

Risk of proceeding

Is felt to be low, given the continued control the council will have over the payments.

Likelihood

It reinforces the Council's commitment to being a direct provider of foster care services and the invaluable role which foster carers play in the care of Darlington children.

Payments will only be made to active DBC Foster Carers on a rolling monthly basis valued at £125 per month via the existing foster care payment run and therefore payments would cease if a carer is no longer fostering for Darlington Borough Council.

Proposal rescaling opportunities

A lower council tax financial contribution could be offered, however, £1,500 is already a rate in place by a subregional Council and would remain a factor in drawing foster carers to other localities. A value of £1,500 reinforces the very significant contribution Darlington Borough Council fosters care make to the care arrangements for Darlington children.

Proposal 4:

Give DBC foster carers the option of taking 14 days paid respite, which is in line with what is offered in the independent sector – cost £50,822 in year 1.

Risk of not proceeding

Paid respite is a consistent offer in both the IFAs, and neighbouring Councils foster care offers. Benchmarking has identified Darlington as a key outlier in not having this arrangement which also risks an increase in carer burn out and placement instability. Foster carers do not receive any payment when they take a break, and this stops people progressing to be foster carers.

Likelihood

Is felt to be high. Without the provision of paid respite, it will continue to be a factor in making it more attractive to foster for other Councils or IFAs.

Risk of proceeding

Is felt to be low, carers will be given the option as to whether this is something they would wish to be in place for their care arrangement. There is a risk that if all carers wish to have this arrangement that it would take a period of time to implement across all carers whilst new respite arrangements were developed.

Likelihood

Should a significant volume of foster carers wish to receive 14 days respite it will require a period of time to implement. The volume will be unknown until the offer is made and officers will work closely with any requesting foster carers in the implementation of this arrangement.

Proposal rescaling opportunities

A lower number of paid respite days could be offered; however, 14 days is the minimum offered by all IFAs and therefore would continue to be a risk factor in drawing carers to foster for other councils or independent providers. A lower than 14 day paid respite period would also increase the risk of carer burn out.

Proposal 5:

Increase the mileage rate paid to foster carers from 39p per mile to 45p per mile, in line with the HMRC rates - cost £3,000 in year 1.

Risk of not proceeding

Transport logistics are a key barrier in co-ordinating viable placements, mileage at HMRC rates are already in place with some regional Councils. Darlington's current mileage rate falls well below the HMRC rate. It is much more cost effective to pay for mileage than source alternative transport and costs are only incurred when transport is provided. Having an effective, reliable, and flexible transport arrangement for foster carer placements is essential to supporting school attendance and court ordered family contact time.

Likelihood

Is felt to be high without an increase in mileage rate there is no incentive for carers who can directly transport to do so as the reimbursement rate has not kept pace with the costs incurred.

Risk of proceeding

Payments will only be made where a foster carer has undertaken journeys as a direct result of undertaking their foster role.

Likelihood

Is felt to be low. Mileage costs will only be paid where transport has been a direct requirement of the fostering role.

Proposal rescaling opportunities

HMRC is the accepted standard rate for mileage costs incurred through professional activity and therefore it wouldn't be possible to scale down from the current proposal.

Proposal 6:

Develop a refer a friend scheme to pay £250 upon completion of assessment and a further £250 upon the first placement for any foster carer who recommends a friend to foster for Darlington Borough Council - cost £1,500 in year 1.

Risk of not proceeding

It is well known that the most effective form of foster carer recruitment is word of mouth. Costs would only be incurred when carers are fully registered with DBC and as a one-off payment when the first placement is made. North Yorkshire are currently offering £500 welcome payments to new foster carers.

Likelihood

It is highly likely that without a refer a friend scheme there is little incentive for existing carers to support the DBC foster care recruitment through word of mouth.

Risk of proceeding

Is felt to be low, costs will only be incurred when foster carers are recruited and once a placement is made.

Likelihood

It would be very unlikely that a new foster carer incentivisation arrangement for existing foster carers does not have a positive impact.

Proposal rescaling opportunities

The above rates are aligned with the offers in place from other fostering providers to support service growth, to reduce further would negate any benefit.

Green RAG rated fostering proposals.**Proposal 7:**

Introduce an appreciation payment of £250 to our foster carers to be paid every 5 years – cost £12,750 in year 1.

Risk of not proceeding

Overall costs are very low, and it is an effective way of reinforcing the value of DBC foster carers on an periodic basis. It also acts a further incentive mechanism for carers to remain as Darlington Borough Council foster carers.

Likelihood

Is felt to be high. Appreciation payments are a positive enhancement to the offer, to continue to keep momentum with foster carers, but not as critical to ensure service stability as some of the higher priority rated foster care proposals.

Risk of proceeding

Is felt to be very low. Costs will be fixed and only be incurred on a 5 yearly cycle.

Likelihood

Appreciation payments form part of key message of the ongoing value the council places on the contribution of foster carers.

Proposal rescaling opportunities

The time period for the appreciation payment could be extended for example every 7 years, however, given the nominal cost it would have little material gain.

Proposal 8:

Offer an on-call fee of £30 per bank holiday and weekend to our foster carers to improve placement accessibility in an emergency – cost £5,400 in year 1.

Risk of not proceeding

There will continue to be no incentive for carers to give up their time and be restricted in their leisure pursuits to be on call for emergency need. This in turn impacts the resilience of the foster care service in times of urgent need, not having an on-call fee is out of kilter with neighbouring Councils foster carer offer.

<p>Likelihood</p> <p>Is felt to be high. It will continue to be the case that should a fair acknowledgement via a financial payment not be made to reflect the personal life restrictions from being on call. The rationale for this being rag rated green was due to the fact that it was a separate component to the critical measures to ensure the viability of the DBC foster care service.</p>
<p>Risk of proceeding</p> <p>Is felt to be low, cost will only be incurred when a small group of foster cares are on-call. The is risk is the on-call payment does not attract a sufficient group of foster carers to have a viable and robust on call rota, the risk of this occurring will be higher however, if no payment is offered.</p> <p>Likelihood</p> <p>Offering an on call fee is unlikely to not attract a small group of on call foster carers.</p>
<p>Proposal rescaling opportunities</p> <p>No scaling opportunities have identified given the comparatively nominal rate the on-call fee has been proposed at.</p>

14. Further service critical proposals have been developed in response which comprise the enhancement and growth of the DBC provided residential services to avoid an overreliance on high-cost external placements and support the growth of step down and transition to adulthood provision in response to increase demand. These proposals are outlined below along with their costings.

All residential service proposals are RAG rated Red.

Proposal 9:

Increasing the number of taster flats for Care Leavers- in response to increased demand as an effective mechanism to support the throughput from external placements. Cost year 1 - £43,774.

<p>Risk of not proceeding</p> <p>The existing taster flat capacity is insufficient for the volume of placement need.</p> <p>Likelihood</p> <p>Is felt to be high. Taster flats are Ofsted regulated (for 16/17-year-old Care Leavers and Looked After Children) and are critical in supporting preparation for adulthood, they also act as very cost-effective mechanism for stepping children down from external residential care. Without expansion young people will continue to remain in high-cost external placements unnecessarily.</p>
<p>Risk of proceeding</p> <p>Is felt to be Low, the taster flats are rented by Children's Services, a number from Darlington Borough Council Housing Services and the remainder from local Housing Associations. All rents are set at affordable rent levels. The longest notice period to exit an accommodation arrangement is 3 months. The greatest risk in proceeding will be</p>

securing the required volume of properties owing to the current housing stock pressures which are particularly acute for small affordable rental properties.

Likelihood

A small number of potential properties have already been identified at affordable rent levels which could be used for this purpose.

Proposal rescaling opportunities

The number of taster flats are expected to double through this proposal (an additional 7). A lower number of taster flats could be secured, however, that would impact young people's care plans and be more costly as it will reduce throughput and step-down opportunities from higher cost placements.

Proposal 10:

Expansion of Cedars to 7 days a week – Cedars is an Ofsted registered 3 bed residential service providing in-reach, outreach, and overnight provision (both in the form of planned short breaks and (where required) regulated emergency accommodation provision). Cedars is constrained by currently only operating on a weekend which has resulted in missed opportunities for young people to be supported. The total cost of this in year 1 is £240,531.

Risk of not proceeding

Is felt to be high. Cedars is a regulated service and already very effectively demonstrating positive cost avoidance impact, not being available as a 7-day service is constraining service effectiveness and opportunities have been missed for young people and their families to be supported.

Likelihood

Without moving to a 7-day provision service impact will be constrained and during the days when there is a need, but the service isn't operational alternative external care will need to be sourced in an emergency which will be very significantly higher cost than Cedars. This scenario is already being experienced, where an urgent external care expenditure could have been avoided if Cedars had been available during the week, this external care could only be secured weekly cost of £11k per week.

Risk of proceeding

Is felt to be low. Due to the diversity of the needs of children, it may be the case that a child's needs are so specific they cannot be met via Cedars. It may also be unsafe or inappropriate to provide care to certain children together and therefore a level of more costly external bespoke care provision will continue to be required from time to time for certain children. Depending on the level of alternative care required Cedars could move from cost saving towards cost neutral. The service staffing will be aligned with need and usage requirements.

Likelihood

Based on demand levels and care requirements over previous years it is not considered to be a likely scenario that Cedars operating 7 days doesn't have a demonstrable positive impact on care planning and the volume of urgent cost care requirements.

Proposal rescaling opportunities

Should the expansion to 7 days not have the evidential impact expected, the service could revert to weekend operating only or be decommissioned (this is considered exceptionally unlikely given the positive benefit from the current weekend operation).

Proposal 11:

Repurpose of Gilling Children’s Home Building—: As part of the incremental replacement of DBC children’s homes to new build accommodation. The existing Gilling children’s home (staff and children) will move to a more spacious new build accommodation, envisaged to take place summer 2024. This will leave the current Ofsted registered Gilling building vacant. DBC becoming a larger direct provider is key to the current overreliance on external placements and the strategic approach being pursued by local authorities across the country and in particular in the NE region. The proposal is to repurpose the Gilling building in response to an identified gap in provision for younger children who have a care plan of stepping down to foster care or home and will include additional therapeutic input and support. Cost in year 1 is £642,768.

Risk of not proceeding:

Darlington will not have the diversification in their directly provided children’s home to meet the needs of our children. This repurpose will provide a care arrangement in an area where we are presently solely reliant on independent providers. The building is well established in the community and there are no capital investment requirements. External children’s homes are not as invested in readying children for step down to foster care and without this we will see more children in long term residential care. Given the increase in younger children entering residential care (now from the age of 7) this will be a significant future pressure with current placement costs for a single child at £351k per annum for a period potentially of up to 10 years.

Likelihood

Is felt to be high. If Gilling isn’t re-purposed our reliance on the independent sector for high-cost placements for children who could in time be stepped down from residential care will not reduce. Children’s social care will also lose a well-established asset which could not be easily re-provided at a future point due to the community consultation aspects of the planning process and pressures on accommodation provision.

Risk of proceeding

Is felt to be Low, the house in which the residential care service is provided from is well settled in the community and owned by the Council. The staffing for the home would be able to be deployed to other service delivery pressures across children’s social care in the unlikely event that the home was under occupied.

Likelihood

There has been a consistent need from younger Darlington children for a step-down residential care home and therefore underutilisation is unlikely.

Proposal rescaling opportunities

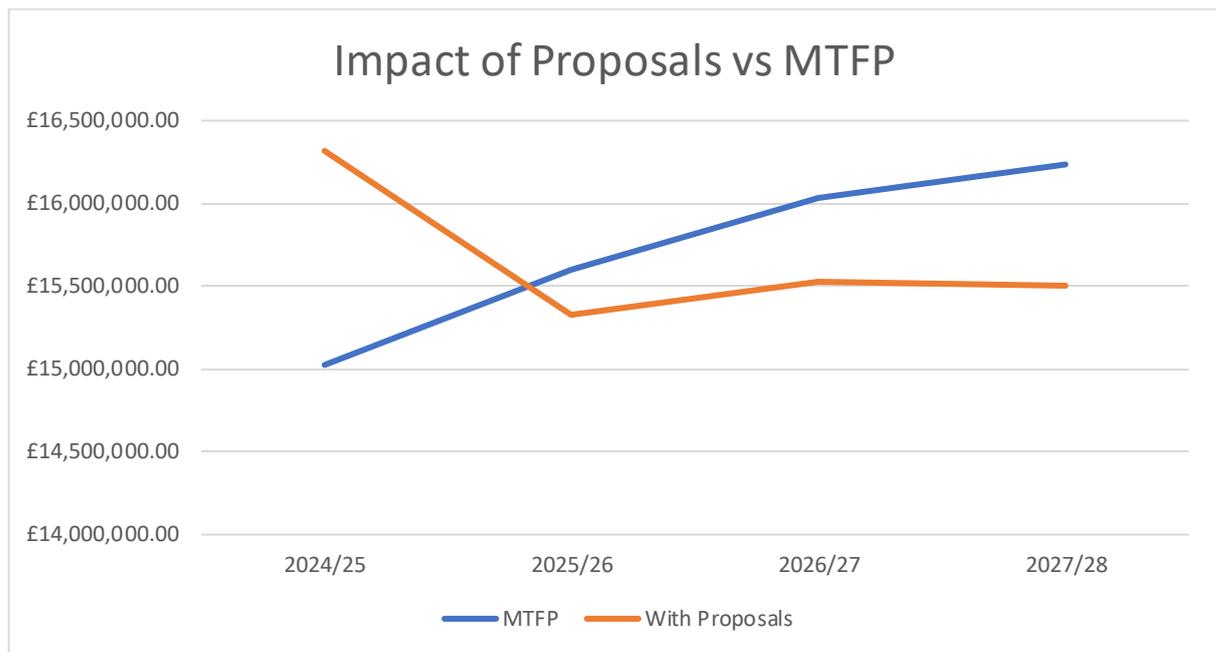
Should the remodelling of Gilling building not have the evidential and positive sufficiency impact expected, the service could be repurposed or decommissioned.

15. A summary of the proposals can be seen in the table at **Appendix 1**

Financial Implications

16. The impact for these proposals on the MTFP is outlined in the table and chart below:

Impact on the Draft MTFP	Cost				Cost Avoidance				Potential Financial Benefit			
	2024/25	2025/26	2026/27	2027/28	2024/25	2025/26	2026/27	2027/28	2024/25	2025/26	2026/27	2027/28
	£	£	£	£	£	£	£	£	£	£	£	£
Inhouse Fostering												
Uplift foster payments	180,671	186,091	189,813	193,610								
Restructure Professional Fees	138,171	138,171	138,171	138,171								
Council Tax exemption	88,500	88,500	88,500	88,500								
14 days respite	50,822	50,822	50,822	50,822	(115,490)	(346,470)	(577,450)	(808,430)	365,324	127,014	(100,244)	(327,427)
Mileage	3,000	3,000	3,000	3,000								
Refer a friend	750	750	750	750								
Refer a friend passed assessment	750	750	750	750								
Appreciation payment	12,750	0	0	0								
On Call fee	5,400	5,400	5,400	5,400								
Subtotal In House Fostering	480,814	473,484	477,206	481,003	(115,490)	(346,470)	(577,450)	(808,430)	365,324	127,014	(100,244)	(327,427)
Inhouse Residential												
Taster Flats	43,774	39,164	40,184	41,235	0	(63,796)	(66,118)	(68,458)	43,774	(24,632)	(25,934)	(27,223)
Cedars	240,531	250,896	261,945	273,565	0	(486,204)	(483,882)	(481,542)	240,531	(235,308)	(221,937)	(207,977)
Gilling Crescent	642,768	684,199	703,927	724,232	0	(821,705)	(862,791)	(897,303)	642,768	(137,506)	(158,864)	(173,071)
Subtotal Inhouse Residential	927,073	974,259	1,006,056	1,039,032	0	(1,371,705)	(1,412,791)	(1,447,303)	927,073	(397,446)	(406,735)	(408,271)
Total	1,407,887	1,447,743	1,483,262	1,520,035	(115,490)	(1,718,175)	(1,990,241)	(2,255,733)	1,292,397	(270,432)	(506,979)	(735,698)



17. In 2024/25 we would anticipate an additional cost pressure of £1,292,397 as a result of these proposals. In 2025/26, 2026/27 and 2027/28 we would anticipate costs savings of £270,432, £506,979 and £735,698 respectively. This assessment has been made on the impact when set against the draft MTFP for 2024/25 – 2027/28 and is based on current and projected children. The in-house fostering investment is expected to see a growth of 35 new DBC foster carers in the period 2024/25 to 2027/28.

Proposal	RAG rating	Risk of not proceeding	Likelihood	Risk of proceeding	Likelihood	Cost (year 1)
Foster Carer proposals						
1. Uplift the age-related payments		Carers deregister/ move to another Council	High	No increase in new foster carers	Low	£180,671
2. Restructure the professional fees		Carers deregister/ move to another Council	Exceptionally high	No increase in new foster carers	Low	£138,171
3. Provide a Council Tax financial contribution		Financial viability will continue to be a determiner for carers/Council commitment not as evident	High	Limited given the council control over the payments paid in monthly instalments	Low	£88,500
4. Give foster carers option to take 14 days paid respite		Carers move to other areas, burn out and placement instability	High	If all carers wish to have this arrangement that it would take a period of time to implement	Low	£50,822
5. Increase the mileage rate paid to foster carers		It is much more cost effective to pay for mileage than source alternative transport	High	Payments will only be made where a foster carer has undertaken journeys as a direct result of undertaking their foster role	Low	£3,000
6. Develop a refer a friend scheme		No incentive for word-of-mouth recruitment	High	Costs only incurred when foster carers are recruited and once a placement is made	Low	£1,500
7. Introduce an appreciation payment of £250		Carers do not feel appreciated on an ongoing basis	High	Overall cost is low and costs will be fixed and only be incurred on a 5 yearly cycle.	Low	£12,750
8. Offer an on-call fee of £30 per bank holiday and weekend		No incentive for carers to give up their time and be restricted in their leisure pursuits to be on call for emergency need	High	The is risk is the on-call payment does not attract a sufficient group of foster carers to have a viable and robust on call rota.	Low	£5,400

Proposal	RAG rating	Risk of not proceeding	Likelihood	Risk of proceeding	Likelihood	Cost (year 1)
Residential Service proposals						
9. Increasing the number of taster flats for Care Leavers		The existing taster flat capacity is insufficient for the volume of placement need.	High	Affordable rent properties with short exit provisions.	Low	£43,774
10. Expansion of Cedars to 7 days a week		Service impact will be constrained by restricted opening times, resulting in a higher volume of high cost urgent care being required.	High	Children will not always be able to be matched together and therefore a reduced level of higher cost care will still be required.	Low	£240,531
11. Repurpose of Gilling Children's Home Building		Darlington will continue to not have the diversification in their directly provided children's home to meet the needs of our children	High	The staffing for the home would be deployed to other service delivery pressures across children's social care in the unlikely event that the home was under occupied.	Low	£642,768

RAG rating key

Red 

Amber 

Green 

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ECONOMY AND RESOURCES SCRUTINY COMMITTEE

Thursday, 18 January 2024

PRESENT – Councillors Baker (Chair), Coe, Durham, Haszeldine, Henderson, Marshall, McGill and Mrs Scott.

APOLOGIES – Councillors Dillon and Ray.

ALSO IN ATTENDANCE – Councillors Crumbie, Johnson, Layton and Porter.

OFFICERS IN ATTENDANCE – Brett Nielsen (Assistant Director Resources), Anthony Sandys (Assistant Director - Housing and Revenues), Michael Conway (Mayoral and Democratic Officer) and Olivia Hugill (Democratic Officer)

ER81 DECLARATIONS OF INTEREST

There were no declarations of interest reported at the meeting.

ER82 MEDIUM TERM FINANCIAL PLAN

Submitted – The Minutes (previously circulated) of all the meetings of the Scrutiny Committees which had been held to discuss the proposals contained within the draft Medium-Term Financial Plan (MTFP) for 2024/25-27/28.

Note - The Minutes of the Communities and Local Services and the Children and Young People Scrutiny Committee were submitted with the prior approval of the Chair to the matter being treated as urgent to enable all the responses to be considered at this meeting.

The Assistant Director Resources attended and outlined the process and consultation period surrounding the Medium Term Financial Plan (MTFP) for which he had attended the Council's individual scrutiny committees. It was clarified that the purpose of this Special meeting was to discuss and collate the feedback as presented by Chairs of the individual committees at this meeting and to form a combined response for onward submission.

The Chairs of the individual scrutiny committees were invited to relate any feedback to this committee.

- a) The Chair of the Economy and Resources Scrutiny Committee provided a summary of the 4 January 2024 meeting and the discussion held around MTFP. Highlighting that a minority view was recorded as expressed by members who felt they could not endorse the MTFP as presented without more time to consider and after the full inclusion of the Local Government Finance Settlement details.
- b) The Chair of the Adults Scrutiny Committee provided a summary of the 9 January 2024 meeting and the discussion held around MTFP. It was highlighted that the committee believed that a greater fund for mental health services is required going forward.
- c) The Vice Chair of the Health and Housing Scrutiny Committee provided a summary of the 3 January 2024 meeting and the discussion held around MTFP. Highlighting that a

minority view was recorded as expressed by members who felt they could not endorse the MTFP as presented without more time to consider and after the full inclusion of the Local Government Finance Settlement details.

- d) The Chair of the Communities and Local Services Scrutiny Committee provided a summary of the 11 January 2024 meeting and the discussion held around MTFP in which the reduction in crematorium income was noted. It was also highlighted that the committee felt that changes would be required for future MTFPs in order to avoid excessive overspend.
- e) The Vice Chair of the Children and Young People Scrutiny Committee provided a summary of the 15 January 2024 meeting and the discussion held around MTFP. It was highlighted that members wished to commend officers on their progress in bringing some services in-house that were previously externally provided at greater cost. Members also requested should additional funds become available that SEND provision be a priority for funding.

The Children and Young People Scrutiny Committee had also considered a report (previously circulated) in relation to Children's Social Care in Darlington, Ensuring Placement Sufficiency and Enabling Creative Alternatives.

Following the presentation from committees' Chairs, the Chair of this meeting opened the room to discussion and questions in order to facilitate a combined response.

Discussions were held which noted the drop in overall grant funding and that a close eye should be kept on services that could experience major strain from this. It was also highlighted that the increase in demand for statutory services reduces budgets elsewhere, this was acknowledged as a national issue but the point was made that more money and longer term financial stability should be the primary goal.

A member also requested that the lowering of central government funding be noted as this is a pressure for the Council.

Another member made the point that they believe looking at the budget from a zero-base position could assist in identifying opportunities going forward.

A member raised discussion with regards to climate change funding and their concern that action may need to be taken at short notice towards this which may not be included in the budget. Officers clarified that the Housing budget is a large area with climate change impacts and funding has been set aside in the HRA MTFP for this, however it was acknowledged that not every implication of climate change is built into the MTFP but will be considered as part of future MTFPs to coincide with government timeframes for net carbon zero.

Questions were raised which included as to whether funding will be available to maintain Darlington's roads and repair potholes with the response that keeping roads at the highest standard would cost around £10m and that extra funding would be required to achieve this.

A question was raised asking how other committees are able to satisfy themselves that they understand the MTFP report and numbers involved. Responses were provided including that briefings with officers and COE members are available to aid in understanding where needed.

That members are provided with the most relevant information and that data from previous meetings can be readily accessed should members wish to gain a broader understanding of the history and trajectory of reports. That many committee members have professional experience in the areas being scrutinised and that all members take the subject matter seriously regardless of past experience. Overall, the consensus being that other committees are capable of understanding and processing the MTFP reports with members being welcome and encouraged to attend and observe any committees represented at this meeting.

Members asked for clarification of reserves with the Assistant Director Resources responding that unearmarked reserves were used to balance the budget with other earmarked reserves used to fund specific service areas, it was also stated that funding could be released from earmarked reserves in due course if unused and no longer needed. It was also asked if any surplus in the Council Tax Collection Fund will be utilised in coming years with the Assistant Director Resources answering that £1m had been released this year.

RESOLVED – That Cabinet be advised that the following is the response of the Economy and Resources Scrutiny Committee on behalf of all of the Council’s Scrutiny Committees in relation to the Medium Term Financial Plan 2024/25 to 2027/28 consultation:

- (i) That the report and the input of the scrutiny committees’ representatives be noted with the majority view that the MTFP is approved for onward submission.
- (ii) A minority view was recorded from members who do not support the MTFP in its current form.

(2) STRONGER COMMUNITIES FUND

The Scrutiny Committee also considered a report (previously circulated) of the Cabinet Member with Portfolio for Stronger Communities in relation to the Stronger Communities Fund.

The Assistant Director Resources reported that the Communities and Local Services Scrutiny Committee on 11 January 2024 had also considered the report and had recommended the continuation of the scheme for the 2024/25 financial year and had noted the scheme’s current spend against the £50,000 allocated funding.

The Chair of the Communities and Local Services Scrutiny Committee reported that, in making the recommendation to continue the scheme in 2024/25 the lack of funding available across the council had been acknowledged. The Assistant Director Resources added that the decided levels of funding would also need to be included in the MTFP.

Members entered into discussion with some Members positively encouraging others to make use of the funding available to help the residents in their wards. Other Members stated that the scheme should continue but that greater publicity would be beneficial, such as advertisements in One Darlington.

A further point was raised that if some Councillors struggled to allocate their funds, the funds could be reallocated to those wards with a greater need.

A Member highlighted the positive impact that the fund can have in maintaining community groups that benefit a lot of residents and also raised the possibility that, in the future, certain practitioners could be funded who would have a positive impact with their work.

Members also raised the point that Councillors who have had greater success would be happy to share ideas for issuing funds with other Members and that success stories of the scheme should be more widely promoted. Another Member clarified that Councillors can apply for funds for their residents who are taking part in schemes outside their Ward.

The Chair of this Committee acknowledged the current financial pressures and appreciated the continuation of such a scheme for communities. The Chair also suggests a review of spending levels and regulations around issuing funds.

A member raised the points that funding should always go those with the greatest need where possible and that strengthened conflict of interest checks when issuing funds would add to the robustness of the scheme.

RESOLVED – That the report be noted, and Cabinet be advised of the view to support the continuation of the scheme, taking into account the points raised during the discussion.

**CABINET
6 FEBRUARY 2024**

HOUSING REVENUE ACCOUNT – MTFP 2024-25 TO 2027-28

**Responsible Cabinet Member - Councillor Matthew Roche,
Health and Housing Portfolio**

Responsible Director – Elizabeth Davison, Group Director of Operations

SUMMARY REPORT

Purpose of the Report

1. To consider proposals for the revenue budget, capital programme, rent levels and service charges for the Council's Housing Revenue Account (HRA) for the financial year 2024-25 in the context of the HRA Medium Term Financial Plan to 2027-28 and the 30-year Business Plan, following consultation with Council tenants.

Summary

2. Darlington Borough Council is the largest provider of social housing in the borough, providing 5,278 homes to local residents. Our homes offer a high standard of accommodation that meets the Decent Homes Standard, and we provide a range of quality services to tenants, including a responsive repairs and maintenance service, lifeline services and emergency call out provision.
3. We are proud of our housing and want to continually improve, so in addition to the day to day maintenance, significant investment is made in our housing stock each year to maintain and improve those standards, enhance the energy efficiency of our homes (to improve our homes, help our tenants reduce their energy consumption and bills, meet Government targets and tackle climate change), whilst ensuring we have the financial capacity to continue with our ambitious programme of building new Council homes.
4. The high quality of our homes and the services provided mean they are in high demand, which is why we have an ambitious programme to build new Council homes in Darlington. Our new build Council housing programme is funded through capital receipts from right to buy sales, grant funding from Homes England and through estimated borrowing of £13.5m.
5. The HRA funds a Tenancy Sustainment Service to provide our tenants with advice and support to help address the current financial challenges they are facing. This includes support to claim welfare benefits, budgeting advice, saving money on gas and electricity, opening bank accounts and applying for the Northumbrian Water tariff, which can reduce water bills by up to 50%. Referrals are also made to CAB for independent financial advice, as well as to food banks and furniture recycling schemes.

6. This report sets out the key decisions for the HRA for 2024-25, which includes:
 - (a) Proposed revenue expenditure of £31.783m, including
 - (i) £6.179m to fund our responsive repairs and maintenance service, and
 - (ii) £13.455m contribution to the capital programme.
 - (b) A proposed capital programme of £27.270m, including
 - (i) £1.286m for heating system replacements,
 - (ii) £1.851m for property adaptations, structural works, external works, and roofing,
 - (iii) £1.495m for windows and door replacements,
 - (iv) £2.898m for kitchen and bathroom replacements,
 - (v) £3.068m to deliver energy efficiency measures to help reduce tenants' energy bills and tackle climate change,
 - (vi) £15.815m to deliver our new build Council housing programme and for property acquisitions.
7. The key decision regarding the HRA each year is the balance between setting rent and service charge levels that are affordable to our tenants, whilst ensuring we have sufficient resources to invest in our housing stock, tackle climate change, meet the challenges of new Decent Homes Standards and new Fire Safety Regulations, and maintain services.
8. Councils have the discretion to increase rents each year by the Consumer Price Index (CPI) plus 1%. CPI for September 2023 was 6.7%, which means for 2024-25 Members could increase rents by up to 7.7%.
9. Members will recall that a 5% rent increase was agreed in February 2023 for the current financial year, although rents could have been increased by 7%. This was in recognition of the ongoing economic pressures facing our tenants. CPI for September 2022 was 10.1%, which meant for 2023-24 Members would have usually been able to increase rents by up to 11.1%. However, the Government placed a rent increase cap of 7% for 2023-24.
10. The Council has faced substantial financial pressures over the last 12 months particularly around inflation and the cost of materials and services to maintain our homes, the most significant increases being in roofing, door and window replacements, and general day to day repairs, with an average overall increase in cost of 7.9%. These costs are anticipated to increase by a further 5.1% in 2024-25, as detailed in the main report. In addition, the Government are proposing to introduce new Decent Homes Standards and new Consumer Standards in 2024, together with a consultation on Awaab's Law, all of which will place greater emphasis on social landlords to provide good quality homes to their tenants, including tackling issues such as damp and mould quicker. The cost of these changes is, as yet unknown.

11. Taking into account the current economic pressures facing our tenants and balancing this with the increased costs of maintaining and improving our housing and the need to deliver our ambitious capital and energy efficiency programmes, an increase of 6.7% is recommended, or an average of £5.54 each week. It is also recommended to increase service charges by an appropriate inflationary amount. Members should also note that many social housing providers in the region are proposing the maximum rent increase of 7.7% and details are given at **Table 5**.
12. This report was considered by the Health and Housing Scrutiny Committee on 23 January 2024, who agreed its onward submission for consideration by Cabinet.

Recommendations

13. It is recommended that Cabinet consider the following proposals and recommend their onward submission for approval to Council:-
 - (a) An average weekly rent increase of 6.7% 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 are increased as shown in **Table 6**.
 - (c) The revenue budget at **Appendix 1** is approved.
 - (d) The Housing Business Plan at **Appendix 2** is agreed.
 - (e) The capital programme at **Appendix 3** is agreed and if subsequently approved by Council, the expenditure is released.

Reason

14. 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.

Elizabeth Davison
Group Director of Operations

Background Papers

Regulator of Social Housing - Rent Standard

Anthony Sandys: Ext 6926

S17 Crime and Disorder	There are no issues
Health and Well Being	By ensuring our housing stock is in good condition we are making a positive contribution to the health and well-being of our tenants
Carbon Impact	There are a range of energy efficiency measures included in the business plan which will have a positive carbon impact
Diversity	There are no diversity issues
Wards Affected	This will have an effect on all Wards in the Borough with Council Housing
Groups Affected	All Council tenants and Lifeline service users
Budget and Policy Framework	The issues contained within this report require Council approval and the report will be presented to Council on 15 February 2024
Key Decision	This is not a key decision for Cabinet, as the approval of Council on 15 February 2024 will be required
Urgent Decision	This is not an urgent decision for Cabinet, as the approval of Council on 15 February 2024 will be required
Council Plan	This report contributes to the Council Plan by involving Members in the plans to build new Council houses and ensuring the existing Council housing stock is maintained to a high standard and is environmentally friendly by maximising rental and service charge income
Efficiency	As the HRA is a ring fenced budget every effort is made to maximise income and identify savings in order to maintain a high quality service
Impact on Looked After Children and Care Leavers	No impact

MAIN REPORT

Background

15. Darlington Borough Council is the largest provider of social housing in the borough, providing 5,278 homes to local residents. Our homes offer a high standard of accommodation that meet the Decent Homes Standard and provides a range of quality services to tenants including a responsive repairs and maintenance service, lifeline services and emergency call out provision.

16. In addition, significant investment is made in our housing stock each year to maintain and improve those standards. A comprehensive capital programme delivers a range of home improvements to tenants, improves the energy efficiency of our homes to reduce our carbon impact and reduce the energy bills of our tenants, whilst ensuring we have the financial capacity to continue with our ambitious programme of building new Council homes. Over 50% of households in Council housing have one or more person with a disability and we are therefore committed to providing good quality homes with generous space standards and lifetime homes principles to support people to live independently and maintain a good quality of life.

17. The high quality of our homes and the services provided mean they are in high demand, which is why we have an ambitious programme to build new Council homes in Darlington.
18. The key decision regarding the HRA each year is the balance between setting rent and service charge levels that are affordable to our tenants, whilst ensuring we have sufficient resources to invest in our housing stock, tackle climate change and maintain services.

Setting the MTFP for the HRA

Projected HRA Expenditure for 2024-25

19. Detailed estimates have been prepared based on current service levels and the following expenditure amounts for the revenue account are proposed for 2024-25:

Area	£m	Description
Operational costs	4.859	This includes all the costs associated with the provision of our housing management, housing income, tenancy sustainment and tenancy enforcement services, central support services and other associated support costs such as ICT, buildings, and insurance.
Service charges	3.377	This covers services charged to tenants such as grounds maintenance and Lifeline charges to a range of clients. All service charges are fully recoverable. It also includes recharges that will be recovered through additional income including court costs and recharges to the General Fund for grounds maintenance.
Responsive repairs and maintenance	6.179	This covers the on-going general repairs to our 5,278 Council properties, which is an average of £1,171 for each property in 2024-25. The continued investment in a good quality repairs and maintenance service is essential to maintaining the high standards of our housing stock, whilst also ensuring we meet all the statutory requirements to provide for the health and safety of our tenants.
Capital financing	3.911	Historic and ongoing cost of paying for borrowing undertaken to fund capital expenditure.
Bad debt provision	0.250	Provision to cover rents that are deemed to be unrecoverable.
Revenue contribution to the capital programme	13.455	This represents the amount by which the HRA can fund major capital works. A breakdown of the proposed Capital Programme for 2024-25 is given below in 'Housing Business Plan'.

Housing Business Plan

20. All Housing Capital schemes are funded fully from the HRA, and this section explains what future capital investment is planned. The priorities are identified through the Housing Business Plan, which is constantly reviewed to ensure investment is targeted in the area of most need. The funding proposals for 2024-25 are:

Area	£m	Description
Adaptations and lifts	0.214	This budget delivers adaptations to Council homes to enable tenants with a disability to remain in their own home and live independently. In addition, the budget also covers any unplanned works to passenger lifts within sheltered and extra care schemes.
Heating replacement	1.286	This budget will fund new condensing boilers and central heating upgrades that are due for replacement and in addition, to any unplanned replacements required due to boiler failure before their due replacement date. This work for 2024-25 will predominantly be completed in the Bank Top and Lascelles, Eastbourne and Cockerton wards.
Structural works	0.427	This budget will be used to address structural issues identified within the year.
Lifeline services	0.250	This budget will to continue fund any upgrades required to Lifeline equipment.
Repairs before painting	0.066	This budget will be invested in joinery repair works in anticipation of the cyclical external painting programme. This work for 2024-25 will predominantly be completed in the Bank Top and Lascelles, Park East, Harrowgate Hill and Stephenson wards.
Roofing and repointing work	1.050	This budget will fund the replacement of flat and pitched roofs and the replacement of fascia's, soffits, and rainwater goods. In addition, it will also fund loft insulation work, where appropriate. This work for 2024-25 will predominantly be completed in the Houghton and Springfield ward.
Garages	0.050	This budget will be invested in improvements to the Council's garage blocks including demolition where they are beyond economical repair. This work for 2024-25 will predominantly be completed in the Bank Top and Lascelles and Red Hall and Lingfield wards.
External works	0.210	This budget will be used to provide new rear dividing fences and new footpaths to Council properties based on their condition, in various locations across the borough.

Area	£m	Description
Pavements	0.027	This budget will be used to fund any identified work to upgrade or adapt any pavements (including requirements for dropped kerbs for Council properties) across the Borough.
Window and door replacement	1.495	This budget will fund the window and external door replacement programme, including replacement fire doors in communal areas. This budget will also fund any window and door replacements required as a result of a responsive repair. This work for 2024-25 will predominantly be completed in the Sadberge and Middleton St. George, Bank Top and Lascelles, Whinfield and North Road wards.
Internal planned maintenance (IPM)	2.898	This budget will fund kitchen and bathroom replacements that are due. This budget will also fund any kitchen and bathroom renewal works for properties as required, including any void properties that require this work before letting. This work for 2024-25 will predominantly be completed in the Red Hall and Lingfield and Cockerton wards.
Communal works	0.160	This budget will fund any work required to communal areas and will also be used to carry out upgrades to card entry systems. This work for 2024-25 will predominantly be completed in the Park East and Cockerton wards.
Energy efficiency improvements	3.068	This budget will continue to fund energy efficiency improvements such insulation and heating systems. This will also include any match funding required for Government energy grant bids (see the 'Climate Change' section below).
New build and acquisitions	15.815	This budget will continue to fund the new build Council housing programme (see the 'New Build' section below) and for any property acquisitions.

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

New Build

22. Darlington Borough Council has set an ambitious programme to build additional new Council homes to meet increasing demand for social housing in the area. Since the programme began, 293 new Council properties have already been delivered at various locations around Darlington, providing exceptionally high quality homes to local residents. Demand for our properties continues to be high, with over 1,400 Darlington residents on the Housing Allocations register.

23. Since the abolition of the HRA borrowing cap, we have been able to prudentially borrow and have included estimated additional borrowing of £13.5m in 2024-25 to build new affordable homes. Our new build council housing programme is funded through capital receipts from right to buy sales, grant funding from Homes England and prudential borrowing.
24. The Housing Business Plan is funded by the rents and service charges received from Council properties and the loss of income from ongoing right to buy sales would put the Business Plan at risk if these properties were not replaced.
25. The following new build work is planned to be delivered in 2024-25:
 - (a) Phase 2 of the Sherbourne Close site is due to commence in 2024, providing an additional 14 new homes. Development of the site was due to commence in January 2023 but has been delayed due to nutrient neutrality issues. Phase one of this site has already delivered 18 new homes.
 - (b) Work on the Skinnergate site is due to commence in 2024, delivering 16 new homes and will initially require some demolition work of existing commercial buildings. Development of the site was due to commence in 2022 but has been delayed as a result of ongoing legal issues in regard to adjoining commercial and residential properties, nutrient neutrality issues and enquiries raised by Historic England.
 - (c) Work on the Neasham Road site commenced in September 2022 and will deliver 150 new homes by 2025-26. The first new Council homes on the site are due to be completed in March 2024.
26. As noted previously, the new build programme for 2024-25 will partly be funded through additional borrowing. In addition, grant funding bids to Homes England's Affordable Housing Programme will also provide around 25% of the overall costs. It is difficult to predict exact grant funding levels as decisions are made by Homes England on a site by site basis, therefore grant projections are based on previous successful bids. To reduce financing costs, unallocated balances will be used before borrowing, however this is purely for treasury management purposes, as all new build schemes are self-financing.

Housing for Vulnerable People

27. Each year, Housing Services complete a range of minor and major adaptations to individual Council properties where a need has been identified by an Occupational Therapist. Works range from the provision of lever taps and grab rails to semi-permanent ramps, stair lifts, hoists, and ground floor extensions.
28. The HRA adaptations budget reflects the fundamental role adaptations play in supporting vulnerable people to continue to live independently, reducing the need for expensive care packages and prevent a premature move into residential or care accommodation. These high levels of need have also been considered in developing our new build housing programme and properties are built in accordance with Lifetime Homes standards.
29. Inexpensive features include flush door entrances at the front and rear for wheelchair access, and raised sockets, as well as low level windowsills and openings. Increased space standards allow for hallways wide enough for 360° wheelchair turning circles, wider doors,

and ground floor toilets. Occupational Therapists and Housing Officers also work closely with individuals to meet their needs where appropriate, such as bespoke lowered kitchens and specific bathing requirements before they move in, wherever possible.

Existing Stock Investment and Responsive Repairs

30. Previously, a percentage of our housing stock has been surveyed by an independent specialist organisation every five years and detailed analysis of the data takes place to help inform our priorities. However, the Regulator of Social Housing (RSH) has recommended that social housing providers should have an accurate record of all their stock, and in response, we have recruited a dedicated Stock Condition Surveyor who will undertake a rolling programme of surveys to inform our provision of good quality, well maintained and safe homes for our tenants.
31. Overall, our properties have been assessed as being in good condition, reflecting our significant annual investment as part of a structured programme for both on-going capital improvements and responsive repairs and maintenance. Our annual stock condition surveys will continue to shape our Business Plan and energy efficiency priorities.
32. All our properties comply with Decent Homes Standards. This can be largely attributed to a central heating programme providing A-rated combi-boilers and a planned maintenance programme which ensures properties benefit from cavity wall insulation and 300mm of loft insulation. Properties have also been targeted in recent years for a more comprehensive package of energy efficiency measures including double glazed UPVC windows, composite doors, and loft insulation. In addition, all our properties comply with health and safety legal requirements and part of the cyclical maintenance programme includes statutory gas and electrical safety checks.
33. The Housing Business Plan identifies a capital works budget of around £68m over the next four years and £480m budget for capital works over the next 30 years, including the New Build Programme (see Appendices 2 and 3).
34. The Business Plan also anticipates the number of responsive repairs will remain at current levels, with an annual inflationary increase for costs and so allocates a budget of £26.4m for responsive repairs and maintenance over the next four years.

Climate Change

35. We are committed to improve the energy efficiency of our homes, reduce our carbon impact, help tackle climate change, and reduce tenant's fuel bills. However, significant investment is required to achieve Government targets to ensure all our homes:
 - (a) Achieve a minimum Energy Performance Certificate (EPC) rating of C by 2030.
 - (b) Achieve a net zero carbon rating by 2050.
36. An independent consultant was commissioned in 2021 to produce a zero carbon study, to retrofit our housing stock to meet Government targets over the next 30 years. The full cost of retrofitting all properties is difficult to determine at this stage, but estimates are in excess of £100m. To meet the EPC target of C, an estimated £2.1m to £4.1m additional investment is required each year up to 2030. The study recognised that the majority of

this amount will need to come from Government funding.

37. The Council has already committed £1m of capital expenditure to tackle climate change in the current financial year and this has been supplemented with Government funding from successful bids through the Local Authority Delivery (LAD) scheme and the Social Housing Decarbonisation Fund (SHDF) to deliver improvements to Council homes as follows:
- (a) The LAD(1b) scheme delivered loft insulation and double glazed windows to 709 Council homes using £1.08m of Government funding and £0.62m of capital expenditure.
 - (b) The LAD(2) scheme delivered Air Source Heat Pumps, Smart heating controls, loft insulation and solar panels to 28 Council homes using £0.17m of Government funding and £0.07m of capital expenditure.
 - (c) The SHDF (wave 1) scheme delivered external and cavity wall insulation, Air Source Heat Pumps, loft insulation and solar panels to 23 Council homes using £0.24m of Government funding and £0.28m of capital expenditure.
 - (d) The SHDF (wave 2) scheme will deliver external and cavity wall insulation, solar panels, loft insulation, double glazing, and low energy lighting to 130 Council homes using £1.27m of Government funding and £1.27m of capital expenditure.
38. In addition, all single glazed windows in Council properties were replaced with double glazing and this work was completed in 2023. To meet the Government's targets, £3.1m investment is recommended for 2024-25 in the HRA MTFP, increasing by inflation to £3.4m by 2027-28. Investing in the energy efficiency of our homes will also help to reduce our tenant's energy bills and will deliver the following improvements:
- (a) Replacing timber front and back doors with composite doors.
 - (b) Improvements to external wall insulation.
 - (c) Installation of solar panels and air source heat pumps.
 - (d) Loft insulation upgrades as part of our roofing and IPM programmes.
39. All Government funding bids require match funding from the Council, usually on a 50/50 basis. Our initial objective is to ensure the EPC rating for all our Council homes is at a minimum of C. Over 3,400 Council properties currently have an EPC rating of D or lower, although it is recognised that many of these properties just fall short of an EPC rating of C where minimal investment is required to achieve this. Our Housing Services Climate Change Strategy identifies what actions are required from 2024-25 onwards to deliver this.

Income

Rents

40. All registered providers of social housing (including Councils) must set rents in accordance with the Government's Rent Standard. The standard allows social housing providers to increase rents, by CPI plus 1%, which means for 2024-25, social housing providers would

have the discretion to increase rents by up to 7.7%.

41. Members will recall that a 5% rent increase was agreed in February 2023 for the current financial year, although rents could have been increased by 7%. This was in recognition of the ongoing economic pressures facing our tenants. CPI for September 2022 was 10.1%, which meant for 2023-24, Members would have usually been able to increase rents by up to 11.1%. However, the Government placed a rent increase cap of 7% for 2023-24.
42. The Council has faced substantial financial pressures over the last 12 month around inflation, energy and the rising cost of materials and services to maintain our homes, the most significant increases being in roofing, door and window replacements, and responsive day to day repairs, with an average overall increase in costs of 7.9% (see **Table 1**). These costs are anticipated to increase by a further 5.1% in 2024-25, as shown in **Table 2** below.

Table 1: Cost increases 2023-24

Item	Average cost 22-23	Average cost 23-24	Estimated properties	Total cost 22-23	Total cost 23-24	Percentage increase
Roofing	£8,000	£8,800	100	£800,000	£880,000	10.0%
Kitchen / bathroom	£9,329	£10,040	220	£2,052,380	£2,208,900	7.6%
Heating	£3,600	£3,871	200	£720,000	£774,200	7.5%
External doors	£737	£788	230	£169,510	£181,350	7.0%
Windows	£3,000	£3,333	250	£750,000	£833,250	11.1%
Painting	£255	£280	1,000	£255,000	£280,250	9.9%
Responsive repairs	£170	£182	25,000	£4,250,000	£4,552,000	7.1%
Total				£8,996,890	£9,709,950	7.9%

Table 2: Estimated cost increases 2024-25

Item	Total cost 23-24	Estimated total cost 24-25	Percentage increase
Roofing	£880,000	£880,000	0.0%
Kitchen / bathroom	£2,208,900	£2,329,300	5.5%
Heating	£774,200	£816,000	5.4%
External doors	£181,350	£194,050	7.0%
Windows	£833,250	£891,600	7.0%
Painting	£280,250	£299,900	7.0%
Responsive repairs	£4,552,000	£4,791,000	5.3%
Total	£9,709,950	£10,201,850	5.1%

43. The Council recognises that the last few years have been a difficult time for all our tenants and in the current economic climate the pressures on fuel and price inflation in general puts a strain on family finances. Conversely, rising prices also means the cost of repairs, maintenance, contractor, and material costs to maintain and invest in our stock are also increasing. Without any rise there would be an impact on our ability to maintain and invest in our tenant's homes and the ability to implement the significant energy efficiency

measures required to lower tenants’ energy bills and tackle climate change.

44. In addition, new Decent Homes Standards are due to be published in 2024 and the RSH is consulting on new Consumer Standards that place greater emphasis on social landlords to provide good quality homes to their tenants, including tackling issues such as damp and mould. New Fire Safety regulations also require us to replace all our doors in communal housing schemes over the next few years. It is worth noting that over 70% of our tenants will have their rent and most service charges covered by Universal Credit or Housing Benefit payments. This means that the full amount of any increase will be covered by those benefits.
45. Taking into account the current economic pressures facing our tenants, the recent increase in CPI and balancing this with the need to deliver our ambitious capital and energy efficiency programmes, an increase of 6.7% is recommended for 2024-25, an average of £5.54 each week. It is also recommended to increase service charges by an appropriate inflationary amount. The proposed increases reflect the rising cost of wages, building materials and contracted services. We anticipate that our average rents will continue to be lower than other social housing providers in Darlington and the latest published figures confirm this (see **Tables 3 and 4** below).

Table 3: Average Weekly Social Rents 2022-23 (no service charges included)

House size	Darlington BC	All Other Registered Providers in Darlington
1 bedroom	£66.45	£71.21
2 bedrooms	£75.41	£85.07
3 bedrooms	£83.91	£89.84
4 bedrooms	£89.70	£109.54

Table 4: Average Weekly Affordable Rents 2022-23 (including service charges)

House size	Darlington BC	All Other Registered Providers in Darlington
1 bedroom	£90.03	£92.90
2 bedrooms	£94.68	£103.65
3 bedrooms	£105.89	£115.19
4 bedrooms	£134.76	£126.31

46. Information on rent increases for 2024-25 from nearby social housing providers, including other stock holding Councils, has been obtained and all are recommending a 7.7% increase, as shown in **Table 5** below.

Table 5: Proposed Rent Increases for Social Housing Providers 2024-25

Landlord	Proposed rent increase 2024-25
Darlington Council	6.7%
North Yorkshire Council	7.7%
Northumberland Council	7.7%
North Tyneside Council	7.7%

Landlord	Proposed rent increase 2024-25
Hartlepool Council	7.7%
North Star	7.7%
Your Homes Newcastle	7.7%
Beyond	7.7%
Castles and Coast	7.7%
Believe Housing	7.7%
Karbon Homes	7.7%
Thirteen	7.7%
Railway Housing	7.7%

47. In addition to the income from rent and service charges, in 2024-25 we plan to borrow an additional £13.5m to help fund our new build programme. This will be supplemented with grants from Homes England, which usually cover around 25% of the new build costs. We also plan to continue to bid for available Government funding to improve the energy efficiency of our homes and reduce our carbon impact. Even with the proposed 6.7% rent increase for 2024-25, our reserves are estimated to reduce from £20.7m in 2024-25 to £11.1m by 2027-28.

Garage Rents and Service Charges

48. The proposed service charges are shown at **Table 6** below and achieves full recovery of costs from those tenants who directly benefit from the services provided. In most cases, this means an inflationary increase is necessary that either matches or is below CPI but in some instances, a higher increase is needed to maintain current levels of service.

49. For 2023-24, the heating charge for sheltered and extra care schemes was increased to £42.88 each week to reflect the North East Procurement Organisation's (NEPO) estimate of gas price increases in 2023-24. However, Members agreed to review this amount during 2023 and amend the service charge to reflect actual heating costs for the schemes. Following a review, the heating charge was reduced to £28.85 from 1 October 2023 and it is proposed to keep this charge for 2024-25 at the same level.

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

Table 6: Garage Rents and Service Charges

Description	Current Weekly Charge (23/24)	Proposed Weekly Charge (24/25)	Percentage Increase
	£	£	%
Garage Rents	8.74	9.76	12%
Building Cleaning – Flats	2.30	2.62	14%
Building Cleaning – Sheltered Schemes	4.09	4.66	14%
Building Cleaning – Extra Care	14.56	16.63	14%
Grounds Maintenance – General Housing	2.06	2.20	7%
Grounds Maintenance – Blocks of Flats	2.06	2.20	7%
Heating – Sheltered and Extra Care Schemes*	42.88	28.85	-33%
Heating – Blocks of Flats	6.21	3.29	-47%
Administration – Leaseholders	1.99	2.12	7%
Furnishings and Fittings – Sheltered and Extra Care Schemes	2.42	2.53	5%
Furnishings and Fittings – Good Neighbour Schemes	1.11	1.24	12%
Lifeline Response	7.58	7.92	4%
Lifeline – Sheltered and Extra Care Schemes	27.59	28.38	3%
Pavement Crossings and Hard Standings	4.72	5.12	9%
Mid-day Meal – Extra Care (Residents only)	45.43	48.61	7%
Mid-day Meal – Extra Care (Non-Residents only)	54.51	58.33	7%
Guest Rooms in Sheltered Schemes	98.85	105.48	7%
Door Entry Systems	0.86	0.93	9%
TV Aerials	0.24	0.26	9%
Furniture Charge	12.00	14.08	17%
Housing Plus Service	20.62	22.60	10%

* Reduced from £42.88 to £28.85 each week from October 2023.

Consultation

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

Outcome of Consultation

52. A consultation exercise was carried out with the Tenants Panel in December 2023, with mixed views about the proposed rent increase. The Panel's comments were as follows:

- (a) "I've read the relevant pages of the HRA; yes, I agree with the proposed rise in rents, it sounds like a lot until you read the paperwork. There isn't anything that I can think of that I don't agree with. There was a question about the new builds in Skinnergate and one other on page 40; what is nutrient neutrality?"
- (b) "No, I think it is too much, it doesn't matter one bit what we think, it is sure to go ahead. More people than ever are using food banks, people have to now make a decision on keeping warm or eating. Council rent is catching up to the so called affordable rent, it isn't really affordable at all. This continual rush to build houses quickly. Why? We apparently have no homeless people in Darlington, I assume people on the housing list are in accommodation. I could elaborate more but I think that is plenty."
- (c) "There has been a lot of increases and I personally think that those who pay everything with no subsidy will not like it. I know minimum wages are going up and a lot of the increases are due to inflation, but it doesn't make good reading. I read through the HRA and obviously from maintenance to allowing for new builds the costings have increased. I still think with all the increases that are going to happen it does seem high."
- (d) "At a time of an acute cost of living crisis, I think the rate of increase is too much and will not help those tenants who have to make up the difference of their rent from their benefits. I would also query whether the rate of increase is actually required and what level of reserves this would actually provide. Reserve suggests that this money is not required for general spending but in case of emergency, so how does that stack against reserves from previous years?"

More transparency and detail on the service charge would be useful, rather than a simple catch-all statement to announce an unspecified increase. Whilst home improvement schemes are welcome, it would help to put things into perspective. So rather than a list of schemes and the total cost of heating system replacements, it would help the message to specify how many council properties are affected by each proposal. No one really understands a total figure of £1.286m as that figure is meaningless to almost everyone who will read the leaflet. Linking to a single document containing more detail on this rather than a number of budget reports would be better.

New housing stock is welcome, as there is constant pressure on housing as can be seen by private rent and house value increases. Again, a number of houses, type and where you propose to put them would help to put this into perspective for people, if you require their support for this plan, as well as an assurance they will be spacious rather than the current trend of filling building land with shoeboxes, rather than homes with gardens. The latter is vital now after the experiences of the pandemic to enable people access to their own green space."

- (e) "I think all aspects of the rent increase are covered very well. Regarding the rent, the document covers well annual expenditure and planning, as well as highlighting efforts to reduce service charging costs. I think it acts as an appropriate document to inform tenants of the overall general picture of corporate landlord efforts and expenditure. It could be followed up with a more detailed document to inform tenants of the specific plans for 2024, to keep them in the picture of what is going to happen at

individual schemes, which could hopefully counteract rent increases. This could include turning off communal heating totally between April and September.”

- (f) “With any rent increases, it goes without saying that people will not be happy, but if you show why you are doing it, that will make people feel a lot better and I think that has been done. It has been explained very well and I can see why the rent needs to go up, but it still seems like a big jump.”
- (g) “It is quite clear in what you are informing people, and roughly works out at £25 per month. It doesn’t really affect my personal circumstances, but it will be a huge amount to some. When I worked with a single income coming in, I found it hard to make ends meet, and I am better off now I have retired. In fact, sometimes I feel guilty at the allowances that the government/council allow me.”

53. An on-line consultation on the proposals was also conducted with all Council tenants in December 2023. 507 responses were received and a summary is set out below:

- (a) 21.7% of respondents agreed with the proposed rent increase of 6.7% from April 2024 and 78.3% disagreed. Those that didn’t agree cited the current cost of living as the main reason (37.0%).
- (b) 55.4% of respondents agreed that the rent they pay to the Council is value for money, compared to other landlords in Darlington. 12.0% disagreed and 32.6% were unsure. Those that agreed the rent is value for money cited the rent being reasonable (14.8%) and that they feel happy and safe in their home (14.4%) as the main reasons. Those that disagreed cited the rent being too expensive (13.5%) and not receiving improvement works (10.3%) as the main reasons.
- (c) 32.0% of respondents said they had problems with paying their rent over the past year. 19.1% of respondents said that they had contacted the Council about paying their rent and 12.6% said the Council were able to help them with their problem.

Financial Implications

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

HOUSING REVENUE ACCOUNT - MTFP

	2024/25	2025/26	2026/27	2027/28
	£000	£000	£000	£000
<u>Income</u>				
Rents Of Dwellings (Gross)	(23,640)	(24,606)	(25,393)	(25,966)
Sundry Rents (Including Garages & Shops)	(497)	(512)	(527)	(543)
Charges For Services & Facilities	(3,377)	(3,528)	(3,641)	(3,768)
Contribution towards expenditure	(887)	(909)	(924)	(936)
Interest Receivable	(6)	(6)	(6)	(6)
Total Income	(28,407)	(29,562)	(30,492)	(31,220)
<u>Expenditure</u>				
Operational Costs	4,859	4,954	5,092	5,222
Service Charges	3,377	3,528	3,641	3,768
Capital Financing Costs	3,911	3,971	3,941	3,912
Increase in Bad Debt Provision	250	263	270	278
HRA Revenue Repairs	6,179	6,490	6,685	7,048
Revenue Contribution to Capital (R.C.C.O.)	13,455	12,668	12,535	12,956
Contribution to/(from) balance	(3,625)	(2,312)	(1,673)	(1,965)
Total Expenditure	28,407	29,562	30,492	31,220
(Surplus) / Deficit	0	0	0	0
Opening balance	20,702	17,077	14,765	13,091
Contribution to/(from) balance	(3,625)	(2,312)	(1,673)	(1,965)
Closing balance	17,077	14,765	13,091	11,127
Estimated closing dwelling numbers	5,329	5,397	5,387	5,461
Closing balance per dwelling	£3,204.48	£2,735.70	£2,430.19	£2,037.46

30 YEAR HOUSING BUSINESS PLAN 2024/25 - 2053/54

	Years 1-10 (£000)	Years 11-20 (£000)	Years 21-30 (£000)	Total Spend (£000)
Adaptations and Lifts	2,492	3,355	4,508	10,355
Communal Works	1,869	2,516	3,505	7,890
Decoration following IPM	483	888	1,194	2,565
External Works (footpaths, fencing, etc.)	2,450	3,298	4,517	10,265
Garages	331	378	493	1,202
Heating Replacements	15,007	20,201	27,149	62,357
Internal Planned Maintenance (IPM)	33,811	51,388	67,324	152,523
Repairs before painting	769	1,036	1,353	3,158
Roofing and Repointing Work	8,222	9,911	13,320	31,453
Structural Works	4,984	6,709	9,346	21,039
Lifeline Services	1,390	748	1,042	3,180
Energy Efficiency	38,394	40,253	53,467	132,114
Professional Fees	2,931	3,934	5,705	12,570
Pavements	315	424	591	1,330
New Build / Acquisitions	26,328	2,000	0	28,328
Total expenditure	139,776	147,039	193,514	480,329

HOUSING REVENUE ACCOUNT – CAPITAL PROGRAMME

	2024/25	2025/26	2026/27	2027/28
	£000's	£000's	£000's	£000's
Scheme / Project				
Adaptations / Lifts	214	224	231	238
Heating replacement programme	1,286	1,351	1,391	1,433
Structural works	427	449	462	476
Lifeline Services	250	210	202	213
Repairs before painting	66	69	71	136
Roofing	1,050	1,103	683	703
Garages	50	50	26	27
External Works (footpaths, fencing, fabric etc.)	210	221	227	234
Pavement Crossing	27	28	29	30
Window and Door Replacement Programme	1,495	1,570	1,617	1,666
IPM works	2,898	3,043	3,134	3,228
Energy Efficiency	3,068	3,221	3,318	3,418
Communal Works	160	168	173	178
New build (net of HE grant)/Acquisitions	15,815	2,513	1,000	1,000
Fees	254	265	274	279
Total spend	27,270	14,485	12,838	13,259
<u>Resourced by:</u>				
Capital Receipts	303	303	303	303
RCCO	13,455	12,668	12,535	12,956
Additional Borrowing	13,512	1,514	0	0

Examples of Weekly Rent Changes for 2024/25

Appendix 4

Area		Property Type	Approved Rent 2023/24	Proposed Rent 2024/25	Increase between 23/24 & 24/25	Increase between 23/24 & 24/25
					£	%
<u>Middleton St George</u>						
	Mount Pleasant Close	1 Bed Bungalow	87.55	93.41	5.87	6.7% *
	Pounteys Close	2 Bedroom House	83.52	89.12	5.60	6.7%
	Thorntree Gardens	3 Bedroom House	95.27	101.65	6.38	6.7%
<u>Cockerton</u>						
	Newton Court	1 Bedroom Flat	68.97	73.59	4.62	6.7%
	Elvet Place	2 Bedroom House	80.77	86.19	5.41	6.7%
	Minors Crescent	3 Bedroom House	87.03	92.86	5.83	6.7%
<u>Haughton</u>						
	Ted Fletcher Court	1 Bedroom Flat	69.55	74.21	4.66	6.7%
	Lyonette Road	2 Bedroom Flat	78.79	84.07	5.28	6.7%
	Nightingale Avenue	2 Bedroom House	81.55	87.01	5.46	6.7%
	Rockwell Avenue	2 Bedroom House	78.79	84.07	5.28	6.7%
	Dunelm Walk	3 Bedroom House	89.17	95.14	5.97	6.7%
<u>Branksome</u>						
	Branksome Hall	1 Bedroom Flat	69.08	73.71	4.63	6.7%
	Whitby Way	1 Bedroom Flat	69.08	73.71	4.63	6.7%
	Malvern Crescent	2 Bedroom House	79.24	84.55	5.31	6.7%
	Rosedale Crescent	3 Bedroom House	90.08	96.12	6.04	6.7%
	Sherborne Close	2 Bedroom Flat	93.40	99.66	6.26	6.7% *
<u>Lascelles</u>						
	Coxwold House	1 Bedroom Flat	68.28	72.85	4.57	6.7%
	Gilling Crescent	2 Bedroom Flat	68.28	72.85	4.57	6.7%
	Aldbrough Walk	2 Bedroom House	87.58	93.45	5.87	6.7% *
	Caldwell Green	3 Bedroom House	86.51	92.31	5.80	6.7%
	Fenby Avenue	3 Bedroom House	105.87	112.96	7.09	6.7% *
<u>Bank Top</u>						
	Graham Court	1 Bedroom Flat	69.52	74.18	4.66	6.7%
	Graham Court	3 Bedroom House	89.08	95.05	5.97	6.7% *
<u>Redhall</u>						
	Bramall House	1 Bedroom Flat	66.70	71.17	4.47	6.7%
	Aviemore Court	2 Bedroom Flat	73.35	78.26	4.91	6.7%
	Murrayfield Way	2 Bedroom House	76.40	81.52	5.12	6.7%
	Aintree Court	2 Bedroom House	74.97	79.99	5.02	6.7%
	Aintree Court	3 Bedroom House	96.43	102.89	6.46	6.7% *
<u>Eastbourne</u>						
	West Moor Road	1 Bedroom Flat	65.51	69.90	4.39	6.7%
	Tansley Gardens	2 Bedroom Flat	72.97	77.86	4.89	6.7%
	Firthmoor Crescent	2 Bedroom House	75.99	81.08	5.09	6.7%
	Brignall Moor Cres	3 Bedroom House	82.25	87.76	5.51	6.7%

Area		Property Type	Approved Rent 2023/24	Proposed Rent 2024/25	Increase between 23/24 & 24/25	Increase between 23/24 & 24/25
					£	%
<u>Skerne Park</u>						
	Trent Place	2 Bed House	82.22	87.73	5.51	6.7%
	Humber Place	3 Bed House	83.03	88.59	5.56	6.7%
<u>Parkside</u>						
	Wordsworth Road	1 Bedroom Flat	69.61	74.27	4.66	6.7%
	Shakespeare Road	2 Bedroom House	85.03	90.73	5.70	6.7%
	Ruskin Road	3 Bedroom House	88.25	94.16	5.91	6.7%

* Affordable rent properties - these rents include applicable service charges.

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CABINET
6 FEBRUARY 2024

PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT STRATEGY REPORT 2024/25

**Responsible Cabinet Member -
Councillor Mandy Porter, Resources Portfolio**

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

SUMMARY REPORT

Purpose of the Report

1. This report requests Cabinet to review and scrutinise the following prior to forwarding to Council for their approval and adoption:
 - (a) The Prudential Indicators and Limits for 2024/25 to 2026/27 relating to capital expenditure and Treasury Management activity.
 - (b) A policy statement relating to the Minimum Revenue Provision.
 - (c) The Treasury Management Strategy 2024/25, which includes the Annual Investment Strategy for 2024/25
2. The report outlines the Council's prudential indicators for 2024/25 – 2026/27 and sets out the expected treasury operations for this period. It fulfils key legislative and guidance requirements:
 - (a) The reporting of the **prudential indicators** setting out the expected capital activities and treasury management prudential indicators included as treasury indicators in the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice
 - (b) The Council's **Minimum Revenue Provision (MRP) Policy**, which sets out how the Council will pay for capital assets through revenue each year.
 - (c) The **treasury management strategy** statement which sets out how the Council's treasury service will support capital decisions taken above, the day to day treasury management and the limitations on activity through treasury prudential indicators.
 - (d) The key indicator is the **authorised limit**, the maximum amount of debt the Council could afford in the short term, but which is not sustainable in the longer term.
 - (e) The **investment strategy** which sets out the Council's criteria for choosing the investment counterparties and limiting exposures to the risk of loss.

3. The information contained in the report regarding the Councils expenditure plans, Treasury Management and Prudential Borrowing activities indicate that they are:
 - (a) Within the statutory framework and consistent with the relevant codes of practice.
 - (b) Prudent, affordable and sustainable.
 - (c) An integral part of the Council's Revenue and Capital Medium Term Financial Plans.

Recommendation

4. It is recommended that Cabinet examine the following and pass on any comments to Council in order that they approve them:
 - (a) The Prudential Indicators and limits for 2024/25 to 2026/27 summarised in Tables 1 and 2.
 - (b) The Minimum Revenue Provision (MRP) statement (paragraphs 36 – 43).
 - (c) The Treasury Management Strategy 2024/25 to 2026/27 as summarised in paragraphs 47 to 80.
 - (d) The Annual Investment Strategy 2024/25 contained in paragraphs 89 to 113.

Reasons

5. The recommendations are supported by the following reasons:
 - (a) In order to comply with the Prudential Code for Capital Finance in Local Authorities and the Department for Levelling Up, Housing & Communities (DLUHC) guidance on investments.
 - (b) To comply with the requirements of the Local Government Act 2003.
 - (c) To approve a framework for officers to work within when making investment decisions.

Elizabeth Davison
Group Director of Operations

Background Papers

- (i) Annual Draft Statement of Account 2022/23
- (ii) Draft MTFP (incl Capital MTFP 2024/25 to 2027/28)
- (iii) Draft Capital Strategy
- (iv) Link Asset Services Economic Report Dec 2023

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

MAIN REPORT

Information and Analysis

Background

6. CIPFA defines treasury management as:

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

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

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

Reporting requirements

Capital Strategy

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

Treasury Management Reporting

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

Prudential and Treasury Indicators and Treasury Strategy (this report)

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

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

A Mid-Year Treasury Management Report

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

An Annual Treasury Report

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

Treasury Management Strategy for 2024/25

- 18. The strategy for 2024/25 covers two main areas:
 - (a) Capital Issues:
 - (i) The capital expenditure plans and the prudential indicators;
 - (ii) The minimum revenue provision (MRP) policy.
 - (b) Treasury Management Issues:
 - (i) The current treasury position;
 - (ii) Treasury indicators which will limit the treasury risk and activities of the Council;
 - (iii) Prospects for interest rates;
 - (iv) The borrowing strategy;
 - (v) Policy on borrowing in advance of need;
 - (vi) Debt rescheduling;
 - (vii) The investment strategy;
 - (viii) Creditworthiness policy; and
 - (ix) Policy on use of external service providers.
- 19. These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, DLUHC MRP Guidance, the CIPFA Treasury Management Code and the MHCLG Investment Guidance.

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

Table 1 – Capital Expenditure and Borrowing

	2023/24 Revised	2024/25 Estimated	2025/26 Estimated	2026/27 Estimated
Capital Expenditure Tables 3 and 4	77.610	70.088	33.707	25.774
Capital financing requirement - Table 5	241.020	260.106	261.805	268.495
Ratio of financing costs to net revenue stream – General Fund See paragraph 45 - Table 6	4.47%	4.16%	4.16%	3.92%
Ratio of financing costs to net revenue stream –HRA See paragraph 45 - Table 6	12.78%	12.42%	12.53%	11.55%
Operational boundary for external debt - Table 9	160.091	183.973	190.581	201.675
Authorised limit for external debt - Table 10	253.071	273.111	274.895	281.920

Table 2 – Treasury Management

	2024/25 Upper Limit	2025/26 Upper Limit	2026/27 Upper Limit
Limits on fixed interest rates	100%	100%	100%
Limits on variable interest rates	40%	40%	40%
Maximum principal sums invested > 364 days	£50m	£50m	£50m
Maturity Structure of fixed interest rate borrowing 2024/25			
	Lower Limit	Upper Limit	
Under 12 months	0%	40%	
12 months to 2 years	0%	50%	
2 years to 5 years	0%	60%	
5 years to 10 years	0%	80%	
10 years and above	0%	100%	

Training

21. The CIPFA code requires the responsible officer to ensure that Members with responsibility for treasury management receive adequate training in treasury management. This especially applies to Members responsible for scrutiny. Training was undertaken by a number of Members during a session held in March 2023 and a session

has been arranged for 31st January 2024. Further training sessions will be arranged as required. The training needs of treasury management officers are periodically reviewed.

Treasury Management Consultants

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

The Capital Prudential Indicators 2024/25– 2026/27

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

Capital Expenditure

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

Table 3 Capital Expenditure

	2023/24 Revised £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m
General Fund	45.204	31.038	13.098	4.448
HRA	25.556	27.270	14.485	12.838
Estimated Capital Expenditure	70.760	58.308	27.583	17.286
Loans to Joint Ventures	6.850	11.780	6.124	8.488
Total	77.610	70.088	33.707	25.774

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

Table 4 Financing of the Capital Programme

	2023/24 Revised £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m
General Fund	45.204	31.038	13.098	4.448
HRA	25.556	27.270	14.485	12.838
Loans to Joint Ventures	6.850	11.780	6.124	8.488
Total Capital	77.610	70.088	33.707	25.774
Financed by:				
Capital receipts -General Fund	3.381	4.840	0.900	0.250
Capital receipts - Housing	0.000	0.303	0.303	0.303
Capital grants	41.312	4.198	4.198	4.198
JV Repayments	1.000	1.799	13.421	11.299
Self-financing - GF	0.000	22.000	8.000	0.000
Revenue Contributions (Housing)	24.322	13.455	12.668	12.535
Total excluding borrowing	70.015	46.595	39.490	28.585
Net financing need for the year	7.595	23.493	-5.783	-2.811

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

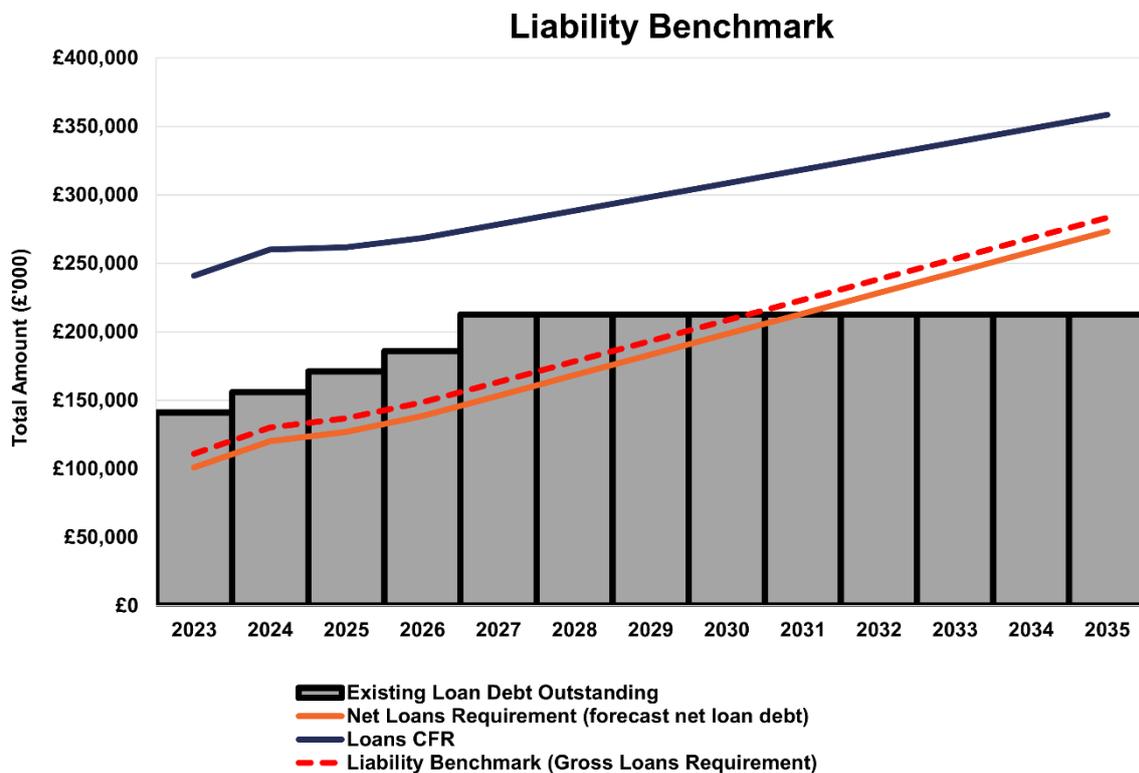
28. The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.
29. The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each assets' life, and so charges the economic consumption of capital assets as they are used.
30. The CFR includes any other long-term liabilities (e.g. PFI schemes & finance leases) brought onto the balance sheet. Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the PFI or lease provider and so the Council is not required to separately borrow for these schemes. The Council currently has £7.011m of such schemes within the CFR.
31. The Committee is asked to approve the CFR projections below:

Table 5 – CFR Projections

	2023/24 Revised £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m
CFR – General Fund	147.244	148.208	149.225	150.748
CFR – PFI and Finance leases	7.011	5.912	4.817	3.722
CFR - housing	76.631	85.871	94.945	104.018
CFR - Loans to JV's	10.134	20.115	12.818	10.007
Total CFR	241.020	260.106	261.805	268.495
Movement in CFR		19.086	1.699	6.690

Liability Benchmark

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



33. There are four main components to the Liability Benchmark:-

- (a) **Existing borrowing (loan debt outstanding):** the Council’s existing loans that are still outstanding in future years.
- (b) **Loans CFR:** calculated in accordance with the loans CFR definition and projected into the future based upon estimated prudential borrowing and associated MRP

- (c) **Net loans requirement (Forecast Net Loans Debt):** this will show the Council's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
 - (d) **Liability benchmark (or gross loans requirement):** this equals net loans requirement plus short -term liquidity allowance.
34. The Liability Benchmark is effectively the Net Borrowing Requirement of a local authority plus a liquidity allowance. In its simplest form, it is calculated by deducting the amount of investable resources available on the balance sheet (reserves, cash flow balances) from the amount of outstanding external debt and then adding the minimum level of investments required to manage day-to-day cash flow.
35. CIPFA recommends that the optimum position for external borrowing should be at the level of the Liability Benchmark (i.e., all balance sheet resources should be used to maximise internal borrowing). If the outputs show future periods where external loans are less than the Liability Benchmark, then this indicates a borrowing requirement thus identifying where the authority is exposed to interest rate, liquidity and refinancing risks. Conversely where external loans exceed the Liability Benchmark then this will highlight an overborrowed position which will result in excess cash in the organisation requiring investment thus exposing the authority to credit and reinvestment risks and a potential cost of carry.

MRP Policy Statement

36. The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP). It is also allowed to undertake additional voluntary payments if desired (voluntary revenue provision - VRP).
37. DLUHC regulations have been issued which require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision.
38. It is proposed that Darlington Borough Council's MRP policy statement for 2024/25 will be:
- (a) For Capital expenditure incurred before 1 April 2008 and expenditure which was granted through credit approvals since that date MRP will be calculated on an annuity basis (2%) over 50 years or the useful life of the asset.
 - (b) Capital Expenditure from 1 April 2008 for all unsupported borrowing MRP will be based on the estimated life of the assets, repayments will be on an annuity basis (2%)
 - (c) Repayments relating to the PFI scheme will be based on the life of the asset of 60 years from 1 April 2008 on an annuity basis (2%).

39. There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made.
40. Repayments included in annual PFI or finance leases are applied as MRP.
41. For capital expenditure on loans to third parties where the principal element of the loan is being repaid in instalments, the capital receipts arising from the principal loan repayments will be used to reduce the CFR instead of MRP.
42. **MRP Overpayments** - A change introduced by the revised DLUHC MRP Guidance was the allowance that any charges made over the statutory minimum revenue provision (MRP), voluntary revenue provision (VRP) or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year.
43. Cumulative VRP overpayments made to date are £0.500m.

Affordability Prudential Indicators

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

Estimates of the ratio of financing costs to net revenue stream

45. This indicator identifies the trend in the cost of capital (borrowing and other long-term obligation costs net of investment income) against the net revenue stream.

Table 6 - Ratio of financing costs to net revenue stream

	2023/24 Revised	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
General Fund	4.47%	4.16%	4.16%	3.92%
HRA	12.78%	12.42%	12.53%	11.55%

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

Treasury Management Strategy

Borrowing

47. The capital expenditure plans set out in the previous paragraphs provide details of the service activity of the Council. The treasury management function ensures that the Council’s cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council’s Capital Strategy. This will involve both the organisation of the cash flow and, where capital plans require,

the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the Annual Investment Strategy.

Under Borrowing position

48. Over the last ten years the Council had maintained an underborrowed position i.e. the amount of our gross external borrowing has been less than our balance sheet Capital Financing Requirement. This strategy has served the Council well in a period where returns on investment have been low and borrowing costs have been relatively high. This has also meant that we have had less in the form of investments and so reduced counterparty risk. To support the MTFP it was agreed that longer term investments would be pursued as these would give a return over and above the cost of any additional borrowing that would be taken. Following due diligence the Council has 3 Property Funds with £10 million in each fund and these are expected to bring a gross return of between 2.50% and 3.50% over the life of the MTFP. In 2022/23 the funds returned £1.01m in dividends.
49. When the property funds investments were made, they were intended to be long term commitments as capital valuations fluctuate over time. In the current economic climate, it is expected that capital values will decrease due to many market factors including higher interest rates and high inflation, however, as has been seen previously property capital values do tend to increase over time.
50. During 2023/24 we were contacted by our Treasury Management advisors to inform that one of our funds (Lothbury) had received a large number of redemption requests from investors in the fund. It was assumed that these requests had been received due to a number of factors, including investors looking to rotate out of property in light of higher yields in other assets classes, changes to the funds management and possibly the need for more liquid funds. The view of our advisors was to put in a redemption request to ensure that our investment was treated in the same way as other investors should Lothbury cease to continue. We therefore submitted a redemption request.
51. Subsequent to this there has been a number of developments and the current position regarding Lothbury is that they are seeking to merge with the Triton fund. If approved it is hoped that the merger will be completed in March 2024.
52. The Triton Fund invests in similar properties to Lothbury but is 5 star rated and offers returns of around 3.2% over 5yrs. This is similar to what the Lothbury Fund was initially forecast to return.
53. Should Darlington wish to be involved in the merged fund we can transfer all or part of our current units into the fund. Therefore, we can receive a mix of new units and cash. Once the fund is operational there will be no lock in, so we can redeem our investment at any time.
54. If we decide not to be involved with the merger and withdraw from the fund we expect to receive less funding than our original investment based on the current market value of the units (which is to be determined, but currently trading at £2.2m less than our original

investment). We would also lose the dividend income, but we would be able to reinvest the returned funds elsewhere to offset this.

55. In line with previously agreed delegations the Treasury Management Strategy gives flexibility for Officers to manage the day to day operations of our investments including the property funds to maximise returns for the Council. Officers will continue to use this delegation to manage our options regarding Lothbury and report back to Members through the usual reporting processes.

Current Portfolio Position

56. The overall treasury management portfolio as at 31 March 2023 and for the position as at 31 December 2023 are shown below for both borrowings and investments.

Table 7 – Treasury Portfolio

TREASURY PORTFOLIO				
	Actual 31/03/2023 £m's	Actual 31/03/2023 %	Current 31/12/2023 £m's	Current 31/12/2023 %
Treasury Investments				
Banks	8.000	20.0	0.000	0.0
local authorities	0.000	0.0	0.000	0.0
money market funds	2.045	5.1	11.665	28.0
Total managed in house	10.045	25.1	11.665	28.0
Property funds	29.999	74.9	29.999	72.0
Total managed externally	29.999	74.9	29.999	72.0
Total treasury investments	40.044	100.0	41.664	100.0
Treasury external borrowing				
local authorities	17.000	12.3	20.000	14.2
PWLB	108.414	78.6	108.346	76.9
LOBO's	12.600	9.1	12.600	8.9
Total external borrowing	138.014	100.0	140.946	100.0
Net treasury borrowing	97.970		99.282	

57. The Council's expected treasury portfolio position at 31 March 2024, with forward projections is summarised below at Table 8. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

Table 8 - Gross Borrowing to CFR

	2023/24 Revised £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m
Debt at 31 March	140.946	155.946	170.946	185.946
Loans to Joint Ventures	10.134	20.115	12.818	10.007
Other long-term liabilities (OLTL)	7.011	5.912	4.817	3.722
Gross Actual debt at 31 March	158.091	181.973	188.581	199.675
The Capital Financing Requirement from Table 5	241.020	260.106	261.805	268.495
Under / (over) borrowing	82.929	78.133	73.244	68.820

58. Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2024/25 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that the borrowing is not undertaken for revenue or speculative purposes.
59. The Group Director of Operations reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This takes into account current commitments, existing plans, and proposals within this budget report.

Treasury Indicators: Limits to Borrowing Activity

The Operational Boundary

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

Table 9 - Operational Boundary

	2023/24 Revised £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m
Debt from Table 8 (incl JV's)	151.080	176.061	183.764	195.953
Other long-term liabilities	7.011	5.912	4.817	3.722
Prudential Borrowing for leasable assets	1.000	1.000	1.000	1.000
Prudential Borrowing under Directors Delegated Powers	1.000	1.000	1.000	1.000
Operational Boundary	160.091	183.973	190.581	201.675

The Authorised Limit for external debt

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

Table 10 – Authorised Limit

	2023/24 Revised £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m
CFR	241.020	260.106	261.805	268.495
Additional Headroom @ 5%	12.051	13.005	13.090	13.425
Authorised Limit	253.071	273.111	274.895	281.920

64. It is proposed that the additional headroom for years 2024/25 to 2026/27 is 5% above the CFR, this would allow for any additional cashflow needs throughout the years.

Prospects for Interest Rates

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

Table 11 – Interest rates

	Bank Rate %	PWLB Borrowing Rates % (including *certainty rate adjustment)			
		5 year	10 year	25 year	50 year
Dec 2023	5.25	5.00	5.10	5.50	5.30
Mar 2024	5.25	4.90	5.00	5.30	5.10
Jun 2024	5.25	4.80	4.80	5.10	4.90
Sep 2024	5.00	4.70	4.70	4.90	4.70
Dec 2024	4.50	4.40	4.40	4.70	4.50
Mar 2025	4.00	4.20	4.20	4.50	4.30
Jun 2025	3.50	4.00	4.00	4.30	4.10
Sep 2025	3.25	3.80	3.80	4.20	4.00
Dec 2025	3.00	3.70	3.70	4.10	3.90
Mar 2026	3.00	3.60	3.70	4.10	3.90
Jun 2026	3.00	3.50	3.60	4.00	3.80
Sep 2026	3.00	3.50	3.60	4.00	3.80
Dec 2026	3.00	3.50	3.50	4.00	3.80

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

Investment and borrowing rates

66. Investment returns are likely to decrease towards the latter part of 2024/25 if both CPI inflation and wage/employment data support a fall in the bank rate. There is however a likelihood of the overall economy enduring a at least a mild recession over the coming months although most recent economic data has suposed with its robustness.
67. Borrowing interest rates are also forecast to fall by the end of 2024/25 although these still remain higher than what has been the case in previous years. Naturally timing on this matter will remain one of fine judgement, cut too soon and inflationary pressures may build up further, cut too late and any downturn or recession may be prolonged.
68. While the Council will not be able to avoid borrowing to finance new capital expenditure, to replace maturing debt and the rundown of reserves, there will be a cost of carry (the difference between higher borrowing costs and lower investment returns), so any new short or medium-term borrowing will incur a revenue cost.

Borrowing Strategy

69. The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is Bank Rate remains elevated through to the second half of 2024.

70. Against this background and the risks within the economic forecast, caution will be adopted with the 2024/25 treasury operations. The Group Director of Operations will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:
- (a) If it was felt that there was a significant risk of a sharp FALL in borrowing rates (eg due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
 - (b) If it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.
71. Any decisions would be reported to the appropriate Committee at the next available opportunity.

Treasury Management Limits on Activity

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

Table 12 Interest Rate Exposure

	2024/25	2025/26	2026/27
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	100%	100%	100%
Limits on variable interest rates based on net debt	40%	40%	40%
Maturity Structure of fixed interest rate borrowing 2024/25			
	Lower	Upper	
Under 12 months	0%	40%	
12 months to 2 years	0%	50%	
2 years to 5 years	0%	60%	
5 years to 10 years	0%	80%	
10 years and above	0%	100%	

Policy on Borrowing in Advance of Need

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

Debt Rescheduling

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

New Financial Institutions as a source of borrowing

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

Annual Investment Strategy

Investment and Creditworthiness Policy

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

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

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

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

Changes in risk management policy from last year

87. The above criteria are unchanged from last year.

Investment Counterparty Selection Criteria

Creditworthiness policy

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

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

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

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

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

Table 13 – Time and monetary limits applying to investments

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

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

Investment Strategy

In-house funds

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

Investment returns expectations

100. The current forecast shown in paragraph 65, includes a forecast for Bank Rate to be maintained at 5.25% in quarter 2 2024.
101. The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:-
- | | | |
|-----|---------------------|-------|
| (a) | 2023/24 (remainder) | 5.30% |
| (b) | 2024/25 | 4.70% |
| (c) | 2025/26 | 3.20% |
| (d) | 2026/27 | 3.00% |
| (e) | 2027/28 | 3.25% |
| (f) | Years 6 to 10 | 3.25% |
| (g) | Years 10+ | 3.25% |
102. As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

Investment treasury indicator and limit

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

Table 14 – Maximum Principal sums invested

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

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

Investment Risk Benchmarking

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

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

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

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

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

109. Yield - local measures of yield benchmarks are:

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

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

Table 15 - Security Benchmark

	1 year	2 years
Maximum	0.077%	0.077%

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

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

End of year investment report

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

Outcome of Consultation

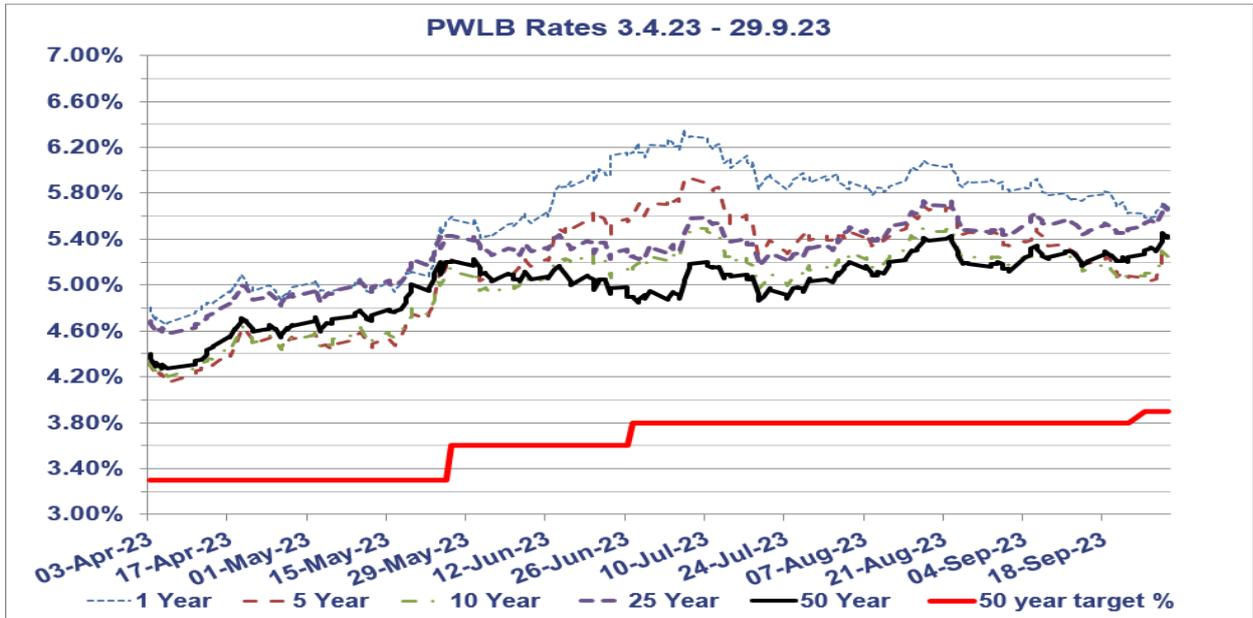
114. No consultation was undertaken in the production of this report.

Economic Background provided by Link Group

1. The first half of 2023/24 saw:
 - Interest Rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25% and, possibly, the peak in the tightening cycle.
 - Short, medium and long-dated gilts remain elevated as inflation continually surprised to the upside.
 - CPI inflation falling from 8.7% in April to 6.7% in September, its lowest rate since February 2022, but still the highest in the G7.
 - Core CPI inflation declining to 6.1% in September from 7.1% in April and May, a then 31 years high.
 - A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth (as the 3myy growth of average earnings rose by 7.8% for the period June to August, excluding bonuses).
2. The registering of 0% GDP for Q3 suggests that underlying growth has lost momentum since earlier in the year. Some of the weakness in July was due to there being almost twice as many working days lost to strikes in July (281,000) than in June (160,000). But with output falling in 10 out of the 17 sectors, there is an air of underlying weakness.
3. The fall in composite Purchasing Managers Index from 48.6 in August to 46.7 in September left it at its lowest level since COVID-19 lockdowns reduced activity in January 2021. At face value, it is consistent with the 0% q/q rise in real GDP in the period July to September, being followed by a contraction in the next couple of quarters.
4. The 0.4% m/m rebound in retail sales volume in August is not as good as it looks as it partly reflected a pickup in sales after the unusually wet weather in July. Sales volumes in August were 0.2% below their level in May, suggesting much of the resilience in retail activity in the first half of the year has faded.
5. As the growing drag from higher interest rates intensifies over the next six months, we think the economy will continue to lose momentum and soon fall into a mild recession. Strong labour demand, fast wage growth and government handouts have all supported household incomes over the past year. And with CPI inflation past its peak and expected to decline further, the economy has got through the cost-of-living crisis without recession. But even though the worst of the falls in real household disposable incomes are behind us, the phasing out of financial support packages provided by the government during the energy crisis means real incomes are unlikely to grow strongly. Higher interest rates will soon bite harder too. We expect the Bank of England to keep interest rates at the probable peak of 5.25% until the second half of 2024. Mortgage rates are likely to stay above 5.0% for around a year.
6. The tightness of the labour market continued to ease, with employment in the three months to July falling by 207,000. The further decline in the number of job vacancies from 1.017m in July to 0.989m in August suggests that the labour market has loosened a bit further since July. That is the first time it has fallen below 1m since July 2021. At 3.0% in July, and likely to have fallen to 2.9% in August, the job vacancy rate is getting closer to 2.5%, which would be consistent with slower wage growth. Meanwhile, the 48,000

decline in the supply of workers in the three months to July offset some of the loosening in the tightness of the labour market. That was due to a 63,000 increase in inactivity in the three months to July as more people left the labour market due to long term sickness or to enter education. The supply of labour is still 0.3% below its pre-pandemic February 2020 level.

7. But the cooling in labour market conditions still has not fed through to an easing in wage growth. The headline 3myy rate rose 7.8% for the period June to August, which meant UK wage growth remains much faster than in the US and in the Euro-zone. Moreover, while the Bank of England's closely watched measure of regular annual average total pay growth for the private sector was 7.1% in June to August 2023, for the public sector this was 12.5% and is the highest total pay annual growth rate since comparable records began in 2001. However, this is affected by the NHS and civil service one-off non-consolidated payments made in June, July and August 2023. The Bank of England's prediction was for private sector wage growth to fall to 6.9% in September.
8. CPI inflation declined from 6.8% in July to 6.7% in August and September, the lowest rate since February 2022. The biggest positive surprise was the drop in core CPI inflation, which declined from 6.9% to 6.1%. That reverses all the rise since March.
9. In its latest monetary policy meeting on 06 November, the Bank of England left interest rates unchanged at 5.25%. The vote to keep rates on hold was a split vote, 6-3. It is clear that some members of the MPC are still concerned about the stickiness of inflation.
10. Like the US Fed, the Bank of England wants the markets to believe in the higher for longer narrative. In terms of messaging, the Bank once again said that "further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures", citing the rise in global bond yields and the upside risks to inflation from "energy prices given events in the Middle East". So, like the Fed, the Bank is keeping the door open to the possibility of further rate hikes. However, it also repeated the phrase that policy will be "sufficiently restrictive for sufficiently long" and that the "MPC's projections indicate that monetary policy is likely to need to be restrictive for an extended period of time". Indeed, Governor Bailey was at pains in his press conference to drum home to markets that the Bank means business in squeezing inflation out of the economy.
11. This narrative makes sense as the Bank of England does not want the markets to decide that a peak in rates will be soon followed by rate cuts, which would loosen financial conditions and undermine its attempts to quash inflation. The language also gives the Bank of England the flexibility to respond to new developments. A rebound in services inflation, another surge in wage growth and/or a further leap in oil prices could conceivably force it to raise rates in the future.
12. In the table below, the rise in gilt yields across the curve as a whole in 2023/24, and therein PWLB rates, is clear to see.



	1 Year	5 Year	10 Year	25 Year	50 Year
Low	4.65%	4.14%	4.20%	4.58%	4.27%
Date	06/04/2023	06/04/2023	06/04/2023	06/04/2023	05/04/2023
High	6.36%	5.93%	5.51%	5.73%	5.45%
Date	06/07/2023	07/07/2023	22/08/2023	17/08/2023	28/09/2023
Average	5.62%	5.16%	5.01%	5.29%	5.00%
Spread	1.71%	1.79%	1.31%	1.15%	1.18%

13. The peak in medium to longer dated rates has generally arisen in August and September and has been primarily driven by continuing high UK inflation, concerns that gilt issuance may be too much for the market to absorb comfortably, and unfavourable movements in US Treasuries.
14. The S&P 500 and FTSE 100 have struggled to make much ground through 2023.

CENTRAL BANK CONCERNS – NOVEMBER 2023

15. Currently, the Fed has pushed up US rates to a range of 5.25% to 5.5%, whilst the MPC followed by raising Bank Rate to 5.25%. EZ rates have also increased to 4% with further tightening a possibility.
16. Ultimately, however, from a UK perspective it will not only be inflation data but also employment data that will mostly impact the decision-making process, although any softening in the interest rate outlook in the US may also have an effect (just as, conversely, greater tightening may also).

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

Specified Investments

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

Non-Specified Investments

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

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

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

* DMO – is the Debt Management Office of HM Treasury

APPROVED COUNTRIES FOR INVESTMENTS

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

Based on lowest available rating

AAA:

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

AA+:

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

AA:

- (a) Abu Dhabi (UAE)

AA-:

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

**CABINET
6 FEBRUARY 2024**

REVENUE BUDGET MONITORING 2023/24 – QUARTER 3

**Responsible Cabinet Member -
Councillor Mandy Porter, Resources Portfolio**

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

SUMMARY REPORT

Purpose of the Report

1. To provide a forecast of the 2023/24 revenue budget outturn as part of the Council's continuous financial management process.

Summary

2. This is the third revenue budget management report to Cabinet for 2023/24. The latest projections show an overall decline of £0.738m on the 2023-27 Medium Term Financial Plan (MTFP), however this is an improvement of £0.381m on the Quarter 2 projection. This is due to £0.509m of additional balances following the 2022/23 outturn, £1.200m of resources returned to reserves and a £0.225m improvement in corporate resources, offset by £2.672m of projected departmental overspends in 2023/24.
3. The decline relates to the significant demand being placed on our Children's Services, where numbers of children in care during this year have increased by 33% from pre pandemic levels, despite the Council using the Strengthening Families approach, one of the governments social care innovations programmes. Darlington is not alone, the pressure in children's social care is manifesting itself across the country. We continue to highlight to government the disproportionate strain on Darlington's finances from this one service area.
4. All departments continue to scrutinise their budgets in year, reducing spend where possible to assist the financial position and offset the demand pressures within Children's Services and subsequently most divisions are showing an underspend, or an improvement on the quarter two position.

Recommendation

5. It is recommended that:-
 - (a) The forecast revenue outturn for 2023/24 be noted.

- (b) The carry forward of resources referred to in paragraphs 18-20 be noted and approved.
- (c) Further regular reports be made to monitor progress and take prompt action if necessary.

Reasons

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

**Elizabeth Davison
Group Director Operations**

Background Papers

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

Brett Nielsen : Extension 5403

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

MAIN REPORT

Information and Analysis

7. This is the third revenue budget management report to Cabinet for 2023/24 and provides the latest forecast of the 2023/24 revenue position as part of the Council's continuous financial management process.
8. To enable timely information to be presented and in accordance with the report publication requirements, this report has been completed before the end of the third quarter. As the Council operates frequent, regular and predictive budget management processes, including quarterly reports to Cabinet, changes in projected outturn, which are inevitable in a large and complex organisation, will be reported to future meetings.
9. The information in this report has been taken from the financial records for November and managers' projections for the remainder of the year, using their knowledge of events affecting the services they manage.
10. The projected General Fund reserves position as at the 31 March 2024 is £16.384m, a decline of £0.738m on the planned balances in the 2023-27 MTFP, however this is an improvement of £0.381m on the position reported at Quarter 2. The decline relates to £0.509m additional underspend in the Council's 2022/23 financial results, £1.200m of resources returned to reserves and a £0.225m improvement in corporate resources, offset by £2.672m of projected departmental overspends in 2023/24.

Departmental Resources

11. Departmental resource projections are summarised in **Appendix 2** and detailed in **Appendices 2(a) to 2(e)**.
12. The **People Group** budget is projected to be overspent by £3.752m, an improvement of £0.115m on the position reported at Quarter 2. The main changes to the budget position are detailed below:
 - (a) The **Group Director of People** budgets are showing a projected year end overspend of £0.053m an increase of £0.042m on the Quarter 2 position. This is due to increased demand falling on the Child Protection and Review service, with the need to use additional agency workers.
 - (b) **Adults & Childrens Services** budgets are projecting a year end underspend of £0.127m, an improvement of £0.053m, due to savings in staffing vacancies and running costs.
 - (c) **Children's Services** are projecting an overspend of £4.657m at the end of the financial year, an increase of £0.171m on the position reported at Quarter 2. The main changes in projections since Quarter 2 are as follows:
 - (i) Adoption and Placements budgets are forecast to be overspent by £4.607m at the year end, an increase in the period of £0.406m. This is due to three new high-cost residential placements, changes in end dates for two placements and

block bed arrangements (totalling £0.467m). This increase has been offset by other changes in placement budgets, including a reduction of seven Independent Foster Carer placements.

- (ii) The overall children's staffing divisions (Management, Assessment Care Panning & LAC and First Response & Early Help) are projected break even at the year end, an improvement from the Quarter 2 report of £0.295m. This is a combination of staff vacancies, savings in running costs and additional grant funding.
 - (iii) The Disabled Children's division is projected to be overspent by £0.048m, a decline in position from the Quarter 2 report of £0.060m. This increase is due to demand with additional carers allowances and day service provisions (although still projected to underspend) and additional staffing and agency costs.
 - (d) The **Development and Commissioning** division is reporting an underspend of £0.150m, an improved position from the previous report of £0.111m. The movement is mainly due additional grant funding of £0.071m and the overspend on the Financial Inclusion and Community Care budgets being offset by the Cost of Living fund.
 - (e) **Education** is projected to be underspent by £0.045m, an improvement of £0.057m on the Quarter 2 projection. The change in position is from the Transport Unit, due to staffing vacancies and route changes.
 - (f) **Adult Social Care and Health** are forecasting an underspend of £0.636m, which is an improvement of £0.107m from Quarter 2. The main changes are as follows.
 - (i) The underspend on the External Purchase of Care budgets has increased by £0.147m due to additional client contributions, reductions in domiciliary care hours and increased attrition. These reductions have been offset in part by an increase in individuals accessing short break stays.
 - (ii) The Services Development & Integration budgets has a projected overspend of £0.039m a decline of £0.090m on the position reported at Quarter 2, this has resulted from a change in the bad debt provision which has been increased by £0.098m.
13. The **Services Group** is projecting an underspend of £1.138m after new carry forward requests of £0.110m (see paragraph 18 – 20), an improvement of £0.022m from the position reported at Quarter 2. The headline areas are detailed below:
- (a) **Capital Projects, Transport and Highways Planning** is projected to be underspent by £0.626m after new carry forward requests, an improvement of £0.095m on the position reported at Q2. This change is due to increased savings in the Concessionary Fares and Sustainable Transport budgets from additional underspends in general supplies and reduced contributions due to alternative funding.
 - (b) **Community Services** is expected to be overspent by £0.344m after new carry forward requests, an increase of £0.234m from the reported position at Quarter 2 as detailed below:

- (i) **Cemeteries & Crematorium** – overall the position has worsened by £0.168m. This is due to a predicted income shortfall and additional works at the Cemeteries. There are also changes to borrowing costs following the refurbishment of the crematorium.
 - (ii) Following slippage of the introduction of an additional refuse round, **Street Scene** is expected to underspend by £0.163m. While household collections have increased, the additional collections have been managed through extensions to existing rounds during 2023/24.
 - (iii) **Waste Disposal** has seen increases in tonnages associated with the Household Waste Recycling Centre (tip), fly-tipping, street cleansing & bulky lane collections which will see the budget predicted to overspend by £0.150m.
- (c) **Community Safety** overall is projected to be underspent by £0.652m an improvement of £0.102m from Quarter 2, this is mainly due to **Car Parking** where income levels continue to perform better than expected following the end of the free parking offer.
14. The **Operations Group** is projecting a year end underspend of £0.088m, a reduction of £0.024m on the position reported at Quarter 2. The main changes to the MTFP position are detailed below:
- (a) **Resources** is projecting a yearend underspend of £0.215m, a reduction of £0.013m on the Quarter 2 position. There has been additional savings identified across all service areas including staff vacancies, reduced running costs and additional grant funding. However these additional savings have been offset by an increase in external audit fee costs of £0.135m following the finalisation of the national tender exercise.
 - (b) **Head of Strategy, Performance and Communications** is projecting a year end underspend of £0.059m, an improvement of £0.054m on the Quarter 2 position. The Communications division is reporting an underspend of £0.082m, from a reduction in resources allocated to the roundabouts and the Community Survey, and savings in general running costs and staffing.
 - (c) **Law and Governance** is reported to be overspent by £0.148m, which is a decline in position from Quarter 2 of £0.071m. This is due to increased costs in the Complaints and Information Governance Team to clear the back log of subject access requests, as well as reviewing the Council's historic adult and children's social care records. Once the historic social care records are reviewed, they will be digitised significantly increasing the efficiency with which the Council is able to deal with future requests.
15. The **Chief Executive & Economy Group** is expected to overspend by £0.146m, an increase of £0.183m from Quarter 2. The main changes are detailed below:
- a) Development Management is projecting a fee income shortfall of £0.265m. Challenging market conditions driven by several factors, including the impact of nutrient neutrality, bio-diversity net gain and market saturation has seen a fall in new planning applications by large developers which is impacting on fee income in 2023/24.

- b) Environmental Health is performing well against targets due to the award of additional funding leading to a predicted underspend of £0.049m in 2023/24.
- c) Place Strategy has improved by a further £0.055m due to staff savings from vacant posts and additional income.

16. The school balances and allocations are shown in **Appendix 2(f)**.

Council Wide and Corporately Managed Resources

17. The Council Wide and Corporately Managed Resources budgets are projected to be £0.225m underspent at year end, an improvement of £0.451m on the Quarter 2 position. This includes the previous reported pressure for the Pay Award of £0.550m which is now shown as a contribution from General Fund Reserves rather than within the Council Wide budget. £0.302m of grant income above the 2023/24 MTFP estimate has been identified and is not required in year and so will be returned to general reserves. In addition funding of £0.148m set aside in the contingency budget is not required as funding has been identified through other funding streams.

Carry Forward Requests

18. There are a number of carry forward requests to 2024/25 amounting to £0.110m from the Services Group budgets as detailed below. The requests are categorised into two areas: slippage and assisting in achieving the conditions of the MTFP. Approval is requested to carry these amounts forward into the new financial year.

19. **Slippage** – there are £0.080m of slippage on planned projects in the following areas:

- (a) £0.040m **Hippodrome** – the Hippodrome’s website receives around 700,000 visits per year and over 7.5 million page views. Most bookings and donations are made online. The existing website was launched in 2017 and now the Council requires expertise of a supplier to support the development of a new website using the existing branding and integrating with the existing box office provider, Spektrix. The new website will be designed to actively drive sales and revenue across income streams (tickets, merchandise, food and drink, corporate and event hires and donations) to help the service meet ambitious targets for income and engagement. The website will be built by the Council’s web team but due to conflicting projects impacting on resource the work has slipped into 2024/25.
- (b) £0.030m **Flood & Water Act** – following the cessation of the contract with SBC and the appointment of a new Flood & Water officer, work is required to be carried out to support schemes and projects in 2024/25. This will help fund the Council’s contribution to ongoing drainage studies in partnership with Northumbrian Water Group and the Environment Agency to assess the risk of flood in Darlington and identify any potential schemes that may need to be developed to manage that risk.
- (c) £0.010m **Street Scene** – it was previously identified and agreed to fund a storage solution at the depot for the equipment and supplies used by Street Scene. It was proposed to purchase and install a storage solution in the Street Scene garage.

Following an assessment of the garage the cost of the solution has increased slightly and it is requested that the additional cost be carried forward to allow implementation to be completed in 2024/25.

20. **Assist in achieving the three conditions set out in the MTFP** – there are £0.030m carry forward requests meeting the above criteria:
 - (a) £0.030m **Sustainable Transport** – as previously agreed by Cabinet in September 2022, funding had been identified to support bus route 16. Due to the impact of inflation, it is requested £0.010m is carried forward to supplement the funding already earmarked. Further to this it is also requested that £0.020m is carried forward to allow for a marketing campaign and traffic mapping to be completed in 2024/25.

Housing Revenue Account

21. HRA projections are shown in **Appendix 3** with an overall projected balanced budget. The contribution to balances has improved by £0.316m from Quarter 2, primarily due to £0.474m increased interest income as a result of the increase in the interest rate, offset by additional operational costs from Council Tax payments on void properties (£0.050m), additional system development costs (£0.050m) and additional staffing costs resulting from the agreed pay award.

Conclusion

22. The Council's projected revenue reserves at the end of 2023/24 are £16.384m, a £0.738m decline on the initial 2023-27 MTFP position, however this is an improvement of £0.381m on the position reported at Quarter 2. This reduction in reserves includes a brought forward amount of £0.509m from 2022/23, £1.200m of resources returned to reserves and a £0.225m increase in corporate resources, offset by £2.672m of projected departmental overspends.
23. The increase in Children's Services demand and subsequent cost pressures are of significant concern and are monitored closely. The rise in children presenting to council services, is despite using the Strengthening Families approach, which is one of the governments social care innovations programmes. Darlington is not alone, the pressure in children's social care is manifesting itself across the country.
24. All departments continue to scrutinise their budgets in year, reducing spend where possible to assist the financial position and offset the demand pressures within Children's Services and subsequently most divisions are showing an underspend or an improvement on the reported quarter two position.
25. We are not and cannot be complacent, we continue to review all our services looking to see what efficiencies can be made and how we can generate additional income to protect our services in the future.

Outcome of Consultation

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

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REVENUE BUDGET MANAGEMENT 2023/24

<u>Projected General Fund Reserve at 31st March 2024</u>		2023-27 MTFP (Feb 2023)
Medium Term Financial Plan (MTFP) :-		£000
MTFP Planned Opening Balance 01/04/2023		23,397
Approved net contribution from balances		(6,275)
Planned Closing Balance 31/03/2024		17,122
Increase in opening balance from 2022-23 results		509
Projected corporate underspends / (overspends) :-		
Council Wide		0
Financing Costs		0
Joint Venture - Investment Return		0
Contingencies		148
Additional Income Received		325
Services Group Rebase		700
People Group Rebase		500
Unallocated Grant Income		302
Pay Award 2023/24		(550)
Projected General Fund Reserve (excluding Departmental) 31st March 2024	at	19,056
Planned Balance at 31st March 2024		17,122
Improvement		1,934

<u>Departmental projected year-end balances</u>		Improvement / (decline) compared with 2023-27 MTFP £000
People Group		(3,752)
Services Group		1,138
Operations Group		88
Chief Executive & Economy		(146)
TOTAL		(2,672)

<u>Summary Comparison with :-</u>		2023-27 MTFP £000
Corporate Resources - increase in opening balance from 22/23 results		509
Corporate Resources - additional in-year Improvement/(Decline)		225
Quarter 1 Budget Rebase		1,200
Departmental - Improvement / (Decline)		(2,672)
Improvement / (Decline) compared with MTFP		(738)
Projected General Fund Reserve at 31st March 2024		16,384

GENERAL FUND REVENUE BUDGET MANAGEMENT 2023/24

	Budget				Expenditure		
	Original 2023/24	Approved Adjustments	Approved C/fwds	Amended Approved Budget	Projected Outturn	C/fwds to approve	Variance
	£000	£000	£000	£000	£000	£000	£000
Departmental Resources							
People Group	75,356	2,268	(432)	77,192	80,944	0	3,752
Services Group	27,129	1,912	(1,140)	27,901	26,653	110	(1,138)
Operations Group	12,996	1,344	(266)	14,074	13,986	0	(88)
Chief Executive & Economy	1,535	282	(285)	1,532	1,678	0	146
Total Departmental Resources	117,016	5,806	(2,123)	120,699	123,261	110	2,672
Corporate Resources							
Council Wide	1,359	(1,295)	0	64	64	0	0
Financing Costs	3,477	0	0	3,477	3,477	0	0
Joint Venture - Investment Return	(1,816)	0	0	(1,816)	(1,816)	0	0
Additional Income Received	0	0	0	0	(325)	0	(325)
Contingencies Budget							
Apprentice Levy	202	0	0	202	202	0	0
Pension Fund Triennial Valuation	(439)	439	0	0	0	0	0
Youth Employment Initiative	168	0	0	168	20	0	(148)
Mid Year Savings							
Services Group Rebase	0	700	0	700	0	0	(700)
People Group Rebase	0	500	0	500	0	0	(500)
Total Corporate Resources	2,951	344	0	3,295	1,622	0	(1,673)
Net Expenditure	119,967	6,150	(2,123)	123,994	124,883	110	999
Contributions To / (From) Reserves							
Planned Contribution to General Fund Reserves (MTPF)	(8,640)	0	0	(8,640)	(8,640)	0	0
Departmental Brought Forwards from 2022/23	0	(4,961)	0	(4,961)	(4,961)	0	0
Already approved Carry Forwards	0	0	2,123	2,123	2,123	0	0
Unallocated Grant Income	0	0	0	0	(302)	0	(302)
Pay Award 2023/24	0	(550)	0	(550)	0	0	550
ASC ILF 2023/24	0	(639)	0	(639)	(639)	0	0
General Fund Total	111,327	0	0	111,327	112,464	110	1,247

Note: Appendix 1 shows an increase in reserves of £0.509m brought forward from 2022/23

REVENUE BUDGET MANAGEMENT UPDATE 2023/24

	<i>Budget</i>			<i>Expenditure</i>			<i>(Under)/ Over Spend £000</i>
	Original	Approved	Amended	Expenditure	Projected	Total	
	Budget £000	Adjustments £000	Budget £000	to November £000	Spend £000	Projection £000	
<u>Council Wide</u>							
Corporate Running Costs	4	0	4	4	0	4	0
Cost of Living Fund	100	(40)	60	60	0	60	0
Pay Award	1,255	(1,255)	0	0	0	0	0
In Year Over/(Under) Spend	1,359	(1,295)	64	64	0	64	0

REVENUE BUDGET MANAGEMENT UPDATE 2023/24									
	Budget				Expenditure				(Under)/ Over Spend £000
	Original Budget £000	Approved Adjustments £000	Approved C/fwds £000	Amended Approved Budget £000	Expenditure to November £000	C/fwds to approve £000	Projected Spend £000	Total Projection £000	
<u>People Group</u>									
Group Director of People	712	(110)	0	602	474	0	181	655	53
<u>Adults & Children Services</u>									
Transformation & Performance	749	141	(134)	756	488	0	185	673	(83)
Business Support	1,572	55	0	1,627	1,056	0	527	1,583	(44)
	2,321	196	(134)	2,383	1,544	0	712	2,256	(127)
<u>Children's Services</u>									
Children's Services Management & Other Services	662	2	0	664	419	0	271	690	26
Assessment Care Planning & LAC	4,327	60	0	4,387	3,163	0	1,893	5,056	669
First Response & Early Help	3,833	139	0	3,972	2,049	0	1,230	3,279	(693)
Youth Offending/ASB	339	(26)	0	313	(178)	0	491	313	0
Adoption & Placements	16,750	37	0	16,787	13,215	0	8,179	21,394	4,607
Disabled Children	1,230	10	0	1,240	552	0	736	1,288	48
Quality Assurance & Practice Improvement	138	0	0	138	(102)	0	240	138	0
	27,279	222	0	27,501	19,118	0	13,040	32,158	4,657
<u>Development & Commissioning</u>									
Commissioning	2,352	191	(282)	2,261	1,967	0	130	2,097	(164)
Voluntary Sector	294	40	0	334	305	0	43	348	14
	2,646	231	(282)	2,595	2,272	0	173	2,445	(150)
<u>Education</u>									
Education	423	77	(16)	484	14,873	0	(14,377)	496	12
Schools	0	0	0	0	3,492	0	(3,492)	0	0
Transport Unit	3,091	42	0	3,133	2,948	0	128	3,076	(57)
	3,514	119	(16)	3,617	21,313	0	(17,741)	3,572	(45)
<u>Public Health</u>									
Public Health	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
<u>Adult Social Care & Health</u>									
External Purchase of Care	32,072	1,352		33,424	13,507	0	19,237	32,744	(680)
Intake & Enablement	677	42		719	1,936	0	(1,206)	730	11
Older People Long Term Condition	1,604	12		1,616	1,492	0	114	1,606	(10)
Physical Disability Long Term Condition	15	0		15	8	0	(6)	2	(13)
Learning Disability Long Term Condition	2,034	54		2,088	1,492	0	639	2,131	43
Mental Health Long Term Condition	1,218	19		1,237	904	0	307	1,211	(26)
Service Development & Integration	1,070	(7)		1,063	525	0	577	1,102	39
Workforce Development	194	138		332	109	0	223	332	0
	38,884	1,610	0	40,494	19,973	0	19,885	39,858	(636)
In Year Over/(Under) Spend	75,356	2,268	(432)	77,192	64,694	0	16,250	80,944	3,752

REVENUE BUDGET MANAGEMENT UPDATE 2023/24									
	Budget				Expenditure				(Under)/ Over Spend £000
	Original Budget £000	Approved Adjustments £000	Approved C/fwds £000	Amended Approved Budget £000	Expenditure to November £000	C/fwds to approve £000	Projected Spend £000	Total Projection £000	
Services Group									
Group Director of Services	174	0	0	174	114	0	60	174	0
Capital Projects, Transport & Highways									
Planning									
AD Transport & Capital Projects	136	(1)	0	135	87	0	34	121	(14)
Building Design Services	54	2	0	56	94	0	(38)	56	0
Capital Projects	352	58	0	410	237	0	173	410	0
Car Parking R&M	583	0	0	583	456	0	100	556	(27)
Concessionary Fares	2774	17	(50)	2,741	1	0	2,152	2,153	(588)
Flood & Water Act	89	160	(160)	89	(260)	30	319	89	0
Highways	4777	(48)	(69)	4,660	1,490	0	3,155	4,645	(15)
Highways - DLO	-478	41	0	(437)	936	0	(1,373)	(437)	0
Investment & Funding	17	543	(370)	190	78	0	110	188	(2)
Sustainable Transport	42	139	(68)	113	(256)	30	359	133	20
	8,346	911	(717)	8,540	2,863	60	4,991	7,914	(626)
Community Services									
AD Community Services	150	(1)	0	149	86	0	43	129	(20)
Allotments	16	1	0	17	6	0	13	19	2
Building Cleaning - DLO	206	38	0	244	504	0	(260)	244	0
Cemeteries & Crematorium	(974)	14	0	(960)	(459)	0	(44)	(503)	457
Dolphin Centre	919	153	(8)	1,064	352	0	525	877	(187)
Eastbourne Complex	24	7	0	31	47	0	15	62	31
Emergency Planning	103	0	0	103	47	0	42	89	(14)
Head of Steam	291	7	0	298	336	0	(20)	316	18
Hippodrome	221	116	0	337	(916)	40	1,253	377	40
Indoor Bowling Centre	19	12	(12)	19	6	0	6	12	(7)
Libraries	898	30	0	928	636	0	332	968	40
Move More	48	4	0	52	(160)	0	212	52	0
Outdoor Events	567	(18)	0	549	327	0	222	549	0
School Meals - DLO	78	6	0	84	38	0	43	81	(3)
Culture and Heritage Fund	119	6	0	125	53	0	72	125	0
Street Scene	6,048	279	(91)	6,236	2,915	10	3,148	6,073	(163)
Transport Unit - Fleet Management	155	57	0	212	547	0	(335)	212	0
Waste Management	3,606	75	0	3,681	2,369	0	1,462	3,831	150
Winter Maintenance	583	40	0	623	469	0	154	623	0
	13,077	826	(111)	13,792	7,203	50	6,883	14,136	344

REVENUE BUDGET MANAGEMENT UPDATE 2023/24									
	Budget				Expenditure				(Under)/ Over Spend £000
	Original Budget £000	Approved Adjustments £000	Approved C/fwds £000	Amended Approved Budget £000	Expenditure to November £000	C/fwds to approve £000	Projected Spend £000	Total Projection £000	
Services Group									
Community Safety									
CCTV	264	16	0	280	130	0	173	303	23
Community Safety	732	112	(49)	795	203	0	630	833	38
General Licensing	7	3	0	10	(89)	0	99	10	0
Parking	(1,672)	36	0	(1,636)	(1,089)	0	(1,244)	(2,333)	(697)
Parking Enforcement	13	(33)	0	(20)	(40)	0	20	(20)	0
Private Sector Housing	107	28	(27)	108	62	0	28	90	(18)
Stray Dogs	50	1	0	51	31	0	22	53	2
Taxi Licensing	41	22	0	63	(14)	0	77	63	0
Trading Standards	258	1	0	259	110	0	149	259	0
	(200)	186	(76)	(90)	(696)	0	(46)	(742)	(652)
Building Services									
Construction - DLO	(344)	50	0	(294)	(3,358)	0	2,964	(394)	(100)
Other - DLO	16	43	0	59	3,113	0	(3,113)	0	(59)
	(328)	93	0	(235)	(245)	0	(149)	(394)	(159)
Corporate Landlord									
Corporate Landlord	5,821	(104)	(236)	5,481	1,847	0	3,634	5,481	0
General Support Services									
Works Property & Other	114	0	0	114	73	0	1	74	(40)
Joint Levies & Boards									
Environment Agency Levy	125	0	0	125	120	0	0	120	(5)
In Year Over/(Under) Spend	27,129	1,912	(1,140)	27,901	11,279	110	15,374	26,763	(1,138)

REVENUE BUDGET MANAGEMENT UPDATE 2023/24

	Budget				Expenditure				(Under)/ Over Spend £000
	Original Budget £000	Approved Adjustments £000	Approved C/fwds £000	Amended Approved Budget £000	Expenditure to November £000	C/fwds to approve £000	Projected Spend £000	Total Projection £000	
<u>Operations Group</u>									
Group Director of Operations	130	2	0	132	132	0	(14)	118	(14)
<u>Resources</u>									
AD Resources	115	1	0	116	77	0	39	116	0
Financial Services	1,526	139	(30)	1,635	1,048	0	458	1,506	(129)
Financial Assessments & Protection	279	44	(35)	288	223	0	64	287	(1)
Xentrall (D&S Partnership)	1,830	0	0	1,830	1,350	0	553	1,903	73
Human Resources	686	219	(25)	880	457	0	270	727	(153)
Health & Safety	193	2	0	195	130	0	60	190	(5)
	4,629	405	(90)	4,944	3,285	0	1,444	4,729	(215)
<u>Head of Strategy Performance & Communications</u>									
Communications & Engagement	987	221	(74)	1,134	666	0	386	1,052	(82)
Systems	1,007	359	(102)	1,264	1,242	0	45	1,287	23
	1,994	580	(176)	2,398	1,908	0	431	2,339	(59)
<u>Law & Governance</u>									
AD Law & Governance	131	4	0	135	89	0	46	135	0
Complaints & FOI	297	3	0	300	229	0	188	417	117
Democratic Services	1,316	27	0	1,343	786	0	544	1,330	(13)
Registrars	(23)	8	0	(15)	(71)	0	56	(15)	0
Administration	595	20	0	615	404	0	120	524	(91)
Legal Services	1,669	9	0	1,678	1,500	0	265	1,765	87
Procurement	183	3	0	186	136	0	71	207	21
Coroners	278	0	0	278	(1)	0	306	305	27
	4,446	74	0	4,520	3,072	0	1,596	4,668	148
<u>Xentrall Shared Services</u>									
ICT	810	266	0	1,076	100	0	975	1,075	(1)
	810	266	0	1,076	100	0	975	1,075	(1)
<u>Building Services</u>									
Maintenance - DLO	(616)	(26)	0	(642)	3,027	0	(3,669)	(642)	0
	(616)	(26)	0	(642)	3,027	0	(3,669)	(642)	0
<u>Housing & Revenues</u>									
Local Taxation	488	(8)	0	480	552	0	(87)	465	(15)
Rent Rebates / Rent Allowances / Council Tax	(132)	0	0	(132)	9,408	0	(9,540)	(132)	0
Housing Benefits Administration	413	40	0	453	636	0	(170)	466	13
Customer Services	329	10	0	339	291	0	102	393	54
Homelessness	349	1	0	350	(562)	0	913	351	1
Service, Strategy & Regulation and General	156	0	0	156	(1,728)	0	1,884	156	0
	1,603	43	0	1,646	8,597	0	(6,898)	1,699	53
In Year Over/(Under) Spend	12,996	1,344	(266)	14,074	20,121	0	(6,135)	13,986	(88)

REVENUE BUDGET MANAGEMENT UPDATE 2023/24

	Budget				Expenditure				(Under)/ Over Spend £000
	Original Budget £000	Approved Adjustments £000	Approved C/fwds £000	Amended Approved Budget £000	Expenditure to November £000	C/fwds to approve £000	Projected Spend £000	Total Projection £000	
<u>Chief Executive & Economy</u>									
<u>Chief Executive</u>									
Chief Executive	209	(1)	0	208	141	0	70	211	3
Darlington Partnership	74	0	0	74	86	0	7	93	19
	283	(1)		282	227	0	77	304	22
<u>AD Economic Growth</u>									
AD - Economic Growth	149	(1)	0	148	97		53	150	2
Building Control	168	2	0	170	119		51	170	0
Consolidated Budgets	146	116	(119)	143	0		143	143	0
Development Management	23	11	0	34	238		61	299	265
Economy	269	42	(58)	253	(138)		392	254	1
Environmental Health	334	22	0	356	83		224	307	(49)
Place Strategy	645	23	(98)	570	(14)		489	475	(95)
Property Management & Estates	(482)	68	(10)	(424)	(977)		553	(424)	0
	1,252	283	(285)	1,250	(592)	0	1,966	1,374	124
In Year Over/(Under) Spend	1,535	282	(285)	1,532	(365)	0	2,043	1,678	146

BUDGET MANAGEMENT 2023/24

SCHOOLS PROJECTED BALANCES 2023/24					
School Name	Opening Balance at 1st April 2023	Formula Budget Allocation*	Total Available	Closing Balance at 31st March 2024	Projected Closing Balance as proportion of Formula Budget Allocation
	£000	£000	£000	£000	%
Primary					
Federation of Darlington Nursery Schools	(12)	942	948	(5)	(1%)
Rise Carr College, Clifton House & Eldon House	305	1,846	2,151	362	20%
Red Hall Primary	221	1,434	1,655	122	9%
Whinfield Primary	416	2,332	2,748	347	15%
Harrowgate Hill Primary	146	2,717	2,863	50	2%
Primary Total	1,076	9,271	10,365	876	

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

HOUSING REVENUE ACCOUNT 2023/24

	Budget			Total Projection £000	(Under)/ Over Spend £000
	Original Budget £000	Approved Adjustments £000	Amended Approved Budget £000		
<u>Housing Revenue Account</u>					
<u>Income</u>					
Rents Of Dwellings (Gross)	(21,964)	0	(21,964)	(21,830)	134
Sundry Rents (Including Garages & Shops)	(422)	0	(422)	(428)	(6)
Charges For Services & Facilities	(3,654)	0	(3,654)	(3,905)	(251)
Contribution towards expenditure	(928)	0	(928)	(953)	(25)
Interest Receivable	(6)	0	(6)	(480)	(474)
Total Income	(26,974)	0	(26,974)	(27,596)	(622)
<u>Expenditure</u>					
Operational	4,441	0	4,441	4,344	(97)
Service Charges	3,654	0	3,654	3,905	251
Maintenance	5,539	0	5,539	5,590	51
Capital Financing Costs	3,447	0	3,447	3,447	0
Revenue Contribution to Capital Outlay	12,609	0	12,609	12,609	0
Increase in Bad Debt Provision	250	0	250	150	(100)
In year contribution to/(from) balances	(2,966)	0	(2,966)	(2,449)	517
Total Expenditure	26,974	0	26,974	27,596	622
(Surplus)/Deficit	0	0	0	0	0

HRA Balances	£000
Opening balance 01/04/2023	23,467
Contribution to/(from) balances	(2,449)
Closing balance	21,018

CABINET
6 FEBRUARY 2024

PROJECT POSITION STATEMENT & CAPITAL PROGRAMME MONITORING
QUARTER 3 2023/24

Responsible Cabinet Member -
Councillor Mandy Porter, Resources Portfolio

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

SUMMARY REPORT

Purpose of the Report

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

Summary

3. The projected outturn of the current Capital Programme is £324.747m against an approved programme of £324.414m. The investment is delivering a wide range of improvements to the Council's assets and more critically, to Council services. Refurbishment of council homes, improved learning environments in schools, better traffic flows and opportunities for sustainable travel have been achieved and are detailed within the report.
4. The Council has a substantial annual construction programme of work. The current project position statement (PPS) shows there are 41 live projects currently being managed by the Council with an overall projected outturn value of £160.324m. The majority of projects are running to time, cost and quality expectations but are being monitored given the current pressures on resources in the construction sector nationally.
5. The projects are managed either by the Council's in-house management team, a Framework Partner or by Consultants sourced via an open/OJEU tender process.

Recommendations

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

Reasons

7. The recommendations are supported by the following reasons:
- (a) To inform Cabinet of the current status of construction projects.
 - (b) To make Cabinet aware of the latest financial position of the Council.
 - (c) To maintain effective management of resources.

Dave Winstanley
Group Director of Services

Elizabeth Davison
Group Director of Operations

Background Papers

- (i) Capital Medium Term Financial Plan 2023/24 – 2026/27
- (ii) Project Position Statement and Capital Monitoring Outturn 2022/23

Brian Robson : Extension 6608
Steve Wake : Extension 5424

S17 Crime and Disorder	This report has no implications for crime and disorder.
Health and Well Being	There are no issues relating to health and wellbeing which this report needs to address.
Carbon Impact and Climate Change	Carbon Impact and Climate Change are assessed and reported in individual projects
Diversity	There are no specific implications for diversity
Wards Affected	All wards are affected.
Groups Affected	The proposals do not affect any particular groups within the community
Budget and Policy Framework	This report does not represent a change to the budget and policy framework.
Key Decision	The report does not represent a key decision
Urgent Decision	For the purpose of the 'call-in' procedure this does not represent an urgent matter.
Council Plan	The Capital Programme referred to in the report supports delivery of the Council plan.
Efficiency	The recommendations support the effective and efficient use of resources.
Impact on Looked After Children and Care Leavers	This report has no impact on Looked After Children or Care Leavers

MAIN REPORT

Information and Analysis

2023/24 Capital Spend and Resources

8. **Appendix 1** is for information and lists all live construction projects and provides details on numbers, type and details of the key individuals responsible for the delivery of the projects. It also provides a statement on the current status position on each project, details of actions being taken, where required and any current issues.
9. **Appendix 2** summarises the Council's capital commitments which are yet to be financed and also shows how it is intended for them to be financed. The total value of commitments, including available resources brought forward from previous years and 2023-24 schemes previously released by Cabinet, is £177.108m.
10. **Appendix 3** shows the Council's projected capital receipts and how they are going to be utilised to help finance the capital programme over the life of the MTFP.

Project Position Statement

11. Project management procedures require the production by project managers of a Project Position Statement (PPS) for all projects over £75,000. This report brings together the pertinent data from the current PPS with financial information from the Financial Management System (FMS) and approvals by Cabinet.
12. The Project Position Statement (Appendix 1) details the current live construction projects, up to the end of November 2023, by delivery area, and provides details on numbers, type and details of the key individuals responsible for the delivery of the projects. It also provides a statement on the current status position on each project, details of actions being taken, where required and any current issues. The statement excludes any completed projects or those on hold.
13. The overview of live construction projects is as follows:

	Projects	Current Approved Budget £ / p	Projected Outturn £ / p	Variance %	Variance (Value) £ / p
Chief Executive & Economic Growth	16	36,581,171	36,584,501	0.0	3,330
Operations	15	54,623,222	55,008,080	0.7	384,858
People	1	1,124,000	1,124,000	0.0	0
Services	9	67,300,589	67,607,567	0.5	306,978
TOTAL	41	159,628,982	160,324,148		695,166

14. The table shown above includes a column for current approved budget. In certain cases this budget figure may be different from the original approved budget. This could be as a result of variances identified during construction or other variables not known at the

initiation stage. The original budget and all subsequent changes have been reported to and approved by Cabinet.

15. The live projects are at the following stages:

Department	Brief	CP1	CP2	CP3	CP4	CP5	Total
Chief Executive & Economic Growth	0	1	5	0	10	0	16
Operations	0	4	2	7	2	0	15
People	0	0	0	0	1	0	1
Services	0	0	1	2	3	3	9
TOTAL	0	5	8	9	16	3	41

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

- (a) **Control Point 2 (CP2) – Initiate:** defines a project at feasibility stage and will likely include a desktop assessment of a project and the use of informed estimates.
- (b) **Control Point 3 (CP3) – Define:** the point that the project is progressed to RIBA Stage F, i.e. detailed design.
- (c) **Control Point 4 (CP4) – Construction Phase:** is the stage at which work begins on the project, i.e. for a construction project on site through to build completion.
- (d) **Control Point 5 (CP5) – Evaluate:** is the stage post completion of the project at which time the project is reviewed and lessons learned are discussed in order that they can be taken to the next or similar projects.

16. The status on live projects is as follows:

Department	Red	Blue	Green
Chief Executive & Economic Growth	3	11	2
Operations	1	13	1
People	0	1	0
Services	2	7	0
TOTAL	6	32	3

- (a) Colours (Green better Red worse than) are used to identify projects that have variances which are:
 - (i) More than £5,000, if the variance is also more than 5% of the approved budget for the project, or
 - (ii) More than £50,000 regardless of the percentage variance

- (b) Projects that are within these margins are symbolised with the colour Blue.
- (c) In addition to cost, the same colours are used to indicate similar levels of variances in time and quality/outputs/outcomes.

17. Current projects with the Red colour are as follows:

Project	Reason for Variance	Action
Skinnergate Re-development Housing	A delay was encountered following the production of a revised design to satisfy concerns raised by English Heritage at the planning application stage. It has also been impacted by the Nutrient Neutrality issue which will have an impact on the start on site date.	The design team are working on the Stage 4 design. An application to seek the purchase of 'credits' has been made and has been successful. The final credit certificate is yet to be received and will be forwarded on to planning upon receipt.
Sherborne Close Phase 2	<p>Following the introduction of Nutrient Mitigation requirements in line with changes in national Planning legislation, the project was required to be paused. This delay resulted in the construction design also becoming subject to revised Building Regulations (post June 23).</p> <p>These factors plus considerable inflation over the period 2022 to late 2023 resulted in the project costs increasing significantly.</p>	<p>Nutrient credits were provisionally secured in September 2023.</p> <p>The project's pre-tender cost estimate was recalculated in response to the two planning - related requirements and inflation. The revised cost was duly reported to the project sponsor and Board on 2nd October 2023 who advised that the project was to continue.</p> <p>The project team are currently undertaking a tender exercise with the construction tender cost due to be confirmed in April 2024.</p>
Ingenium Parc Masterplan + Infrastructure	Delays have been encountered due to ground conditions. Phase II works are underway.	The contractor is on site and has completed drainage works. Final fencing and landscaping work is underway and will be complete once the weather allows.
Demolition of 12-18 King Street	The expected outturn cost currently sits above the initial budget.	Forecast outturn cost to be market tested. The scheme is currently paused whilst discussions are being undertaken with an adjoining owner.

Project	Reason for Variance	Action
Darlington Station Demolitions	The historic reduction in the anticipated outturn figure reflects the fact that some of the Council's previous compensation amounts were slightly less than had originally been anticipated for some properties. It should be noted that that does not indicate that all final settlements will be consistent with this trend.	The Council continues to negotiate with the two interests who are yet to agree a compensation amount. This process could continue until c. 2027.
Crown Library Refurbishment	Delays and additional costs have been encountered from the withdrawal of the originally appointed roofing contractor.	No further issues have been experienced and scheme is complete, outturn report to be produced.

Reconciliation of Project Position Statement to Capital Programme

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

	Value £m
Live Projects from Project Position	160.324
Schemes closed or on hold within CP but awaiting PPS post project review.	26.343
Annualised Schemes excluded from PPS - Housing Repairs & Maintenance	9.890
Annualised Schemes excluded from PPS - Highways Maintenance	9.747
Annualised Schemes excluded from PPS - Childrens Services School Maintenance	0.230
Non construction excluded from PPS	16.439
Capital Investment fund excluded from PPS	49.909
Projects under 75k excluded from PPS	3.277
Capital Schemes not yet integrated into PPS reporting	27.564
Included in PPS & CMR	0.000
Funding not yet allocated	21.024
Capital Programme	324.747

19. The table below shows the split of the approved capital programme of £324.414m, between the different service areas and also the various categories of spend. When compared to the table above it shows that there is a projected £0.333m overspend on the approved capital programme. Details of how the overspend is being managed are included in paragraph 17 and will be finalised before construction commences.

Area	Construction				Non construction	Capital investment fund	Housing New Build - not yet allocated	Total
	Live Schemes 75k & Over	Annualised Schemes	Completed Schemes awaiting review	Live Schemes under 75k				
Area	£m	£m	£m	£m	£m	£m	£m	£m
Housing	60.100	10.020	0.627	0.033	1.455	0.000	15.673	87.908
Economic Growth	33.092	0.080	3.388	0.337	10.817	48.681	3.476	99.872
Highways/Transport	63.161	9.634	14.923	2.257	1.741	1.877	1.512	95.105
Leisure & Culture	29.883	0.000	2.619	0.255	0.000	0.000	0.000	32.757
Education	1.124	0.230	4.161	0.362	0.079	0.000	0.290	6.246
Adult Social Care	0.000	0.000	0.000	0.000	0.071	0.000	0.000	0.071
Other	0.000	0.000	0.000	0.000	2.455	0.000	0.000	2.455
Total	187.360	19.964	25.718	3.244	16.618	50.558	20.951	324.414

Capital Programme

20. Paragraph 21 shows the movements in the Capital Programme since the approval of the 2023/24 Capital MTFP, some of which have not yet been approved by Members.

21. Adjustment to resources requested by departments:

Adjustments needing approval release

Department	Scheme	Value £	Reason for adjustment	Resource type adjusted
Services	Micro Asphalt Road Patching	£388,000	Extra pothole funding from LTP	Release
People	Disabled Facilities Grant	£92,787	Additional DFG Funding	Release
People	School Aycliffe	£20,000	S106 - School Aycliffe	Release
Services	Walking Cycling Route MSG Yarm Road Mill Lane	£145,000	S106 - Walking Cycling Route MSG Yarm Road Mill Lane	Release
Chief Executive & Economic Growth	Towns Fund - Victoria Road	£29,400	Victoria Road Facade Improvements	Release
Chief Executive & Economic Growth	Towns Fund - Skinnergate & Yards Project	£579,000	Yard Phase 2	Release
Services	Corporate CCTV Replacement	£21,289	RCCO	Release

Chief Executive & Economic Growth	Skinnergate Housing and Commercial units	£260,000	Homes England Brownfield Housing Programme for Site preparation	Release
TOTAL		£1,535,476		

Outcome of Consultation

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

Project	CP1 Start Up	CP2 Initiate	CP3 Design	CP4 Delivery	CP5 Review	Status Symbol	Status	Client Dept	Delivery Dept	Internal Project Sponsor	Internal Project Manager	Cost Centre	Feasibility Budget	Original Approved Budget	Increase To Initial Approved Budget	Current Approved Budget	Project Expected Out Turn Cost	Variance (%)	Variance (value)	Original Planned Project Completion Date	Revised Approved Project Completion Date	Anticipated Project Completion Date	Schedule Variation (Days)	CDM Notifiable Project	Principal Designer	Previous Plan Progress	Plan Progress	Budget Progress Report	Issue Status Report
Yards Phase 2							Live	CE & Economic Growth	CE & Economic Growth	Mark Ladyman	Mike Bowron	R0180	£0	£800,000	£0	£800,000	£763,330	-3%	-£36,670	31-Mar-23	29-Mar-24	29-Mar-24	0	Y	Lee Davill	Works to the initial properties within the project are nearing completion. Additional properties by the Client have been identified. Confirmation of resource availability is being made.	It is agreed with the Towns Fund Programme Manager that the spend profiling can move into the financial year 2024/5 without any issues. The additional funding to meet the additional properties / works being identified is being secured.	Works to the currently identified properties are being programmed to completion. Client has identified additional properties and works which impact upon the budget. Confirmation of additional resources is being obtained.	
Whinfield School Roof Replacement							Live	People	People	Tony Murphy	Julia McCabe	E1907	£0	£1,124,000	£0	£1,124,000	£1,124,000	%	£0	28-Nov-23	08-Feb-24	08-Feb-24	0	Y	Lee Davill	70 days of lost time (65 days = 5 days inclement weather). Delay due to: Structural calculations, Repricing & procurement, Revising completed areas to install strapping (structural solution) Phase 6 works (critical shared spaces for the school & unable to be decanted. Kitchen/hall/dining hall) was started and completed during the school holiday as required	Scaffold erected w/c 23/10 on next two phases. Half term works; scaffold removed from first three phases, replacement of nicks/boards, drains in car park cleaned. Eight phases in total with four now complete.	Further phases and required classroom decant agreed with the school. Some areas of water damage following summer rain storms. Damage to be recorded and repaired alongside areas of historic water damage - addressed upon completion of the final phase.	
Skinnersgate Re-development Housing							Live	Services	Services	Anthony Sandys	Brian Robson	H6748	£0	£4,950,000	£0	£4,950,000	£4,950,000	%	£0	31-Mar-23	31-May-25	31-May-25	0	Y	Andrew Burnfey	The scheme has been caught in the Nutrient Neutrality (NN) issue which will have an impact on start on site date. JBA consulting have been appointed to work through the NN calculator process and indicators are some mitigation work will be required. Once the NN work will be complete discussions will be held with Natural England. Due to the NN issue it is unlikely that the foundations can be cast prior to the current Building Regulations deadline of June 2023.	A temporary works design to support the method statement for the partial demolition works required to No. 12 is currently being prepared and will aid the Party Wall process and will be finalised shortly. An application for NN credits was submitted to Natural England on 27th October and has been successful. We are currently awaiting the issuing of the NN Certificate.	Initial surveys undertaken, which reveal major loss of structure to heritage building and adjacent property. 2. Historic England opposition to designs are now addressed but significant delays have ensued.	
Sherborne Close Phase 2							Live	Operations	Operations	Anthony Sandys	Ian Stewart	H6749	£0	£2,375,962	£374,057	£2,750,019	£3,622,733	32%	£872,714	08-Mar-23	22-Sep-23	01-Mar-25	526	Y	Lee Davill	Scheme on hold due to Nutrient Neutrality Planning issue.	Nutrient Neutrality credits awarded. DBC awaiting certificates, revised scheme tender information being collated to allow Building Services to reprise updated design	Building Services to reprise scheme based on updated design to comply with Building Regulation changes.	
Railway Heritage Quarter							Live	Services	Services	Ian Thompson	Brian Robson	R0155	£210,000	£20,000,000	£15,140,000	£35,140,000	£35,140,000	%	£0	30-Sep-24		30-Sep-24	0	Y	Space Architects	The new Engineering shed on Bonons Way is now complete and the A1 Trust are in the process of moving in to it. Works on the 1861 shed, Goods Shed and Head of Steam are ongoing. The works to Carriage works are due to commence on 08 June.	Works on the 1861 shed, Goods Shed and Head of Steam are ongoing. Some delays have been encountered due to asbestos removal works. The new entrance works from McInay Street are progressing well and the car park is due to commence shortly.	Issues with land acquisition with Network Rail is now resolved	
Neasham Rd							Live	Operations	Operations	Anthony Sandys	Ben Walkdie	H6745	£0	£31,069,000	£1,008,203	£32,077,203	£31,589,347	-2%	-£487,856	02-May-25		02-May-25	0	Y	Lee Davill	Phase 1 handover date revised to March 24, due to procurement issues encountered by Building Services. Spend Profiles issued to client along with updated phasing plan.	Progress made to both phases, build programme lost 5 days in November due to heavy snow fall. External windows package now let. Final handovers to Housing are still on track for March 2024.	ESH started working on Plot C following safe. Building Services to coordinate on site logistics. Discussion needed with Transport Planning team due to requirement to have bus route operational by occupation of 100th dwelling.	
Innovation Central							Live	CE & Economic Growth	CE & Economic Growth	Anthony Hewitt	Joanne Wood	R0157	£500,000	£50,000	£8,287,854	£8,337,854	£8,337,854	%	£0	31-Dec-21	31-Aug-22	31-Aug-22	0	Y	Napper Architects	The first project review meeting has taken place with DBC, NE BIC and Wilmot Dixon. A latent defect list has been produced. The installation of the telephone mast is due to take place w/c 11th September. This is due to take 3 working days. 3 months commissioning will be required prior to the existing mast on Central Park to be removed.	The installation of the mast was complete in September and the telephone operator has stated that the new site will be fully operational by the end of November. A month is required for the testing period and it is expected that January/February will be the approx. time for the decommissioning of the existing mast on Central Park.		
Ingenium Parc Masterplan + Infrastructure							Live	CE & Economic Growth	CE & Economic Growth	Anthony Hewitt	Joanne Wood	R0144	£0	£611,500	£4,265,593	£4,877,093	£4,877,093	%	£0	31-Aug-18	23-Dec-22	31-Aug-23	251	Y	Noel Walecki	Official handover of the drainage infrastructure works was undertaken on 21st July 2023. Some defects were identified following review of the CCTV survey and these have been provided to the contractor to rectify within 3 weeks. Additional Landscaping works will be taking place from August 2023 with additional resurbit planning from November 2023.	Official handover of the drainage infrastructure works was undertaken on 21st July 2023. Some defects were identified following review of the CCTV survey and these were provided to the contractor to rectify within 3 weeks. The planting has recommenced and subject to the weather, completion will be achieved in Dec 2023 or Jan 2024.	All drainage works and works to the development area are now complete. The only outstanding works are planting requirements on the periphery which will commence in Nov 23. Handover to estates has begun.	
Eastbourne Sports Pitches & Drainage							Live	CE & Economic Growth	CE & Economic Growth	Ian Thompson	Rebecca Robson	L0154	£0	£1,610,000	£841,843	£2,551,843	£2,551,843	%	£0	31-Jul-23	31-Aug-23	14-Dec-23	105	Y	SPACE	Construction Phases Key dates: Track floodlights renewal - COMPLETE. Track resurfacing works - COMPLETE. 3G pitch COMPLETE. Changing room installation 11/09/23 - 15/09/23. Drainage works to the Zone 8 and changing units 27/11/23.	All phases now complete, excluding the new electricity meter, which is due for installation on Thursday 14th December, once done the supply will be switched over. Additional works have been approved (extending the project) to address the level differences outside the changing accommodation and an extra access gate is to be installed by SIS as soon as possible.	A draft final account has been received from Building Services which is under review by the scheme QS	
Demolition Sports Direct Building							Live	CE & Economic Growth	CE & Economic Growth	Guy Metcalfe	Brian Robson	R0177	£0	£300,000	£0	£300,000	£220,000	-27%	-£80,000	30-Jun-22		30-Jun-22	0	Y	A & N Consultants	Demolition works now complete, perimeter fencing to be installed	Demolition works now complete, perimeter fencing to be installed, likely to be in December	Contractor will be working to DBC Building Services	
Demolition of 12-18 King Street							Live	CE & Economic Growth	CE & Economic Growth	Guy Metcalfe	Rebecca Robson	R0163	£0	£220,000	£0	£220,000	£340,000	55%	£120,000	TBC		TBC	0	Y	A & N Consultants	The structural investigation works are all now complete and the demolition pack is due mid-November. Once received we have requested the design to be costed up, along with another option to enable the Client to compare and decide on their next steps. Once we have their preferred option, the appropriate budget and timescales can be set.	The structural investigation works are all now complete and the demolition pack which was due mid-November was received from Scuzator on 28/11/23. The design is now with an external QS to cost up two options that will enable the Client to compare and decide on their next steps. Once we have their preferred option, the appropriate budget and timescales can be set.	Draft CP1 cost plan V6 shows a £120k shortfall, we have been advised to continue until we have the demolition scope of works to enable a pretender estimate to be obtained then a decision can be made.	
Darlington Station Enabling Works							Live	CE & Economic Growth	CE & Economic Growth	Anthony Hewitt	Ben Walkdie	R0181	£0	£2,015,190	£295,807	£2,310,997	£2,310,997	%	£0	28-Apr-23		28-Apr-23	0	Y	Graeme Smith Fairhurst	March 23 - DBC Highways works completed now. LNER contractors awaiting ducting completion date station side before works can be completed. Awaiting LNER electrical meter installation date. TVCA require car park operational by 28/04/23 to avoid delays to East Gateway- risk of delay medium.	Project completed. Lease agreed & car park accepted for use by LNER 26/04/23.	Apr 23- Project completed. ESS to gain access via LNER permit to work system to remove existing electrical cabinet. Date to be agreed.	

2023/24 Capital Resources Summary

Row Ref.		Approved Commitments £M	Virement of Resources £M	Variance £M	Total £M
1	Capital Commitments				
2	Brought forward from 2022/23	131.645			
3	2023/24 Capital Programme (released by Cabinet)	45.463			177.108
4	Projected (Under)/Over Spend				
5	Total Commitments	177.108	0.000	0.000	177.108
	To Be Funded By:				
	External and Departmental Resources				
6	External Funding and Departmental Supported Borrowing	12.670	-	-	12.670
7	Departmental Unsupported Borrowing	0.000	-	-	0.000
8	Capital Grants	68.482	-	-	68.482
9	Capital Contributions	0.050	-	-	0.050
10	Revenue Contributions	29.177	-	-	29.177
11	Capital Receipts - HRA	0.303	-	-	0.303
	Total	110.682	0.000	0.000	110.682
	Corporate Resources				
12	Capital Receipts (General Fund)/ Prudential Borrowing	66.426	-	-	66.426
	Total	66.426	0.000	0.000	66.426
13	Total Resources	177.108	0.000	0.000	177.108

Corporate Resources Analysis

	£M	
14	Required Resources to fund 2023/24 expenditure (see above)	66.426
15	Total Planned Use of Corporate Resources	66.426
16	Less: Total Projected net Capital Receipts 23/24 (as per Appendix 3)	(3.254)
17	Add: projects already released and included in the capital commitments above	8.170
18	Corporate Resources required to fund capital programme	71.342

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Capital Receipts Utilisation - latest projection

	2023/24	2024/25	2025/26
	£m	£m	£m
Projected Opening Balance as at 1 April	4.689	6.777	11.144
Projected net Capital Receipts	2.988	5.267	8.900
Total projected Capital Receipts	7.677	12.044	20.044
<u>Less (as per approved capital programme)</u>			
Capitalisation utilisation as per MTFP	0.000	0.000	0.000
Council funded schemes	(0.400)	(0.400)	(0.400)
Economic Growth Investment Fund	(0.500)	(0.500)	(0.500)
Slippage from previous years	0.000	0.000	0.000
Projected available Capital Receipts as at 31 March	6.777	11.144	19.144

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**CABINET
6 FEBRUARY 2024**

CALENDAR OF COUNCIL AND COMMITTEE MEETINGS 2024/25

**Responsible Cabinet Member -
Councillor Steve Harker, Leader and all Cabinet Members**

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

SUMMARY REPORT

Purpose of the Report

1. To consider the Calendar of Council and Committee Meetings for the 2024/25 Municipal Year.

Recommendation

2. It is recommended that:
 - (a) the Calendar of Council and Committee Meetings 2024/25, attached as an Appendix, be approved; and
 - (b) the proposed dates for the meetings of Council be referred to the Annual Council meeting scheduled to be held on Thursday 23 May 2024.

Reasons

3. The recommendations are supported by the following reasons:
 - (a) To ensure that the calendar of meetings is approved to assist with forward planning.
 - (b) To enable the meetings of Council to be approved.

**Elizabeth Davison
Group Director of Operations**

Background Papers

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

Lynne Wood : Extension 5803

S17 Crime and Disorder	The contents of this report do not have any direct implications on Crime and Disorder.
Health and Wellbeing	The contents of this report do not have any direct implications on Health and Safety.
Carbon Impact and Climate Change	The contents of this report do not have any direct Carbon Impact implications.
Diversity	The contents of this report do not have any direct implications on Diversity.
Wards Affected	The contents of this report do not directly affect any wards.
Groups Affected	The contents of this report do not directly affect any groups.
Budget and Policy Framework	The contents of this report do not have any direct implications on the Budget and Policy Framework.
Key Decision	The issues contained within the report do not represent a key decision.
Urgent Decision	This is not an urgent decision.
Council Plan	The contents of this report do not have any direct implications on the Council's Plan.
Efficiency	The contents of this report do not have any direct implications on efficiency.
Impact on Looked After Children and Care Leavers	This report has no impact on Looked After Children or Care Leavers

MAIN REPORT

Information and Analysis

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

Outcome of Consultation

7. Internal consultation was undertaken on the Calendar of Council and Committee meetings.

CALENDAR OF MEETINGS

This document was classified as: OFFICIAL

2023/24

Calendar May 2023 to May 2024

Recess - 4 weeks 25 July to 18 August 2024

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

 = Bank Holiday

	Mon	Tues	Wed	Thurs	Fri	Sat	Sun	Mon	Tues	Wed	Thurs	Fri	Sat	Sun	Mon	Tues	Wed	Thurs	Fri	Sat	Sun	Mon	Tues	Wed	Thurs	Fri	Sat	Sun	Mon	Tues	Wed	Thurs	Fri	Sat	Sun	Mon	Tues	Wed		
MAY 2024			1	2 PCC/T VCAM	3	4	5	6	7 CAB	8	9	10	11	12	13	14 L	15 PA	16 C	17	18	19	20	21	22	23 AC	24	25	26	27	28	29	30	31							
JUNE 2024						1	2	3	4	5	6	7	8	9	10	11 CAB	12 PA	13 CLS	14	15	16	17	18 AD	19 H&H	20 HW BB	21	22	23	24 CYP	25	26	27 E&R	28	29	30					
JULY 2024	1	2 L	3	4	5	6	7	SACR	9	10 PA	11	12	13	14	15	16 CAB	17	18	19	20	21	22 A	23	24	25 C	26	27	28	29	30	31									
AUGUST 2024			1	2	3	4	5	6	7 PA	8	9	10	11	12	13 L	14	15	16	17	18	19	20	21	22	23	24	25	26	27 AD	28 H&H	29 CLS	30	31							
SEPTEMBER 2024						1	2 CYP	3	4 PA	5 E&R	6	7	8	9	10 CAB	11	12 HWBB	13	14	15	16	17	18	19	20	21	22	23 A	24 L	25	26 C	27	28	29	30					
OCTOBER 2024	1	2	3	4	5	6	7	8 CAB	9 PA	10	11	12	13	14	15	16	17	18	19	20	21	22 AD	23 H&H	24 CLS	25	26	27	28 CYP	29	30	31 E&R									
NOVEMBER 2024				1	2	3	4	5 L CAB	6 PA	7	8	9	10 RS	11 SACRE	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28 C	29	30							
DECEMBER 2024						1	2	3 CAB	4 PA	5 HW BB	6	7	8	9	10	11	12	13	14	15	16	17 L	18	19	20	21	22	23	24	25	26	27	28	29	30	31				
JANUARY 2025			1	2	3	4	5	6 CYP	7 AD CAB	8 PA	9 E&R	10	11	12	13	14	15 H&H	16 CLS	17	18	19	20	21	22	23	24	25	26	27	28 L	29	30 E&R C	31							
FEBRUARY 2025						1	2	3 A	4 CAB	5 PA	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26 AD	27 H&H	28 CLS	29	30	31				
MARCH 2025						1	2	3 CYP	4 CAB	5 PA	6	7	8	9	10	11 L	12	13 HW BB	14	15	16	17	18	19	20	21	22	23	24	25	26	27 C	28	29	30	31				
APRIL 2025			1 AD	2 H&H	3 E&R	4	5	6	7 CYP	8 CAB	9 PA	10 CLS	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29 L	30 A	31							
MAY 2025				1	2	3	4	5	6 CAB	7 PA	8	9	10	11	12	13	14	15 C	16	17	18	19	20	21	22 AC	23	24	25	26	27	28	29	30	31						