

**DECISIONS SHOULD NOT BE IMPLEMENTED BEFORE
MONDAY 17 FEBRUARY 2025**

CABINET

Tuesday, 4 February 2025

PRESENT – Councillors Harker (Chair), Curry, Garner, McCollom, McEwan, Porter, Roche and Wallis

INVITEES – Councillors Dulston

APOLOGIES – Councillors K Nicholson and Snedker

ALSO IN ATTENDANCE – Councillors Bartch and Mrs Culley

C98 DECLARATIONS OF INTEREST.

There were no declarations of interest reported at the meeting.

C99 TO HEAR RELEVANT REPRESENTATION (FROM MEMBERS AND THE GENERAL PUBLIC) ON ITEMS ON THIS CABINET AGENDA.

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

C100 TO APPROVE THE MINUTES OF THE MEETING OF THIS CABINET HELD ON 7 JANUARY 2025.

Submitted – The Minutes (previously circulated) of the meeting of this Cabinet held on 7 January 2025.

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

REASON – They represent an accurate record of the meeting.

C101 MATTERS REFERRED TO CABINET

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

C102 ISSUES ARISING FROM SCRUTINY COMMITTEE

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

C103 KEY DECISIONS:-

(1) SCHOOLS ADMISSIONS 2026/27

The Cabinet Member with the Children and Young People Portfolio introduced the report (previously circulated) of the Executive Director of People requesting that consideration be given to the Local Authority's admission arrangements for the 2026/27 academic year for the

two maintained schools in the Borough.

The submitted report stated that, in line with the School Admissions Code 2021, an Admission Authority was required to annually determine the admission arrangements used to allocate places for schools for which it was the admission authority by 28 February in the determination year; outlined the legal implications; and the consultation process.

RESOLVED – That the admission arrangements, as appended to the submitted report, for the two remaining maintained primary schools in Darlington for entry in the 2026/27 academic year, and for the administration of in-year applications thereafter, be approved.

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

(2) UPDATED LOCAL DEVELOPMENT SCHEME (LDS) 2025/28

The Cabinet Member with the Economy Portfolio introduced the report (previously circulated) of the Chief Executive requesting that consideration be given to the revised timetable for commencing a review of the existing Local Plan rather than look to produce a separate Climate Change Development Plan Document (DPD) and to consult on an updated Design of New Development Supplementary Planning Document (SPD) alongside this process.

The submitted report stated that the National Planning Policy Framework (NPPF) made in December 2024, required all local planning authorities to produce an updated Local Development Scheme (LDS) by no later than 6 March 2025. The LDS sets out the planning policy documents that the Council would prepare over the next three years; when the key stages or preparation would be; the scope of each document; and the resources available for, and risks to, their preparation.

It was reported that an up-to-date Local Plan was essential to meet the development needs of the Borough and to enable the Council to shape and maintain control of development; it was a framework for growth; it set out how Darlington would grow, adapt and change and importantly how this would be achieved and managed; provided the Council with the required spatial guidance and direction to contribute to and enable the structured development of the Borough in support of both the Council's drive for a growing economy, building stronger communities and creating opportunities for all; stated the the current Plan had been adopted in February 2022 covering the period 2016 to 2036; and highlighted the benefits of an early review.

RESOLVED - That the Local Development Scheme (2025-2028), as appended to the submitted report, be approved to take immediate effect.

REASON - The Council is required to have an up-to-date Local Development Scheme (Planning & Compulsory Act 2004, as amended by Section 111, Localism Act 2011).

C104 HOUSING REVENUE ACCOUNT - MEDIUM TERM FINANCIAL PLAN 2025/26 TO 2028/29

Pursuant to Minute C79/Dec/24, the Cabinet Member with the Health and Housing Portfolio

introduced the report (previously circulated) of the Executive Director of Resources and Governance requesting that consideration be given to the proposals for the revenue budget, capital programme, rent levels and service charges for the Council's Housing Revenue Account (HRA) for the financial year 2025/26, in the context of the HRA Medium Term Financial Plan (MTFP) to 2028/29 and the 30-year Business Plan.

The submitted report stated that the Council was the largest provider of social housing in the Borough, providing 5,260 homes to local residents; the homes were of a high standard of accommodation that met the Decent Homes Standard; as a result of the high quality of the homes and the services provided they were in high demand; and to meet that demand the Council had an ambitious programme to build new homes in Darlington, funded through capital receipts from the right to buy sales, grant funding and estimated borrowing of £13.8m. The proposed revenue budget expenditure of £30.186m included £6.693m to fund responsive repairs and maintenance and £15.947m contribution to the capital programme. The proposed capital programme of £30.092m included funding for work to current properties and £16.925m to complete capital schemes approved in previous years and to deliver the new build Council housing programme and property acquisitions.

It was reported that the key decision to be made regarding the HRA each year was the balance between setting rent and service charge levels that were affordable to the Council's tenants whilst ensuring there was sufficient resources to invest in housing stock, tackle climate change, meet Decent Home Standards and Fire Safety Regulations and maintain services. Local Authorities had the discretion to increase rents by the Consumer Prices Index (CPI) plus one per cent and as the CPI for September 2023 was 1.7 per cent Members could decide to increase rents by up to 2.7 per cent.

RESOLVED - That it be recommended to the special meeting of Council scheduled to be held on Thursday 20 February 2025 that :-

- (a) an average weekly rent increase of 2.7 per cent for 2025/26 be implemented, giving an average social rent of £86.15 and affordable rent of £97.55;
- (b) garage rents and service charges be increased, as shown in Table 3 of the submitted report;
- (c) the revenue budget, as attached at Appendix 1 of the submitted report, be approved;
- (d) the Housing Business Plan, as attached at Appendix 2 of the submitted report, be agreed; and
- (e) the capital programme, as attached at Appendix 3 of the submitted report, be approved.

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

C105 MEDIUM TERM FINANCIAL PLAN (MTFP)

Pursuant to Minute C80/Dec/24, the Leader introduced the report of the Chief Officers

Executive (previously circulated) proposing a Medium Term Financial Plan (MTFP) for 2025/26 to 2028/29 (also previously circulated) including setting a budget and council tax increase for 2025/26, to Council at its meeting scheduled for Thursday 20 February 2025, for approval.

The submitted report stated that the Council was facing unparalleled financial challenges stemming from reductions in public spending between 2010 and 2019 where the Council's budget was reduced by £46m in real terms; the aftermath of Covid; the unstable economic climate; increased cost of living; high inflation; income deprivation and rising poverty; and increased demand for services in particular adult and children's social care and homeless, with the numbers of people in temporary accommodation rising significantly over the last couple of years.

It was reported that, in order to protect services as far as possible, all budgets had been reviewed and challenged, with savings of £3.651m being achieved in 2025/26; the Council could deliver a 2025/26 budget which would allow net revenue investment in Darlington and its residents of £137m and capital investment of £97m; a balanced position could be delivered in 2027/28 utilising reserves; there would be a budget deficit of £5.2m in 2028/29, if no additional funding was forthcoming; and that the Government had committed to a fundamental reform of the local government funding system.

The detailed revenue estimates 2024/25; budget pressures and savings; fees and charges proposals 2025/26; assumptions used to prepare estimates; projected Revenue Outturn 2024/25; Capital MTFP 2025/26 to 2028/29; and the minutes from the meeting of the Economy and Resources Scrutiny held on 20 January 2025, were all appended to the submitted report.

Particular reference was made at the meeting to how the savings had been achieved; the financial challenges and sustainability gap facing the Council; how the Council was helping its residents with the cost of living; and the removal of the Stronger Community Fund. The Leder, Cabinet Member with the Children and Young People Portfolio, Cabinet Member with the Health and Housing Portfolio and the Cabinet Member with the Resources Portfolio responded thereon.

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

(b) That it be recommended to the special meeting of Council scheduled to be held on Thursday 20 February 2025, that the Revenue Medium Term Financial Plan (MTFP) and the Capital Programme, as set out in Appendices 6 and 7 respectively of the submitted report, be approved, including:-

- (i) a Council Tax increase of 2.99 per cent plus a two per cent Adult Social Care Precept to fund social care for 2025/26;
- (ii) the Schedule of Charges, as set out in Appendix 3, of the submitted report; and
- (iii) the efficiency savings, transformation and services reviewed, as proposed in the

submitted report.

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

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

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

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

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

C106 CALENDAR OF COUNCIL AND COMMITTEE MEETINGS

The Leader introduced the report (previously circulated) of the Executive Director of Resources and Governance requesting that consideration be given to the Calendar of Council and Committee Meetings for the 2025/26 Municipal Year (also previously circulated).

RESOLVED – (a) That the Calendar of Council and Committee Meetings 2025/26, as appended to the submitted report, be approved.

(b) That the proposed dates for the meetings of Council be referred to the Annual Council meeting scheduled to be held on Thursday 22 May 2025, for approval.

(c) That the dates of the first meeting of each of the Committees, be agreed, and the proposed dates for future meetings, as detailed in the calendar as appended to the submitted report, be considered by each Committee at their first meeting in the 2025/26 Municipal Year.

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

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

(c) To enable each individual Committee to consider the dates for their respective meetings.

C107 DARLINGTON CAPITAL STRATEGY 2025/26

The Cabinet Member with the Resources Portfolio introduced the report (previously circulated) of the Executive Director of Resources and Governance requesting that consideration be given to the Council's Capital Strategy 2025/26 (also previously circulated).

The submitted report stated that the revised Prudential Code for Capital Finance in Local Authorities 2024 required every Council to publish a Capital Strategy; it should be reviewed on an annual basis; and that in accordance with the regulations the Council published its first strategy in 2019/20.

RESOLVED – That the Capital Strategy for 2025/26, as appended to the submitted report, be endorsed, and forwarded to Council, for approval.

REASONS - (a) To provide a framework for capital investments.

(b) To ensure the Council adopts the Prudential Code for Capital Finance 2024.

(c) To enable the Council to invest in its assets.

C108 REVENUE BUDGET MONITORING 2024/25 - QUARTER 3

The Cabinet Member with the Resources Portfolio introduced the report (previously circulated) of the Executive Director of Resources and Governance providing a forecast of the 2024/25 revenue budget outturn as part of the Council's continuous financial management process.

The submitted report stated that it was the third revenue budget management report to Cabinet for 2024/25 and that the latest projections showed an overall decline of £0.885m on the 2024/28 Medium Term Financial Plan, which was due to £1.982m of departmental pressures and a decline in corporate resources of £0.224m, offset by £1.321m of additional balances following the 2023/24 outturn. The change in the forecast year end budget position had improved by £0.479m between Quarter 2 and Quarter 3, however, a small number of service areas continued to have significant budget pressures that had increased during the year.

Particular reference was made at the meeting to the overspend in the Children's Services budget. The Cabinet Member with the Children and Young People Portfolio responded thereon.

RESOLVED - (a) That the forecast revenue outturn for 2024/25, as detailed in the submitted report, be noted.

(b) That the carry forward of resources, as detailed in paragraphs 14, be noted and approved.

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

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

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

C109 PROJECT POSITION STATEMENT AND CAPITAL PROGRAMME MONITORING - QUARTER 3 2024/25

The Cabinet Member with the Resources Portfolio introduced the report (previously circulated) of the Executive Director of Environment, Highways and Community Services and the Executive Director of Resources and Governance providing a summary of the latest Capital resource and commitment position, to inform monitoring of the affordability and funding of the Council's capital programme; an update on the current status of all construction projects currently being undertaken by the Council; and requesting that

consideration be given to a number of changes to that programme.

The submitted report stated that the projected outturn of the current Capital Programme was £330.800m against an approved programme of £330.901m; the investment was delivering a wide range of improvements to the Council's assets and services; the programme, including commitments, remained affordable within the Medium Term Financial Plan (MTFP) 2024/25 to 2027/28; the current project position statement showed that there were 26 live projects currently being managed by the Council, with an overall projected outturn value of £157.563m, the majority of which were running to time, cost and quality expectations, but were being monitored given the current pressures on resources in the construction sector nationally; and that the projects were managed either by the Council's in-house management team, a Framework Partner or by Consultants sourced via an open/OJEU tender process.

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

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

(c) That the adjustments in resources, as detailed in paragraph 22 of the submitted report, be noted.

(d) That the adjustments to resources, as detailed in paragraph 24 of the submitted report, be approved.

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

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

(c) To maintain effective management of resources.

C110 PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT STRATEGY 2025/26

The Cabinet Member with the Resources Portfolio introduced the report (previously circulated) of the Executive Director of Resources and Governance (previously circulated) requesting consideration be given to reviewing the Prudential Indicators and Limits for 2025/26 to 2027/28 relating to capital expenditure and Treasury Management activity; a policy statement relating to the Minimum Revenue Provision; and the Treasury Management Strategy 2025/26, which includes the Annual Investment Strategy for 2025/26.

The submitted report outlined the Council's Prudential Indicators for 2025/26 to 2027/28; set out the expected treasury operations for that period; and reported that the expenditure plans, Treasury Management and Prudential Borrowing activities indicated that they were within the statutory framework and consistent with the relevant codes of practice, were prudent, affordable and sustainable and were an integral part of the Council's Revenue and Capital Medium Term Financial Plans.

RESOLVED - That it be recommended to the special meeting of Council scheduled to be held

on Thursday 20 February 2025 that:-

(a) the Prudential Indicators and limits for 2025/26 to 2076/28, as summarised in Tables 1 and 2 of the submitted report, be approved;

(b) the Minimum Revenue Provision (MRP) statement, as detailed in paragraphs 39 to 48 of the submitted report, be approved;

(c) the Treasury Management Strategy 2025/26 to 2027/28, as summarised in paragraphs 52 to 82 of the submitted report, be approved; and

(d) the Annual Investment Strategy 2025/26, as contained in paragraphs 83 to 114 of the submitted report, be approved.

REASONS - (a) In order to comply with the Prudential Code for Capital Finance in Local Authorities and the Ministry for Housing, Communities and Local Government (MHCLG) 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.

C111 MEMBERSHIP CHANGES - TO CONSIDER ANY MEMBERSHIP CHANGES TO OTHER BODIES TO WHICH CABINET APPOINTS.

There were no membership changes reported at the meeting.

C112 TO CONSIDER THE EXCLUSION OF THE PUBLIC AND PRESS :-

RESOLVED - That, pursuant to Sections 100A(4) and (5) of the Local Government Act 1972, the public be excluded from the meeting during the consideration of the ensuing items on the grounds that they involve the likely disclosure of exempt information as defined in exclusion paragraph 3 of Part I of Schedule 12A of the Act.

C113 (REPORT CALLED-IN) KEY DECISION - DARLINGTON INDOOR MARKET

The Cabinet Member with the Economy Portfolio introduced the report (previously circulated) of the Chief Executive requesting that consideration be given to the making of revisions to the terms of the loan agreement between this Council and Market Asset Management (MAM) Darlington.

The submitted stated that in June 2017 the Council agreed to the appointment of MAM Darlington to manage both the Indoor Market and the external markets within Darlington; that significant investment to address the fabric of the indoor market building was required; outlined the loan agreement with MAM; the risks; and the financial, legal and HR implications of the proposal.

Discussion ensued on the establishment of the Board and its membership.

RESOLVED – (a) That the renegotiation of the loan agreement with Market Asset Management Darlington, as detailed in the submitted report, be agreed.

(b) That the Executive Director Resources and Governance be authorised to finalise the loan agreement.

(c) That a local Board be established, chaired by the lead member, to oversee the direction of the market and to take back a degree of control in the future of the market.

REASONS – (a) To enable the repayment of the loan.

(b) The Indoor Market plays a pivotal role in the town centre economy. Further disruption and a reduction in confidence would have a negative impact upon the current operation of the market.

**DECISIONS DATED –
FRIDAY 7 FEBRUARY 2025**