



DARLINGTON

Borough Council

Cabinet Agenda

5.00 pm

Tuesday, 4 February 2025

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 7 January 2025. (Pages 5 - 10)
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 Decisions:-
 - (a) Schools Admissions 2026/27 – Report of the Executive Director of People.
(Pages 11 - 18)
 - (b) Updated Local Development Scheme (LDS) 2025/28 – Report of the Chief Executive.
(Pages 19 - 34)
8. Housing Revenue Account - Medium Term Financial Plan 2025/26 to 2028/29 –

Report of the Executive Director of Resources and Governance.
(Pages 35 - 56)

9. Medium Term Financial Plan (MTFP) – Report of the Chief Officers Executive.
(Pages 57 - 134)
10. Calendar of Council and Committee Meetings –
Report of the Executive Director of Resources and Governance.
(Pages 135 - 140)
11. Darlington Capital Strategy 2025/26 –
Report of the Executive Director of Resources and Governance.
(Pages 141 - 150)
12. Revenue Budget Monitoring 2024/25 - Quarter 3 –
Report of the Executive Director Resources and Governance.
(Pages 151 - 168)
13. Project Position Statement and Capital Programme Monitoring - Quarter 3 2024/25 –
Report of the Executive Director of Environment, Highways and Community Services and
the Executive Director of Resources and Governance.
(Pages 169 - 190)
14. Prudential Indicators and Treasury Management Strategy 2025/26 –
Report of the Executive Director of Resources and Governance.
(Pages 191 - 224)
15. Membership Changes - To consider any Membership Changes to Other Bodies to which
Cabinet appoints.
16. 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.
17. Questions.

EXCLUSION OF THE PUBLIC AND PRESS

18. 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.

PART III NOT FOR PUBLICATION

19. Key Decision - Darlington Indoor Market – Report of the Chief Executive.
(Pages 225 - 232)

20. 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.
21. Questions.



Luke Swinhoe
Assistant Director Law and Governance

Monday, 27 January 2025

Town Hall
Darlington.

Membership

Councillors Curry, Garner, Harker, McCollom, McEwan, Porter, 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).

This page is intentionally left blank

**DECISIONS SHOULD NOT BE IMPLEMENTED BEFORE
MONDAY 20 JANUARY 2024**

CABINET

Tuesday, 7 January 2025

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

INVITEES – Councillors Snedker

APOLOGIES – Councillors Dulston and K Nicholson

C83 DECLARATIONS OF INTEREST.

There were no declarations of interest reported at the meeting.

C84 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.

C85 ANNUAL STATEMENT OF ACCOUNTS 2022/23

The Cabinet Member with the Resources Portfolio introduced the report of the Executive Director – Resources and Governance (previously circulated) presenting the Completion Report for Those Charged with Governance (also previously circulated) by the Council’s external auditors, Ernst and Young LLP (EY), on the audit for the year ended 31 March 2023.

In presenting the Completion Report, a representative from Ernst and Young LLP (EY), stated that there had been a nationwide delay in signing off accounts; legislation had been made to deal with the backlog; a full Value for Money (VFM) assessment had been undertaken on the Council’s accounts; as part of the process no significant weaknesses had been identified; and that as a result, the Council had been issued with a clean VFM conclusion for the 2022/23 financial year.

The submitted report stated that in accordance with the Accounts and Audit (Amendment) Regulations 2023, all local authorities were required to produce the draft annual Statement of Accounts by 31 May 2023 and an audited set by 30 September 2023; due to national issues the auditors were not in a position to deliver the audit by the statutory deadline; and to provide a solution the Accounts and Audit (Amendment) Regulations 2024 provided statutory ‘backstop’ dates to help clear the backlog the first of which was 13 December 2024 and applied to all outstanding audits; and that as EY had not been able to complete a full audit, the Council had been issued with a Disclaimer of Opinion for the 2022/23 accounts.

RESOLVED - That the Auditor’s Completion Report for Those Charged with Governance, as

appended to the submitted report, for the Council's 2022/23 financial statements, be noted.

REASON – To enable Cabinet to receive the results of external audit work carried out.

C86 TO APPROVE THE MINUTES OF THE MEETING OF THIS CABINET HELD ON 3 DECEMBER 2024

Submitted – The Minutes (previously circulated) of the meeting of this Cabinet held on 3 December 2024.

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

REASON – They represent an accurate record of the meeting.

C87 MATTERS REFERRED TO CABINET

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

C88 ISSUES ARISING FROM SCRUTINY COMMITTEE

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

C89 KEY DECISION - ENVIRONMENT ACT 2021 - HOUSEHOLD WASTE MANAGEMENT ARRANGEMENTS

The Cabinet Member with the Local Services Portfolio introduced the report (previously circulated) of the Executive Director – Environment, Highways and Community Services outlining the requirements of the Environment Act 2021 and providing details on options for improved dry recycling as part of the development of a new statutory weekly food waste collection service.

Reference was made to the main requirements of the Environment Act 2021 in relation to waste management, which included the requirement to introduce a weekly food waste collection service from March 2026; a new simpler recycling policy aimed at making recycling easier by making collections consistent for all households, businesses and relevant non-domestic premises; an Extended Producer Responsibility (EPR) scheme which placed the responsibility on packing producers to cover the full net cost of dealing with the packaging that they placed on the market; and the introduction of a Deposit Return Scheme, from October 2027, where individuals would receive a refund on the deposit paid when they returned polyethylene terephthalate (PET) bottles, steel and aluminium cans from 150ml to 3L in size.

The submitted report stated that the provision of a food waste collection service for residents would have implications for the Borough's local waste management; outlined the existing household waste collection, treatment and disposal services together with the associated costs; the annual tonnage from each of the waste streams; the results from the performance and benchmarking exercise that had been undertaken; and the implications of the Act on existing waste management services. An analysis of residual waste collected within Darlington had been undertaken which had identified that 34 per cent of the waste

collected was food waste; 3,775 tonnes of recyclable material was currently disposed of in the residual waste stream; and that 9.7 per cent of residual waste was found to be garden vegetation, which could have been recycled through the garden waste collection service.

Particular reference was made to the approach taken to develop options for a new food waste collection service; the major elements of the project for the Council to meet the statutory deadline; proposals for the collection of food waste within residential properties; options for food waste collection from the kerbside; option analysis and financial implications for each option; the pros and cons of each option; how the collected material would be treated; the key risks, issues and considerations; and the financial impact on the Medium Term Financial Plan of both the implementation and future years.

Reference was made at the meeting to the involvement of Scrutiny in the process; the delays; the importance of the waste collection service to the public; the omission of glass from the Deposit Return Scheme; the burden on manufacturers to deal with the net cost of dealing with the packaging they produced; and to the flexibility given by progressing Option 4, which was the preferred option.

RESOLVED – (a) That the arrangements for waste collection, identified as Option 4 in the submitted report, be progressed.

(b) That each household be issued with a 5-7L internal caddie and external 23L bin for food waste.

(c) That for the first year of the scheme each household be issued with 52 compostable liners at a cost of approximately £35,000.

(d) That the capital funding of £1,182,778 be released to enable the scheme to progress.

REASONS – (a) Option 4 provides the maximum flexibility to develop recycling performance once food waste recycling has been introduced and embedded.

(b) To enable the project to progress and procurement processes to commence for vehicle, caddies, bins and treatment of food waste.

(c) To enable the Council to undertake best endeavours to ensure food waste collections are in place by April 2026 or as soon as possible thereafter.

(d) To enable the funding to be utilised on scheme costs.

C90 COUNCIL PLAN 2024/27 PERFORMANCE REPORTING UPDATE

The Leader of the Council introduced the report (previously circulated) of the Chief Officers Executive outlining the performance of the new Council Plan 2024/27, summarising progress against the key commitments and deliverables in the plan.

The submitted report stated that Council Plan had been approved by Council on 18 July 2024; outlined the Council's long-term ambitions for Darlington and priorities for action over the next three years; and stated that the Plan gave strategic direction to the Council and council

services, defining priorities, identifying key actions and shaping delivery.

Reference was made to the fundamental link between health, wellbeing and the economy; the six priorities of economy, homes, living well, children and young people, communities and the local environment; and to the three core principles which shaped the delivery of the plan of addressing inequalities, tackling climate change and efficient and effective use of resources.

The Cabinet Member with the Children and Young People Portfolio addressed the meeting and stated that there had been a strong start in meeting the challenges faced by the Council but there was a lot more work to be done and made particular reference to a number of areas including the number of 'looked after' children; the strong performance in relation to foster carers; and the 'good' Ofsted rating.

RESOLVED - That the progress made in the delivery of the Council Plan, as detailed in the submitted report, be noted and the report be approved.

REASON - The report and appendix provide a summary of key actions undertaken by the Council, highlight key issues and progress.

C91 CLIMATE CHANGE PROGRESS

The Cabinet Member with the Economy Portfolio introduced the report (previously circulated) of the Chief Executive updating Cabinet on progress made towards the Council's net zero target.

The submitted report stated that the Climate Emergency Declaration agreed that a six-month interim report be produced; there was no emissions data as this was gathered annually; a Climate Change Seminar for Members was held in September; the Darlington Eco Fair was held in June with more than 5,000 people passing through the marquee; the Highway Asset Management annual maintenance programme for 2023/24 demonstrated a total reduction of over 348 tonnes in CO2 emissions; some delivery data of actions had been reviewed; work had been undertaken to calculate the carbon sequestration potential of council land; and that the Housing Service was bidding for Wave 3 of the Social Housing Decarbonisation Fund, which would benefit 1,600 council properties.

Reference was made to emissions up to the end of 2023/24; electricity generation from the solar panels on the roof of the Town Hall; emissions trajectory; and the status of the action points.

Particular reference was made at the meeting to the work of the Climate Change Working Group, Climate Change Officers and the Communications Team, and the possibility of holding a rolling programme of briefings to Members on the Action Plan. The Cabinet Member with the Economy Portfolio responded thereon.

RESOLVED - That the report be noted.

REASON – Due to the increasing public pressure to act on climate change, the Council will run the risk of significant damage to its reputation if it does not deliver on its stated

commitment to dealing with the Council's contribution to climate change.

C92 MAINTAINED SCHOOLS CAPITAL PROGRAMME SUMMER 2025

The Cabinet Member with the Children and Young People Portfolio introduced the report of the Executive Director of People (previously circulated) requesting that consideration be given to releasing the 2024/25 School Condition Allocation of £72,042, for the schools' summer works programme 2025, and 2024/25 Devolved Formula Capital of £32,425, to the maintained schools.

The submitted stated that the 2024/25 School Condition Allocation (SCA) funding would be used to undertake a programme of works across the maintained schools in Darlington during summer 2025 including, electrical and mechanical surveys and works identified as a priority and any urgent works arising; and that the Devolved Formula Capital (DFC) was a formula-based grant provided to all maintained schools to help support their ongoing capital needs.

RESOLVED – (a) That the 2024/25 School Condition Allocation of £72,042, be formally released, to support the 2025 maintained schools' summer works programme.

(b) That the 2024/25 Devolved Formula Capital (DFC) of £32,425, be formally released.

REASON - 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.

C93 RELEASE OF CAPITAL FOR CHILDREN'S PLAY AREA - WEST PARK

The Cabinet Member with the Local Services Portfolio introduced the report (previously circulated) of the Executive Director – Environment, Highways and Community Services requesting that consideration be given to the release of capital from the Section 106 Mount Pleasant and Stag House Farm agreement for the provision of a children's play area, as part of the West Park development.

The submitted report stated that through the Section 106 agreement for the West Park development, a capital allocation of £333,565 had been received for a new children's play area at Crow Green, as shown on the plan appended to the submitted report; the land would be transferred free of charge to the Council by BAPL who currently owned the land; the area would be a mixture of landscaping and play equipment that would fit into the overall design for the development; and outlined the financial and legal implications.

RESOLVED - That the £333,565 capital allocation for West Park play area, as detailed in the submitted report, be released.

REASON - To enable the section 106 funding to be spent on the provision of a new play area.

C94 COUNCIL TAX CALCULATION OF TAX BASE 2025/26

The Executive Director – Resources and Governance submitted a report (previously circulated) requesting that consideration be given to determining the Council's tax base for

2025/26.

The submitted report stated that, in accordance with Section 33 of the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) Regulations 2012, the Council had to decide its tax base by 31 January in the year preceding that for which the tax base applied; the tax base had to be notified to any precepting authorities; and that it was used in the calculation of the Council Tax.

RESOLVED – That it be recommended to Council that:-

(a) the calculation of the Council's tax base for the year 2025/26, as detailed in the submitted report, be approved; and

(b) the tax base for the Council of 35,904.5 and the individual tax base for the parishes, as set out in Appendix 2 of the submitted report, be approved.

REASON - To comply with statutory requirements, enabling the Council Tax for 2024/25 to be set by Council in February 2024.

C95 SCHEDULE OF TRANSACTIONS

The Cabinet Member with the Resources Portfolio introduced the report (previously circulated) of the Chief Executive requesting that consideration be given to the Schedule of Transactions (also previously circulated).

RESOLVED – That the Schedule of Transactions, as detailed in the appendix to the submitted report, be approved and the transactions be completed on the terms and conditions detailed therein.

REASON – The terms negotiated require approval by Cabinet before binding itself contractually to a transaction.

C96 MEMBERSHIP CHANGES - TO CONSIDER ANY MEMBERSHIP CHANGES TO OTHER BODIES TO WHICH CABINET APPOINTS.

There were no membership changes reported at the meeting.

C97 TO CONSIDER THE EXCLUSION OF THE PUBLIC AND PRESS :-

**DECISIONS DATED –
FRIDAY 10 JANUARY 2024**

**CABINET
4 FEBRUARY 2025**

SCHOOLS ADMISSIONS 2026-2027

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

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

SUMMARY REPORT

Purpose of the Report

1. To seek Members' approval for the Local Authority's admission arrangements for the 2026/2027 academic year for the two 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 remaining maintained primary schools in Darlington for entry in 2026-2027 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,
Executive Director of People**

Background Papers

School Admissions Code – Issued September 2021

Melanie Dickinson: Extension 5908

Council Plan	This report supports the council plan priority “Work with multi-academy trusts and schools to develop a high quality and inclusive education sector in Darlington.”
Addressing inequalities	Parents have a wide choice of schools to match the diverse needs of a pluralistic community
Tackling Climate Change	Not relevant to this report
Efficient and effective use of resources	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.
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.
S17 Crime and Disorder	Not relevant to this report
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.
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 2026/267 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.

The percentage of children being offered their first preference school in 2024 was 94% at primary phase and 96% at secondary phase.

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 seven 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 six 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. Darlington LA last consulted on a scheme in 2022, it will consult again in 2029.
10. Every seven years Local Authorities must consult other admission authorities in the area and other local authorities it determines, on a co-ordinated scheme. Consultation must take place if there is a substantial change before that time.
11. 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.

ADMISSIONS POLICY

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

Harrowgate Hill Primary – 60 PAN

Red Hall Primary – 30 PAN

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.

2. State Care Outside of England

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.

3. Medical Criterion

If a parent states a preference for any of the three 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.

4. Family Links

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)

5. Measurements

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.

6. Home Address

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 preferences 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

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

For multiple births where only one place remains, infant classes will be allowed to exceed the statutory limit where the thirty-first 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
4 FEBRUARY 2025**

UPDATED LOCAL DEVELOPMENT SCHEME (LDS) 2025-2028

**Responsible Cabinet Member -
Councillor Chris McEwan, Economy Portfolio**

**Responsible Director -
Ian Williams, Chief Executive**

SUMMARY REPORT

Purpose of the Report

1. To seek Members' approval for the revised timetable for commencing a review of the existing Local Plan rather than look to produce a separate 'Climate Change DPD' and also to agree to consult on an updated Design of New Development SPD alongside this process.
2. In light of the changes to the NPPF made in December 2024, the Deputy Prime Minister has asked that all local planning authorities produce an updated Local Development Scheme (LDS) within 12 weeks of the publication of the NPPF, i.e. by no later than 6 March 2025.

Summary

3. An up-to-date Local Plan is essential to meet the development needs of the Borough and to enable the Council to shape and maintain control of development.
4. The Local Plan is a framework for growth and aims to ensure that Darlington becomes an even more sustainable location in which people increasingly choose to live, work and visit. Not only does it help to deliver the economic strategy it also makes provision for new housing to meet local needs supporting the needs of our current and future workforce, and other new developments with the provision of key new infrastructure.
5. The success of the Borough is predicated on growth and underpins the future vibrancy of our town centre and our local communities. The Local Plan sets out how Darlington will grow, adapt and change and importantly how this will be achieved and managed. It provides 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.
6. The Darlington Local Plan was adopted in February 2022 covering the period 2016 to 2036. The Local Plan is up to date and not due for review until it is five years old (before February 2027). Whilst the plan remains up to date there are benefits to reviewing the

plan early. It is worth noting that this review would only commence a year earlier than it would need to anyway to meet the five-year review requirement set by government.

7. In summary the benefits of an early review of the Local Plan are as follows:
 - (a) Most policies will remain up to date and therefore will not need to be revisited.
 - (b) Evidence base updates will only need to reflect reviewed policy areas.
 - (c) Avoids uncertainty around the preparation of 'new style' local plans currently being consulted upon.
 - (d) Is a quicker process than developing a new plan.
 - (e) Sufficient land allocations for housing have already been identified in the existing plan to meet most of the need required in an extended plan period to 2042. Further large allocations are therefore unlikely to be required.
8. An updated Design of New Development Supplementary (SPD) will also be prepared and consulted upon alongside the review of the Local Plan.

Recommendation

9. It is recommended that Cabinet agree that the attached Local Development Scheme (2025-2028) is approved to take immediate effect.

Reason

10. The recommendation is supported as 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).

Ian Williams
Chief Executive

Background Papers

- (i) National Planning Policy Framework, December 2023
- (ii) Planning and Compulsory Purchase Act 2004
- (iii) Town and Country Planning Act (Local Planning) (England) Regulations 2012
- (iv) Localism Act 2011

David Hand: Extension 6294

<p>Council Plan</p>	<p>The Local Plan and supporting documents are integral to the delivery of the Council Plan and its priorities (adopted by Council in July 2024).</p> <p>The priorities are:</p> <p>ECONOMY - building a strong sustainable economy and highly skilled workforce with opportunities for all.</p> <p>The Local Plan allocates land for employment sufficient to meet the future needs of the borough.</p> <p>HOMES – affordable and secure homes that meet the current and future needs of residents.</p> <p>The Local Plan allocates sufficient land to meet the boroughs needs, sets affordable housing requirements and ensures new developments are well planned, safe and attractive.</p> <p>LIVING WELL – a healthier and better quality of life for longer, supporting those who need it most.</p> <p>The existing Local Plan encourages development to consider health and wellbeing with a requirement for larger developments to undertake a Health Impact Assessment (HIA). Allowance is also made for older people’s accommodation and sets a requirement for adaptable homes.</p> <p>CHILDREN AND YOUNG PEOPLE – supporting the best start in life, realising potential and raising aspirations.</p> <p>The Local Plan contains a mechanism to secure contributions to education provision and secure sites for new provision in key locations.</p> <p>COMMUNITIES – working together for safer, healthier and more engaged communities.</p> <p>The Local Plan throughout has a focus on delivering cohesive communities rather than individual developments.</p> <p>LOCAL ENVIRONMENT – a well-connected, clean and sustainable borough.</p> <p>The Local Plan contains numerous policies to protect both the natural and built environment.</p>
<p>Addressing inequalities</p>	<p>An Equalities Impact Assessment will be part of the plan and SPD review and process.</p>

Tackling Climate Change	<p>Achieving sustainable development is a fundamental objective of the Local Plan. The early review of the existing Local Plan will enable the council to develop additional policy to tackle climate change matters, reflect updated national policy and improve existing policies where necessary.</p> <p>The reviewed plan will need to be supported by an updated Sustainability Appraisal which will consider climate change in greater detail.</p>
Efficient and effective use of resources	<p>The council has to have an up-to-date plan this necessitates a review at least every five years. In commencing the review early (by less than a year). This will enable the life of the current plan to be extended to 2042 and remove the current uncertainty around 'new style' local plans.</p> <p>Some evidence will need updating, but not all. Producing a totally new plan would require significant investment in new evidence base documents.</p> <p>Most work on the review will be undertaken by the planning policy team but some specialist input will be required on topics like employment need, gypsy and traveller need, transport impact etc.</p>
Health and Wellbeing	<p>A key objective of Local Plan and supporting documents is to improve people's health and wellbeing by protecting and improving the economic, social and environmental conditions in the Borough.</p>
S17 Crime and Disorder	<p>The Local Plan has a role in reducing crime through the promotion of good design and location of development.</p>
Wards Affected	<p>All</p>
Groups Affected	<p>All</p>
Budget and Policy Framework	<p>The Plan Review will necessitate a release of already allocated funds to commission updated evidence base work and will ultimately form part of the Council's Planning Policy Framework.</p>
Key Decision	<p>Yes</p>
Urgent Decision	<p>No</p>
Impact on Looked After Children and Care Leavers	<p>This report has no impact on Looked After Children or Care Leavers</p>

MAIN REPORT

Information and Analysis

11. The Updated LDS, attached at **Appendix 1**, is a statutory requirement. It sets out the planning policy documents that the Council will prepare over the next three years, when the key stages of preparation will be, the scope of each document, the resources available for, and risks to, their preparation. This will replace the LDS 2024-27. An update has been necessary owing to the change in national policy (with the publication of an updated NPPF in December 2024) and ongoing consultation on planning reform meaning an early review of the local plan would be beneficial. The LDS will be monitored and if necessary, further revised prior to the end of 2028.
12. The focus over the next three years will be on reviewing and updating the existing Local Plan where necessary. The previous LDS (adopted March 2024) proposed producing a Climate Emergency Development Plan Document (DPD) to enable the Council to develop further policy to help meet its climate change ambitions. Owing to a number of factors including the change of government and associated policy direction it now makes sense to incorporate the content of a Climate Emergency DPD into a Local Plan review.
13. A Local Plan review is required to be undertaken 'at least every five years' which in the case of the current Darlington Local Plan would be February 2027. Review now would enable the plan to be updated in line with the current (December 2024) NPPF relatively quickly and efficiently and it's time horizon extended to 2026-2042 without the need to commence work on a 'new style' Local Plan currently in the early stages of government consultation.
14. The main change in the December 2024 NPPF was the publication of new mandatory housing targets which can be incorporated into our plan review with the new figure being 440 for Darlington, slightly lower than the 492 in the currently adopted plan. It is therefore unlikely significant additional allocations would be required for the extended plan period.
15. All Local Plan reviews need to go through a similar process to adopting a new plan including public consultation and an examination in public by a government appointed inspector.
16. Work is also planned to revise the current Design of New Development Supplementary Planning Document (SPD) which was last updated in 2011. SPDs are currently adopted by the Council, again there are proposals to make new 'Supplementary Plans' subject to a public examination process in the future.

Legal Implications

17. There are no direct legal implications arising from this report.

This page is intentionally left blank



DARLINGTON

Borough Council

**DARLINGTON
LOCAL DEVELOPMENT SCHEME
2025-2028**

**Preparation Programme for the Darlington
Local Plan Documents**

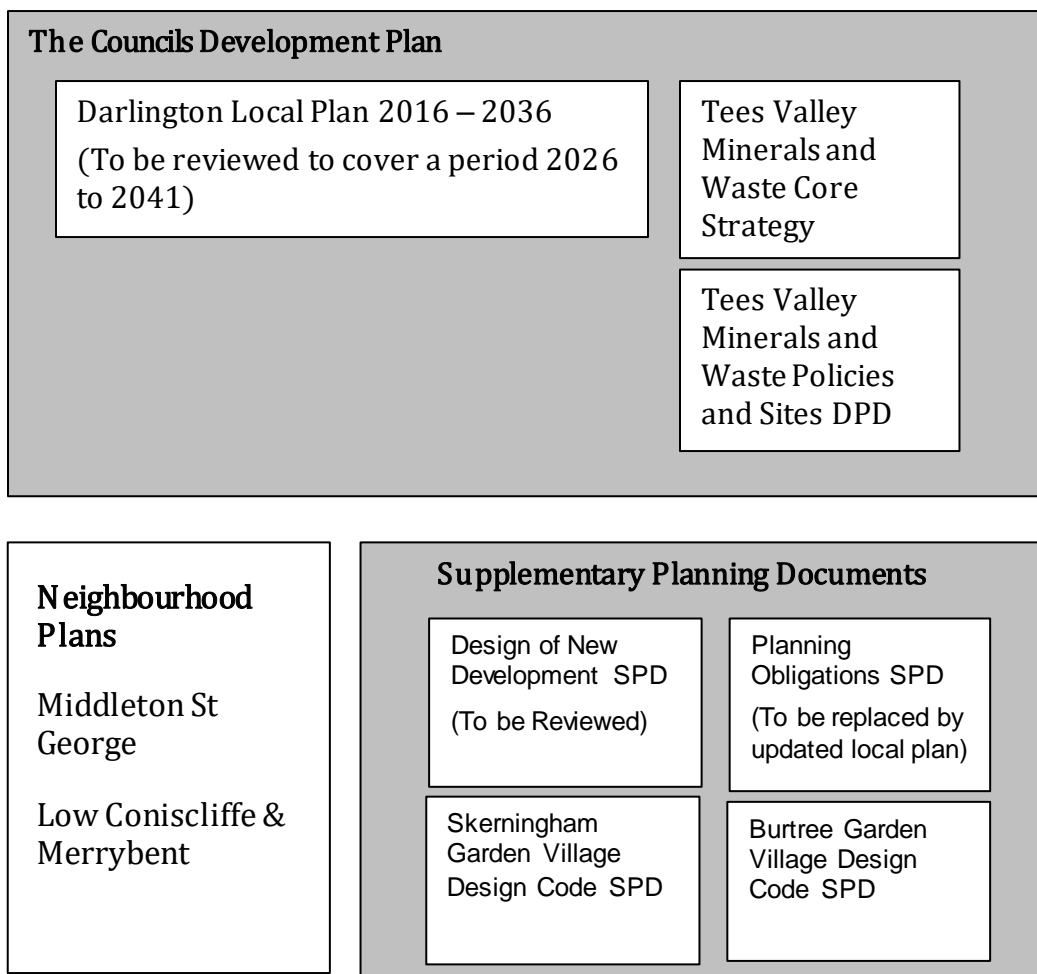
February 2025

**Planning Policy
Economic Growth**

1. INTRODUCTION

- 1.1 A Local Development Scheme (LDS) is required under Section 15 of the Planning and Compulsory Purchase Act 2004 (as amended by the Localism Act 2011). The LDS sets out the timetable for the Councils plan-making activities for the Local Planning documents which make up the Council's Development Plan. The LDS must be made available publicly and kept up to date. This LDS replaces the previous 2024-2027 LDS (March 2024).
- 1.2 Figure 1.1 below shows the Council’s current planning policy documents, which are part of, or support the Council’s Development Plan. It also shows the relationship of documents to one another. All statutory development plan documents and supplementary planning documents can be viewed on the Council’s website, www.darlington.gov.uk/planningpolicy.

Figure 1.1: Planning Policy Documents for Darlington Borough



3. THE DARLINGTON LOCAL DEVELOPMENT SCHEME 2025-2028

- 3.1 This Local Development Scheme (LDS) sets out the content, timing and resourcing of planning policy document preparation for the next three years, 2025-28. It plans for effective development plan coverage of the whole Borough and is published to provide up to date information direct to the public about the Council's plan making activities. It will be updated as necessary to ensure it remains realistic and definitive. This will replace the LDS 2024-27 (March 2024). An update has been necessary owing to the change in national policy and ongoing consultation on planning reform meaning an early review of the local plan would be beneficial. The LDS will be monitored and if necessary further revised prior to the end of 2028.

The Local Plan

- 3.2 The Darlington Local Plan 2016-2036 (the Plan) currently provides an up to date policy context against which all planning applications and development proposals will be assessed and determined. Following an Examination in Public, the appointed planning inspector found that, subject to a number of modifications, the Plan was sound. The Plan was therefore adopted by the Council on 17th February 2022.
- 3.3 A successful Local Plan helps create the conditions to deliver the following outcomes for Darlington:
- Well planned, high quality, sustainable places
 - Inclusive and accessible places, to serve all needs and communities
 - An attractive place to live, visit and invest
 - Economic growth, new jobs and prosperity
 - A vibrant town centre with strong retail, leisure and commercial sectors
 - Celebrate and protect Darlington's heritage assets and key open spaces
 - Integrated strategic social and physical infrastructure, phased to meet the needs of new development
 - Increased resilience to climate change
 - Greater certainty for residents, investors and stakeholders
- 3.4 Early review of the plan would extend the life of the current plan to cover the period 2026 to 2041 and should not require significant additional housing allocations to those already in the current plan. It will also enable updated policies and new policies to be incorporated including the latest changes in national policy. This could include updated approaches to renewable energy, biodiversity net gain, nutrient neutrality etc. It should be noted not all of the existing plan will require update.

Other Local Planning Documents

- 3.5 The Joint Tees Valley Minerals and Waste Core Strategy and Policies and Sites DPD remains the plans that minerals and waste proposals are assessed against.
- 3.6 The Design of New Development SPD sets out general and detailed design guidelines for new development to provide a framework to secure high quality, safe, distinctive, sustainable design in new developments. It needs to be revised to reflect changes to Building Regulations, Code for Sustainable Homes, and Development Management amenity issues. Further, there are matters that have arisen from the Healthy New Town Project that maybe usefully incorporated into this guidance.

- 3.7 The two Garden Community areas have their own Design Code SPDs. The Greater Faverdale/Burtree Garden Village Design Code SPD was adopted on 14 July 2022 and the Skertingham Garden Village Design Code SPD was adopted on 28 September 2023. The Design Codes aim to ensure development at both Garden Communities are distinctive, attractive and create a successful place in which to live and work.
- 3.8 **Table 1 (page 5)** gives an overview of the Local Development Scheme. More detail on the documents that will be prepared over the next three years is given in **Section 5** of this report.

Neighbourhood Planning

- 3.9 Introduced by the Localism Act 2011, the Council has a duty to support Parish Councils and neighbourhood forums that wish to prepare Neighbourhood Plans. When adopted Neighbourhood Plans form part of the statutory development plan alongside the Local Plan. The 5 areas, formally designated as Neighbourhood Plan Areas:
- Sadberge Parish Council, (decision subsequently taken not to proceed),
 - Low Coniscliffe Parish Council (Approved at referendum on 23 May 2019),
 - Middleton St George/Low Dinsdale Parish Councils (Approved at referendum on 11 August 2022),
 - Blackwell Neighbourhood Forum (On 29 May 2014 Blackwell Neighbourhood Forum and the associated area were formally designated), and
 - Hurworth Parish Council (On 26 May 2017 Hurworth parish council was formally designated as a Neighbourhood Area).
- 3.10 Other local communities may start work on Neighbourhood Plans during the period covered by this LDS.
- 3.11 No contingency has been built into the Planning Policy team's work programme to respond to requests for advice and support on Neighbourhood Planning, and the situation will be continually monitored.

TABLE 1 – LOCAL DEVELOPMENT SCHEME 2024-2027

Document Title	Status	Role and Subject	Chain of Conformity	Commence	Draft Plan	Publication	Submission	Examination	Adoption
Local Plan Review	DPD	To review and update where necessary the existing Local Plan.	National Planning Policy Framework	February 2025	September 2025	March 2026	September 2026	Spring 2027	Summer 2027
Revised Design of New Development	SPD	Design guidelines for new development	National Guidance & Development Plan	Underway	September 2025	November 2025	N/A	N/A	December 2025

4. SUPPORTING STATEMENT

- 4.1 This statement explains the approach to reviewing the Local Plan and how resources and risks will be managed.

Relationship with Local Strategies

- 4.2 Whilst the existing Local Plan was prepared to reflect the spatial aspects of the 'One Darlington Perfectly Placed', Darlington's Sustainable Community Strategy, this has now ceased to exist. Future planning documents will have reference to the newly adopted Council Plan.
- 4.3 Council, and other local strategies, with land use implications directly inform the preparation of DPDs and SPDs. These can all be found on the Council's website www.darlington.gov.uk/planningpolicy. Key examples include the Housing Strategy, the Economic Strategy, the Green Infrastructure Strategy, the Parking Strategy and the Sport and Physical Activities Strategy.

Joint Working

- 4.4 The benefits of joint working on issues with strategic cross boundary implications have been recognised for some time by the local authorities within the Tees Valley. The Localism Act 2011 introduced the 'Duty to Co-operate' placing this work on a statutory footing. A Tees Valley Development Plans Officers' Group meets on a regular basis, to share information and best practice, facilitate joint working and explore further opportunities. Membership of the group also includes representatives of Tees Valley Combined Authority (TVCA), and approximately every quarter meetings have been opened up to local authorities adjacent to the Tees Valley in County Durham and North Yorkshire. The council will prepare a statement of common ground with adjoining authorities in line with national policy requirements.

Sustainability Appraisal

- 4.5 Sustainability appraisal (SA) is carried out for all the development plan documents prepared (and SPDs where screening indicates it is necessary), and is an integral component of all stages of plan preparation. SA identifies the significant environmental, social and economic impacts of the policies and proposals and identifies if/how policies and proposals can be amended to achieve net gains across all three dimensions of sustainability. The process is undertaken to accord with the Strategic Environmental Assessment Directive (European Directive 2001/42/EC). As part of the transposing of European law in to UK law following the UK's exit from the European Union the Levelling Up and Regeneration Act (2023) makes provision to replace the requirement to undertake a SA with the requirement to undertake an Environmental Outcomes Report. Secondary Legislation and further guidance on the process and content of these is awaited.

- 4.6 The Sustainability Assessment will be produced using internal resources.

Equalities Impact Assessment

- 4.7 Equalities Impact Assessment and Disability Equalities Impact Assessment is undertaken and its findings will be submitted alongside the Proposed DPD and SPD if required. It is undertaken in-house within the team, with the views of protected characteristics groups being sought at key stages.

Staff Resources

- 4.8 The Planning Policy team is within the Economic Growth Directorate. It leads the preparation of the Local Plan and other planning policy documents. The team currently includes a Head of Planning Policy, Economic Strategy & Environment, one Principal Planning Officer, three full-time Planning Officers, (one seconded to a temporary Garden Communities Officer role), one part-time Planning Officer (4 Days a week) and two part-time Technical Officers.
- 4.9 Success in achieving the milestones set out in this LDS will depend on the amount of non-plan preparation work the team does, on the amount and timeliness of help from colleagues across the Council in specific policy areas, such as transport, climate change and housing, and on there being no further cuts to the staffing resources available for planning policy work.
- 4.10 Consultants are also used on specific pieces of work, particularly work carried out jointly by the Tees Valley authorities, and specialist technical studies and work. Officers from Tees Valley Combined Authority provide some statistical information and manage specific joint commissions of the Tees Valley authorities, such as for the economy and infrastructure.

Financial Resources

- 4.11 A consolidated budget has been established across the Economic Growth Division which covers the costs associated with Development Plan preparation (consultant's fees for evidence gathering, consultations and printing).
- 4.12 The programme proposed in the LDS assumes that the budgetary resources that have been allocated to Planning Policy work in the Council's Medium Term Financial Plan are available in their entirety.
- 4.13 Some additional evidence gathering will be required and the Reviewed Local Plan will be subject to an examination in public.

Monitoring

- 4.14 The latest Local Plan Authorities Monitoring Report (AMR) was recently published reflecting the second financial year of the Local Plan 2023/24. It includes the following information:
- Progress in preparing the Darlington Local Plan, compared with the milestones set out in the latest LDS, reasons for and proposed actions to address any slippage
 - Any factors affecting the current year's LDS milestones and planned action.
 - The need for new evidence or research.
 - A review of policy effectiveness.
 - Information showing future housing provision against housing requirements.
- 4.15 Annual updates will continue to be provided.

Risk Assessment

4.16 A risk assessment has been carried out for the LDS. The key areas of risk have been identified below as well as the actions that will be put in place to mitigate the risks:

Risk Identified	Mitigating Actions
Implications of changes to the national planning system and policy framework.	<ul style="list-style-type: none"> • Keep up to date with best practice, Inspectors and Court decisions relating to plan preparation. • Keep up to date with changes to national policy and implications for the Local Plan process (including December 2024 NPPF Update). • Maintain up-to-date local evidence base. • Not reviewing now will require the preparation of a 'new style' local plan with new requirements and a rigid 30 month timetable set by government.
Ability to maintain staffing levels.	<ul style="list-style-type: none"> • Regularly review the plan preparation programme through this LDS and its updates to match any changes in staff resources, changes of planning policy workstreams and other policy workstreams that staff are required to contribute to. • Recruit extra (temporary) staff, where necessary, to meet peaks in workload around key stages of plan development
Staff turnover, maternity leave or long term illness within core team.	<ul style="list-style-type: none"> • Continues to be a challenge. • Prioritise recruitment activity as soon as notice given. • Manage workloads to reduce stress. • Spread knowledge within core team to ensure a back-up if specialist absent. • Use short and medium term work experience placements for mutual benefit.
Completion of evidence base takes longer than expected.	<ul style="list-style-type: none"> • Clear specification in consultancy briefs, and tighter project management of consultancy commissions. • Ensure core team is kept abreast of latest good practice cited on discussion fora and other sources. • Ensure team carries out appropriate CPD to keep up to date with best practice. • Allow contingency in LDS for project overrun.
Increased volume, complexity or scope of non Local Plan work	<ul style="list-style-type: none"> • Regular review of extent of non Plan-making work handled by core team. • Assess options for further redeployment from within or outside of the Council.
Key stakeholders/ partners, such as infrastructure providers, unable to provide information or other input at key stages in the process.	<ul style="list-style-type: none"> • Secure commitment to contributing to Plan-making at the highest level in partners organisations, highlighting role of Local Plan in delivering the sustainable community's strategy. • Provide stakeholders/partners with good notice of what will be required of them, and when. • Investigate ways of pooling resources to achieve desired outcomes.
Volume and complexity of representations and comment exceeds expectations.	<ul style="list-style-type: none"> • Engage with key stakeholders, developers, landowners and other local interests throughout the policy development • Build capacity outside of team to deal with processing representations received, e.g. colleagues within section and wider Division • Clarify through SCI how representations will be handled and do not respond on an individual basis. • Depends on number of comments at draft stage and how many we are able to negotiate to withdraw to save Examination time.
DPDs prepared are not found sound, have to be withdrawn, or are subject to legal challenge.	<ul style="list-style-type: none"> • Checking against the tests of soundness at each key stage of the plan preparation process, making use of the PAS self assessment toolkit. • Carry out community engagement in accordance with the Council's adopted Statement of Community Involvement. • Be diligent in undertaking and recording actions against new 'duty to co-operate'.

5. LOCAL DEVELOPMENT DOCUMENT (LDD) PROFILES

5.1 This section provides a standard profile for each of the LDD’s we intend to prepare, as identified in **Table 1**.

Darlington Local Plan (Plan Review)	
DOCUMENT DETAILS:	
Role & Content:	Enables a selective review of the existing local plan to update and expand on policies already in the existing plan.
Geographical Coverage:	Borough Wide
Status:	Updated Local Plan with extended timeframe
Conformity Review	National Planning Policy Framework N/A
Timetable:	
Commence Review	February 2025
Consultation on Draft Local Plan Submission	September 2025 September 2026
Examination	Spring 2027 (will be determined by the Planning Inspectorate)
Estimated Date Adoption	Summer 2027
Production:	
Organisational Lead:	Head of Planning Policy, Economic Strategy and Environment
Lead Section	Planning Policy
Management Arrangements:	Cabinet Economy and Resources Scrutiny Committee Joint Management Team / Chief Officers Board Economic Growth Senior Leadership Team
Internal Resources:	Development Management Building Control Sustainable Transport Environmental Health Communications Unit Xentrall Design and Print Unit.
External Resources:	Consultants for selected technical evidence base updates.
Community & Stakeholder Involvement:	Other Tees Valley Authorities, Council Members, local people, Darlington Partnership, Parish Councils, development industry representatives, government agencies, in accordance with the Council’s adopted SCI.

Revised Design of New Development SPD	
DOCUMENT DETAILS:	
Role & Content:	Sets out general and detailed design guidelines for new development to provide a framework to secure high quality, safe, distinctive, sustainable design in new developments.
Geographical Coverage:	Borough of Darlington (excluding Skertingham and Burtree where bespoke Design Code SPDs are already in place)
PRODUCTION:	
Organisational Lead:	Head of Planning Policy, Economic Strategy and Environment
Lead Section	Planning Policy
Management Arrangements:	Cabinet Economy and Resources Scrutiny Committee Joint Management Team / Chief Officers Board Economic Growth Senior Leadership Team
Internal Resources:	Development Management Building Control Sustainable Transport Communications Unit Xentrall Design and Print Unit.
External Resources:	None
EVIDENCE BASE	
Community & Stakeholder Involvement:	Other Tees Valley Authorities, Council Members, local people, Darlington Partnership, Parish Councils, development industry representatives, government agencies, in accordance with the Council's adopted SCI
Status:	Supplementary Planning Document
Conformity:	National Planning Policy Framework and elements of Local Plan.
Review:	The existing SPD needs to be revised to reflect changes to latest thinking on design and other matters including Building Regulations, Code for Sustainable Homes, Development Management amenity issues, etc.
TIMETABLE:	
Commence preparation of Draft Revised SPD	Underway
Consultation on Draft Revised SPD	September 2025
Estimated Date Adoption	December 2025

**CABINET
4 FEBRUARY 2025**

HOUSING REVENUE ACCOUNT – MTFP 2025-26 TO 2028-29

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

**Responsible Director – Elizabeth Davison,
Executive Director of Resources and Governance**

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 2025-26 in the context of the HRA Medium Term Financial Plan to 2028-29 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 5,260 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 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 £13.8m.
5. The HRA also 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, including the transition to Universal Credit, 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 Citizens Advice 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 2025-26, which includes:
 - (a) Proposed revenue expenditure of £30.186m, including:
 - (i) £6.693m to fund our responsive repairs and maintenance service, and
 - (ii) £15.947m contribution to the capital programme.
 - (b) A proposed capital programme of £30.092m, including:
 - (i) £1.325m for heating system replacements,
 - (ii) £1.760m for property adaptations, structural works, external works, and roofing,
 - (iii) £1.495m for windows and door replacements,
 - (iv) £3.600m for kitchen and bathroom replacements,
 - (v) £4.020m to deliver energy efficiency measures to tackle climate change,
 - (vi) £16.925m to complete capital schemes approved in previous years, and to deliver our new build Council housing programme and 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 2024 was 1.7%, which means for 2025-26 Members could increase rents by up to 2.7%.
9. Members will recall that a 6.7% rent increase was agreed in February 2024 for the current financial year, although rents could have been increased by 7.7%. This was in recognition of the need to balance ongoing economic pressures facing our tenants and the need to invest in our Council homes and service. As far as we are aware, all other social landlords in England increased their rents by the maximum 7.7%.
10. The Council has faced substantial financial pressures over the last 12 months. There is a country wide pressure regarding building materials and contractor costs, which has, and continues to, increase prices above inflation, which subsequently impacts on the cost of both repairs and maintenance and new build properties. For example, our Repairs and Maintenance costs have increased from £4.758m in 2021-22 to an estimated £6.432m in 2024-25, a 35% increase in 3 years.
11. In addition, the significant unknown pressure is the energy efficiency programme. An independent report from Savills in 2021 estimated replacing gas boilers with air source heating will cost more than £100m. At this point we don't know the Government's long-term intentions on funding for these measures, but currently, grants are awarded on a

matched funding basis.

12. We have approx. 2,500 properties that don't meet the Energy Performance Certificate (EPC) C rating which will need to be addressed by 2030. We don't know the full costs yet, but current estimates, based on stock condition data, suggest the amount to be around £32m, which is approx. £12.8k for each property. We are currently bidding for funding from the Social Housing Decarbonisation Fund (SHDF) wave 3, which will upgrade over 1,600 Council homes, however, significantly more investment will be required to meet Government targets.
13. The Government will also be consulting on new Decent Homes Standards and the Regulator of Social Housing introduced new Consumer Standards in April 2024 that places greater emphasis on social landlords to provide good quality homes to their tenants. Awaab's Law, due to be introduced in 2025, will also require social landlords to address damp and mould reports with higher priority and new Fire Safety regulations introduced in 2022 also require us to replace all our doors in blocks of flats and communal housing schemes over the next few years.
14. Considering 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 2.7% is recommended, or an average of £2.81 each week. It is also recommended to increase service charges by an appropriate inflationary amount.
15. We have consulted our tenants on these proposals and feedback is given at paragraphs 53 to 56 of the report. This report was considered by the Health and Housing Scrutiny Committee on 15 January 2025, who received the outcome of the consultation, and agreed the report's onward submission for consideration by Cabinet.
16. Since the report to Cabinet on 3 December 2024, adjustments have been made to the operational costs and repairs and maintenance costs, as follows:
 - (a) The operational costs have increased from £6.241m to £6.390m to take into account a higher than anticipated insurance premium which has increased by 70% between 2023/24 and 2024/25.
 - (b) The repairs and maintenance costs have increased from £6.503m to £6.693m to take into account an inflationary increase in maintenance costs over the past 12 months of 9.22%.

Recommendations

17. 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 2.7% 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 are increased as shown in **Table 3**.
 - (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 approved.

Reason

18. 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
Executive Director of Resources and Governance

Background Papers

Regulator of Social Housing - Rent Standard

Anthony Sandys: Ext 6926

Council Plan	This report supports the Council Plan’s HOMES priority to provide affordable and secure homes that meet the current and future needs of residents
Addressing inequalities	There are no issues which this report needs to address
Tackling Climate Change	There are a range of energy efficiency measures included in the business plan, which will support our Housing Services Climate Change Strategy
Efficient and effective use of resources	As the HRA is a ring-fenced budget every effort is made to maximise income and identify savings to maintain a high-quality service
Health and Wellbeing	By ensuring our housing stock is in good condition, we are making a positive contribution to the health and wellbeing of our tenants
S17 Crime and Disorder	There are no issues which this report needs to address
Wards Affected	All wards with Council housing
Groups Affected	All Council tenants and leaseholders, 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 in February 2025
Key Decision	This is not a key decision for Cabinet, as the approval of Council in February 2025 will be required
Urgent Decision	This is not an urgent decision for Cabinet, as the approval of Council in February 2025 will be required
Impact on Looked After Children and Care Leavers	This report has no impact on Looked After Children or Care Leavers

MAIN REPORT

Background

19. Darlington Borough Council is the largest provider of social housing in the Borough, providing 5,260 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.
20. 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 bills of our residents, 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 to support people to live independently and maintain a good quality of life.
21. 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.
22. 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 2025-26**

23. Detailed estimates have been prepared based on current service levels and the following expenditure amounts for the revenue account are proposed for 2025-26:

Area	£m	Description
Operational costs	6.390	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	3.593	This covers services charged to tenants such as building cleaning, heating, 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	6.693	This covers the on-going general repairs to our 5,260 Council properties, which is an average of £1,272 for each property in 2025-26. 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	4.429	This covers the historic and ongoing cost of paying for borrowing undertaken to fund capital expenditure.
Bad debt provision	0.263	Provision to cover rents that are deemed to be unrecoverable.
Revenue contribution to the capital programme	15.947	This represents the amount by which the HRA can fund major capital works. A breakdown of the proposed Capital Programme for 2025-26 is given below in 'Housing Business Plan'.

Housing Business Plan

24. 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 and our Housing Asset Management Strategy, which are regularly reviewed to ensure investment is targeted in the areas of most need. The funding proposals for 2025-26 are:

Area	£m	Description
Adaptations and lifts	0.150	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 replacements	1.325	This budget will fund new condensing boilers, air source heat pumps 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 2025-26 will predominantly be completed in the Eastbourne, North Road and Cockerton wards.
Structural works	0.400	This budget will be used to address structural issues identified within the year.
Lifeline services	0.310	This budget will continue to fund any upgrades required to Lifeline equipment.
Repairs before painting	0.068	This budget will be invested in joinery repair works in anticipation of the cyclical external painting programme. This work for 2025-26 will predominantly be completed in the Red Hall and Lingfield, Heighington and Coniscliffe, Sadberge and Middleton St. George, and College wards.
Roofing and repointing work	1.000	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. The programme of works for 2025-26 has yet to be determined, as it will be aligned to any successful funding bid for energy efficiency work (see below).
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 2025-26 will predominantly be completed in the Red Hall and Lingfield ward.
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.
Pavements	0.028	This budget will be used to fund any identified work to upgrade or adapt any pavements (including requirements for

Area	£m	Description
		dropped kerbs for Council properties) across the Borough.
Window and door replacements	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 because of a responsive repair. This work for 2025-26 will predominantly be completed in the Park East, Stephenson, Cockerton, Whinfield, Haughton and Springfield, Red Hall and Lingfield, and Sadberge and Middleton St. George wards.
Internal planned maintenance (IPM)	3.600	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 2025-26 will predominantly be completed in the Red Hall and Lingfield, Stephenson, Hummersknott and Whinfield wards.
Energy efficiency	4.020	This budget will continue to fund energy efficiency improvements such as improved insulation and new low carbon heating systems. This will also include any match funding required for Government energy efficiency grant bids (see the 'Climate Change' section below).
Communal works	0.200	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 2025-26 will be completed in various locations across the Borough.
Capital Schemes approved in previous year	12.835	This budget will be used to fund ongoing capital schemes, including new build schemes, that were approved in a previous year but are due to be completed in 2025-26.
New build and regeneration capital investment	4.090	This budget will continue to fund the new build Council housing programme (see the 'New Build' section below). This budget will also fund any property acquisitions during 2025-26.

25. 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

26. Darlington Borough Council has set an ambitious programme to build additional new Council homes to meet increasing demand for social housing in the Borough. Since the programme began, 315 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 2,000 Darlington residents on the Housing Allocations register.

27. Since the abolition of the HRA borrowing cap, we have been able to prudentially borrow and have included estimated additional borrowing of £13.8m in 2025-26 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.
28. We lose around 40 homes each year through the Right to Buy scheme, although this may change under new Government rules, which has reduced the discounts available. 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.
29. The following new build work is planned to be delivered in 2025-26:
 - (a) Work on the Neasham Road site commenced in September 2022 and will deliver 150 new homes by the end of 2025-26. The first 22 new Council homes were completed in August 2024 and tenants have already moved in. The rest of the site will be completed in phases, including 19 homes being offered as rent to buy. The site has been partly funded through £7.35m of grant from Homes England.
 - (b) Phase 2 of the Sherbourne Close site commenced in July 2024, providing an additional 14 new homes and is due to be completed in August 2025. The site has been partly funded through £0.91m of grant from Homes England.
 - (c) Construction work on the Skinnergate site is due to commence in 2025-26, following the demolition of the existing commercial buildings. The first phase of the demolition has already been completed, with the remainder due to take place early in 2025. Development of the site has been delayed because of ongoing legal issues regarding adjoining commercial and residential properties, nutrient neutrality issues and enquiries raised by Historic England. An application for grant funding from Homes England is currently being prepared and we are anticipating an award of approx. £1.1m.
30. As noted previously, the new build programme for 2025-26 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 People with Vulnerabilities

31. Each year, Housing Services complete a range of minor and major adaptations to individual Council properties where an Occupational Therapist has identified a need. Works range from the provision of lever taps and grab rails to semi-permanent ramps, stair lifts, hoists, and ground floor extensions.

32. The HRA adaptations budget reflects the fundamental role adaptations play in supporting people with vulnerabilities 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. Occupational Therapists and Housing Officers work closely with our tenants 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

33. From our previous stock condition surveys, undertaken by external consultants, 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. We now have dedicated Stock Condition Surveyors who will undertake a rolling programme of surveys to inform our provision of good quality, well maintained and safe homes for our tenants. Our annual stock condition surveys will continue to shape our Business Plan and energy efficiency priorities.
34. 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 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, fire door surveys and fire risk assessments.
35. The Housing Business Plan identifies a capital works budget of around £71m over the next four years and £453m budget for capital works over the next 30 years, including the New Build Programme (see **Appendix 2**).
36. 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 £27.5m for responsive repairs and maintenance over the next four years.

Climate Change

37. We are committed to improve the energy efficiency of our homes, reduce our carbon impact, help tackle climate change, and reduce tenants' fuel bills, reflected in our Housing Services Climate Change Strategy, approved by Cabinet in January 2024. Our strategy confirmed that significant investment is required to achieve Government targets to ensure all our homes:
 - (a) Achieve a minimum EPC rating of C by 2030.
 - (b) Achieve a net zero carbon rating by 2050.
38. An independent report from Savills in 2021 estimated replacing gas boilers with air source heating will cost more than £100m. At this point we don't know the Government's long-term intentions on funding for these measures, but currently, grants are awarded on a matched funding basis.

39. The Council has already committed over £3m 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 Social Housing Decarbonisation Fund (SHDF) to deliver improvements to Council homes as follows:
 - (a) 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.
 - (b) The SHDF (wave 2) scheme is currently delivering 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.
40. We have approx. 2,500 properties that don't meet the EPC C rating which will need to be addressed by 2030. We don't know the full costs yet, but current estimates, based on stock condition data, suggest the amount to be around £32m, which is approx. £12.8k for each property. We are currently bidding for funding from the SHDF (wave 3), which will upgrade over 1,600 Council homes, however, significantly more investment will be required to meet Government targets.

Income

Rents

41. All registered providers of social housing (including Councils) must set rents in accordance with the Government's Rent Standard, which allows social housing providers to increase rents, by CPI plus 1%.
42. Members will recall that a 6.7% rent increase was agreed in February 2024 for the current financial year, although rents could have been increased by 7.7%. This was in recognition of the need to balance ongoing economic pressures facing our tenants and the need to invest in our Council homes and service. As far as we are aware, all other social landlords in England increased their rents by the maximum 7.7%.
43. The Council has faced substantial financial pressures over the last 12 months. There is a country wide pressure regarding building materials and contractor costs, which has, and continues to, increase prices above inflation, which subsequently impacts on the cost of both repairs and maintenance and new build properties. For example, our Repairs and Maintenance costs have increased from £4.758m in 2021-22 to an estimated £6.432m in 2024-25, a 35% increase in three years.
44. 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 tenants' homes and the ability to implement the significant energy efficiency measures required to tackle climate change.
45. The Government will also be consulting on new Decent Homes Standards and the Regulator of Social Housing introduced new Consumer Standards in April 2024 that places greater emphasis on social landlords to provide good quality homes to their tenants.

Awab’s Law, due to be introduced in 2025, will also require social landlords to address damp and mould reports with higher priority and new Fire Safety regulations introduced in 2022 also require us to replace all our doors in blocks of flats and communal housing schemes over the next few years.

46. Considering 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 2.7% is recommended, or an average of £2.81 each week. It is also recommended to increase service charges by an appropriate inflationary amount.
47. In addition to the income from rent and service charges, in 2025-26 we plan to borrow an additional £13.8m 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.
48. In terms of benchmarking data, the following tables are the Government figures for 2023-24, which is the latest published and show Darlington rents both social and affordable (except for one-bedroom and four-bedroom homes with an affordable rent) as being lower.

Table 1: Average Social Rents 2023-24 (no service charges included)

House size	DBC	Other Social Landlords in Darlington
1 Bedroom	£69.95	£76.50
2 Bedroom	£79.20	£90.23
3 Bedroom	£88.08	£96.53
4 Bedroom	£93.94	£117.31
All properties	£79.08	£89.98

Table 2: Average Affordable Rents 2023-24 (including service charges)

House size	DBC	Other Social Landlords in Darlington
1 Bedroom	£100.17	£98.80
2 Bedroom	£101.46	£111.19
3 Bedroom	£113.03	£123.88
4 Bedroom	£144.14	£134.68
All properties	£103.94	£113.86

Garage Rents and Service Charges

49. The proposed service charges are shown at **Table 3** 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.
50. For 2025-26, the heating costs for sheltered and extra care schemes has been estimated by the North East Procurement Organisation’s (NEPO) to decrease, reflecting gas price

decreases in 2024-25. Therefore, the proposed service charge for 2025-26 has been decreased accordingly. The proposed meals charge for Extra Care schemes will increase by 20% from £48.61 each week, to £58.43 as the costs are currently being subsidised by the Council, although the actual cost increase of the service will be staggered over two years. However, by comparison, Anchor Housing currently charge £71.12 each week for a similar service and Hanover Housing charge £68.53, so our service will continue to provide value for money for residents. Similarly, the building cleaning charge has also been increased above inflation, as this service is also being subsidised by the Council.

51. 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 Citizens Advice 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 3: Garage Rents and Service Charges

Description	Current Weekly Charge (24/25)	Proposed Weekly Charge (25/26)	% increase
	£	£	
Garage Rents	9.76	10.07	3%
Building Cleaning – Flats	2.62	2.82	7%
Building Cleaning – Sheltered Schemes	4.66	5.15	10%
Building Cleaning – Extra Care Schemes	16.63	18.87	13%
Grounds Maintenance – General Housing	2.20	2.28	4%
Grounds Maintenance – Blocks of Flats	2.20	2.28	4%
Heating – Sheltered and Extra Care Schemes	28.85	19.89	-31%
Heating – Blocks of Flats	3.29	3.29	0%
Administration – Leaseholders	2.12	2.16	2%
Furnishings and Fittings – Sheltered and Extra Care Schemes	2.53	2.58	2%
Furnishings and Fittings – Good Neighbour Schemes	1.24	1.26	2%
Lifeline Response	7.92	8.57	8%
Lifeline – Sheltered and Extra Care Schemes	28.38	30.48	7%
Pavement Crossings and Hard Standings	5.12	5.20	2%
Mid-day Meal – Extra Care (Residents Only)	48.61	58.43	20%
Mid-day Meal – Extra Care (Non-Residents)	58.33	70.12	20%
Guest Rooms in Sheltered Schemes	105.48	110.75	5%
Door Entry Systems	0.93	0.95	2%
TV Aerials	0.26	0.26	2%
Furniture Charge	14.08	14.32	2%
Housing Plus Service	22.60	22.90	1%

Consultation

52. The Annual Review of the HRA Business Plan, together with the recommendation to increase rents and service changes is developed in consultation with Council tenants through our Tenants Panel and tenant surveys. Consultation on the proposals for 2025-26 has taken place during December 2024.

Outcome of Consultation

53. A consultation exercise was carried out with the Tenants Panel in December 2024, with overall supportive views about the proposed rent increase. The Panel's comments were as follows:
54. Do you agree with the proposal for Darlington Borough Council to increase their rents by 2.7% in April 2025?
- (a) "It makes no difference as it will go up any way, it's a good thing that it's not gone up as much as last time".
 - (b) "Yes, absolutely I agree as I know the reasons behind it - it has to do to inflation".
 - (c) "As a rent payer it's necessary I agree".
 - (d) "I would like it to be lower, but we know it's going rise every year - as long housing do the jobs they are supposed to do".
 - (e) "Not particularly but it's not too bad".
 - (f) "Yes, I do as housing have to increase money".
 - (g) "Yes - we can't not agree with it - I think it's fair as everything goes up in April".
 - (h) "I agree with the 2.7% increase as is needed for works to be ongoing. Saying that, I don't think properties are kept up to date with needed improvements".
 - (i) "I think that 2.7% increase in rent is a little high mainly for those who don't get Housing Support Benefit and with the current cost of living crisis there may be many struggling with the current rent charge".
55. Do you think your rent is value for money compared to other landlords in Darlington?
- (a) "Yes definitely - I know private are much more expensive".
 - (b) "Yes definitely - Most of my friends have private and they are struggling with the payments, some of my friends who work are struggling so think I am lucky to be council tenant".
 - (c) "According to what Claire Gardner-Queen (Head of Housing) said we are competitive - I know we pay slightly more as it's a new build".

- (d) "Yes - friends pay more in private".
- (e) "I don't know what other landlords charge, but I presume others will be dearer".
- (f) "I think it is value for money it's cheap in Darlington - but things need changing - lifeline is a lot of money and pay to get grass cut but they don't take away grass".
- (g) "Yes, it's value for money and what private people pay is extreme".
- (h) "I do think rent charged is value for money, especially when comparing like for like in the private sector and other providers".
- (i) "I do think it's on average compared to other social housing landlords but quite low compared to private landlords, but I would say repairs are not carried out to a high standard and from some improvement works to my own home they have made very little difference and if any have caused numerous issues and problems".

56. An on-line consultation on the proposals was also conducted with all Council tenants in December 2024. 889 responses were received (which is a 75% increase on the number of responses received in 2023), and a summary is set out below:

- (a) 30% of respondents agreed with the proposed rent increase of 2.7% from April 2025 and 70% disagreed. Comments included:
 - (i) Low-income households who did not claim welfare benefits could struggle.
 - (ii) The high cost of gas and electric in addition was a worry.
 - (iii) The repairs and maintenance service is good.
 - (iv) It's only going up a couple of pounds increase, so manageable.
- (b) 58% of respondents agreed that the rent they pay to the Council is value for money, compared to other landlords in Darlington. 12% disagreed and 30% were unsure. Comments included:
 - (i) Agreement with the increase of Council rents; other landlords are usually more expensive.
 - (ii) Fair in the current market.
 - (iii) Don't have to worry about repairs like homeowners.
 - (iv) Suitable and adequate for the property they live in.
- (c) 27% of respondents said they had problems with paying their rent over the past year. Of those tenants, 63% said that they had contacted the Council about paying their rent and 68% said the Council were able to help them with their problem.

Financial Implications

57. 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.
58. 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

	2025/26	2026/27	2027/28	2028/29
	£000	£000	£000	£000
<u>Income</u>				
Rents of Dwellings (Gross)	(24,180)	(24,764)	(25,397)	(25,674)
Sundry Rents (Including Garages and Shops)	(513)	(523)	(533)	(544)
Charges for Services and Facilities	(3,593)	(3,685)	(3,754)	(3,829)
Contribution Towards Expenditure	(1,527)	(1,642)	(1,661)	(1,681)
Interest Receivable	(374)	(210)	(163)	(163)
Total Income	(30,186)	(30,823)	(31,509)	(31,890)
<u>Expenditure</u>				
Operational Costs	6,390	6,490	6,601	6,701
Service Charges	3,593	3,685	3,754	3,829
Capital Financing Costs	4,430	4,395	4,359	4,324
Increase in Bad Debt Provision	263	276	283	291
HRA Revenue Repairs	6,693	6,814	6,942	7,073
Revenue Contribution to Capital (RCCO)	15,947	13,976	14,208	11,482
Contribution to/(from) Balance	(7,129)	(4,812)	(4,640)	(1,811)
Total Expenditure	30,186	30,823	31,509	31,890
(Surplus) / Deficit	0	0	0	0
Opening Balance	24,701	17,572	12,760	8,119
Contribution to/(from) Balance	(7,129)	(4,812)	(4,640)	(1,811)
Closing Balance	17,572	12,760	8,119	6,309

APPENDIX 2

30 YEAR HOUSING BUSINESS PLAN 2025/26 - 2054/55

	Years 1-10 (£000)	Years 11-20 (£000)	Years 21-30 (£000)	Total Spend (£000)
Adaptations and Lifts	1,642	2,002	2,441	6,085
Communal Works	2,190	2,670	3,434	8,293
Repairs Before Painting	1,284	1,715	2,170	5,169
External Works (footpaths, fencing, etc.)	2,299	2,803	3,534	8,636
Garages	323	334	398	1,054
Heating Replacements	14,504	17,680	21,552	53,736
Internal Planned Maintenance (IPM)	39,419	54,103	62,523	156,045
Roofing and Repointing Work	7,467	8,676	10,576	26,719
Structural Works	4,380	5,339	6,868	16,586
Lifeline Services	1,299	694	892	2,885
Energy Efficiency (including Window and Door Replacements)	40,535	39,075	47,120	126,731
Professional Fees	3,416	4,164	5,618	13,199
Smoke / Fire Alarms	0	1	2	3
Pavements	305	371	477	1,153
Capital Schemes Approved in the Previous Year	12,835	0	0	12,835
New Build and Regeneration Capital Investment	13,090	1,000	0	14,090
Total expenditure	144,990	140,627	167,602	453,219

HOUSING REVENUE ACCOUNT – CAPITAL PROGRAMME

	2025/26	2026/27	2027/28	2028/29
	£000's	£000's	£000's	£000's
<u>Scheme / Project</u>				
Adaptations and Lifts	150	153	156	159
Heating Replacements	1,325	1,351	1,378	1,406
Structural Works	400	408	416	424
Lifeline Services	310	203	214	217
Repairs Before Painting	68	69	134	136
Roofing and Repointing Work	1,000	663	676	690
Garages	50	50	26	27
External Works (footpaths, fencing, etc.)	210	214	218	223
Pavements	28	28	29	30
Window and Door Replacements	1,495	2,025	2,065	1,607
IPM	3,600	3,672	3,745	3,820
Energy Efficiency	4,020	3,917	3,917	1,500
Communal Works	200	204	208	212
Capital Schemes Approved in the Previous Year	12,835	0	0	0
New Build and Regeneration Capital Investment	4,090	1,000	1,000	1,000
Fees	312	318	325	331
Total spend	30,092	14,276	14,508	11,782
Resourced by:				
Capital Receipts	300	300	300	300
RCCO	15,947	13,976	14,208	11,482
Additional Borrowing	13,845	0	0	0

Examples of Weekly Rent Changes for 2025/26

Appendix 4

Area		Property Type	Approved Rent 2024/25	Proposed Rent 2025/26	Increase between 24/25 & 25/26	Increase between 24/25 & 25/26
					£	%
<u>Middleton St George</u>						
	Mount Pleasant Close	1 Bedroom Bungalow	93.41	95.93	2.52	2.7%
	Pounteys Close	2 Bedroom House	89.12	91.52	2.41	2.7%
	Thorntree Gardens	3 Bedroom House	101.65	104.40	2.74	2.7%
<u>Cockerton</u>						
	Newton Court	1 Bedroom Flat	73.59	75.58	1.99	2.7%
	Elvet Place	2 Bedroom House	86.19	88.51	2.33	2.7%
	Minors Crescent	3 Bedroom House	92.86	95.37	2.51	2.7%
<u>Haughton</u>						
	Ted Fletcher Court	1 Bedroom Flat	74.21	76.21	2.00	2.7%
	Lyonette Road	2 Bedroom Flat	84.07	86.34	2.27	2.7%
	Nightingale Avenue	2 Bedroom House	87.01	89.36	2.35	2.7%
	Rockwell Avenue	2 Bedroom House	84.07	86.34	2.27	2.7%
	Dunelm Walk	3 Bedroom House	95.14	97.71	2.57	2.7%
<u>Branksome</u>						
	Branksome Hall	1 Bedroom Flat	73.71	75.70	1.99	2.7%
	Whitby Way	1 Bedroom Flat	73.71	75.70	1.99	2.7%
	Malvern Crescent	2 Bedroom House	84.55	86.83	2.28	2.7%
	Rosedale Crescent	3 Bedroom House	96.12	98.71	2.60	2.7%
	Sherborne Close	2 Bedroom Flat	99.66	102.35	2.69	2.7%
<u>Lascelles</u>						
	Coxwold House	1 Bedroom Flat	72.85	74.82	1.97	2.7%
	Gilling Crescent	2 Bedroom Flat	72.85	74.82	1.97	2.7%
	Aldbrough Walk	2 Bedroom House	93.45	95.97	2.52	2.7%
	Caldwell Green	3 Bedroom House	92.31	94.80	2.49	2.7%
	Fenby Avenue	3 Bedroom House	112.96	116.01	3.05	2.7%
<u>Bank Top</u>						
	Graham Court	1 Bedroom Flat	74.18	76.18	2.00	2.7%
	Graham Court	3 Bedroom House	95.05	97.61	2.57	2.7%
<u>Red Hall</u>						
	Bramall House	1 Bedroom Flat	71.17	73.09	1.92	2.7%
	Aviemore Court	2 Bedroom Flat	78.26	80.38	2.11	2.7%
	Murrayfield Way	2 Bedroom House	81.52	83.72	2.20	2.7%
	Aintree Court	2 Bedroom House	79.99	82.15	2.16	2.7%
	Aintree Court	3 Bedroom House	102.89	105.67	2.78	2.7%
<u>Eastbourne</u>						
	West Moor Road	1 Bedroom Flat	69.90	71.79	1.89	2.7%
	Tansley Gardens	2 Bedroom Flat	77.86	79.96	2.10	2.7%
	Firthmoor Crescent	2 Bedroom House	81.08	83.27	2.19	2.7%
	Brignall Moor Crescent	3 Bedroom House	87.76	90.13	2.37	2.7%
<u>Skerne Park</u>						
	Trent Place	2 Bed House	87.73	90.10	2.37	2.7%

	Humber Place	3 Bed House	88.59	90.99	2.39	2.7%
<u>Parkside</u>						
	Wordsworth Road	1 Bedroom Flat	74.27	76.28	2.01	2.7%
	Shakespeare Road	2 Bedroom House	90.73	93.18	2.45	2.7% *
	Ruskin Road	3 Bedroom House	94.16	96.71	2.54	2.7%

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

This page is intentionally left blank

**CABINET
4 FEBRUARY 2025**

MEDIUM TERM FINANCIAL PLAN (MTFP)

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

Responsible Director - Chief Officers Executive

SUMMARY REPORT

Purpose of the Report

1. To propose a Medium Term Financial Plan (MTFP) for 2025/26 to 2028/29, including setting a budget and Council Tax increase for 2025/26, to be forwarded to Council for approval.

Summary

2. The Council continues to face significant and 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 was further compounded in the aftermath of covid as demand for services rose along with an unstable economic climate, where the country saw the cost of living increasing, high inflation, income deprivation and poverty rising. It is a challenge for everyone including the Council with a spiralling increase in cost and demand for services in particular Adult and Children's Social Care and homeless with numbers of people in temporary accommodation rising significantly over the last couple of years, 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 significant additional demand for services is putting an unprecedented pressure on affordability and despite additional savings achieved our reserves will be fully depleted by the end of 2027/28.
4. The new Government administration has recognised the significant pressure in public services and additional funding for core services was announced in the budget along with a promise of fundamental reform of how local government is funded. However, this is not a panacea, we do not yet know what this will look like or the specific impact for Darlington and given the overall government finances is unlikely to fully fill the sustainability gap we are anticipating.

5. Over two thirds of our expenditure is on Adult and Children's social care, caring for our most vulnerable residents and children. Inflation, the National Living Wage and interest rate levels directly impact on our adult care contracts which increased by 7.93% 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 been a 50% increase in contacts from partner agencies and people concerned for a child's welfare, a 45% increase in referrals and an 11% increase in children in our care since pre pandemic levels. These are our largest budgets, and we have a statutory requirement to provide these services, this consequently impacts on the funding available for all other Council services in particular discretionary areas which keep our town clean, vibrant and safe.
6. Darlington currently 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 approximately £0.67m. 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, a significant review and challenge of all our services has been undertaken with savings of £3.651m achieved in 2025/26, totalling £21.432m across the MTFP through back office efficiencies, restructuring, and income generation which do not affect front line service delivery in 2025/26. The savings include a transformation programme to review Business Support to improve systems and processes, and to reduce the subsidy on our Leisure and Cultural offer and facilities, which will involve spend to save initiatives, service review and increased use of technology. In addition, a Council Tax increase of 2.99%, and a 2% social care precept to help fund adult social care, has been proposed which would generate £2.003m and £1.340m respectively to help continue to provide vital services.
8. The Council Plan vision is for Darlington to be one of the best places to live, learn, work and invest in the UK, with a strong and sustainable economy, healthy and thriving communities and opportunities for all. There are three core principles running through everything we do, addressing inequalities, tackling climate change and the efficient and effective use of resources. The Council's priorities are
 - (a) Economy – a strong and stable economy and highly skilled workforce with opportunities for all.
 - (b) Homes – affordable and secure homes that meet the current and future needs of residents.
 - (c) Living Well – a healthier and better quality of life for longer, supporting those who need it most.
 - (d) Children and Young People – the best start in life, realising the potential and raising aspirations.
 - (e) Communities – safer, healthier and more engaged communities.

- (f) Local Environment – a well-connected, clean and sustainable borough.
9. This MTFP is shaped to help meet these priorities despite the financial challenges faced, by directing the resources available to the area's where most impact can be made. Darlington has some significant inequalities across the borough from a financial as well as a health perspective. The best thing you can do to improve health is to have 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 to provide a good mix and range of homes for our residents to benefit from.
 10. 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 315 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 a significant development occurring across the borough all of which boosts regeneration, job opportunities and revenue. But more needs to be done and we will allocate the resources we do have into realising this ambition.
 11. The provisional Local Government Finance Settlement was published on 18 December 2024 and confirmed funding for one year only along with the Council Tax referendum limits of 3% Council Tax and 2% for Social Care Precept. The provisional settlement is positive and provides additional grant funding for Darlington along with an extension on the New Homes Bonus for an additional year. However, it is anticipated the increase in employers National Insurance contributions announced in the budget will fall short of the resource being made available by £0.670m which is an additional MTFP pressure and furthermore the increase in CPI directly impacts on our social care contracts and has reduced the benefit of additional grant funding.
 12. Future years funding has not been confirmed, consequently the draft 2025/26 – 2028/29 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 2025/26 and continue to provide our core offer level of services to the residents of Darlington.
 13. 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 decision making. However, the overwhelming demand for services, increased contract costs linked to inflation and living wage increases is making future budgets untenable without the funding reform promised.
 14. Darlington is not alone in facing these pressures, Councils across the country are struggling with the same issues which have been widely reported in the media over the last year with a significant percentage indicating the inability to balance their books. Darlington's financial pressures have been raised with the Local Government Association and the Ministry for Housing, Communities and Local Government (MHCLG) directly.

15. 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. Reserves have been maintained for medium term stability and this is now a crucial component of the budget strategy given the pressures faced in the coming year. The reserves will be utilised to meet the 2025/26 funding gap allowing time to understand what the review of Local Government finances will bring. This is a prudent position to ensure our statutory services are maintained along with a small proportion of discretionary which are important to the vitality of the town and residents in the borough and continue some preventative services which stop the need for more costly service provision in the future. At this juncture it would be unwise to reduce much needed discretionary and preventative services which are key to enabling our Council Plan priorities before funding levels are clarified.
16. In summary, if the recommendations are agreed, the Council can deliver a 2025/26 budget which will allow net revenue investment in Darlington and its residents of £137m and new capital investment of £97m to add to the current capital programme of £332m. It also allows time for clarification of the Government's intentions for Local Government funding reform and the impact on Darlington.

Recommendations

17. It is recommended that Cabinet:
- (a) Note the response and comments received to the consultation.
 - (b) Approve and recommend to Council on the 20 February 2025 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 2025/26.
 - (ii) The Schedule of Charges as set out in **Appendix 3**.
 - (iii) The efficiency savings, transformation and services reviewed proposed.

Reasons

18. The recommendations are 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

Council Plan	The MTFP proposals direct resources to the priorities of the Council Plan.
Addressing inequalities	The MTFP proposals direct resources to assist in reducing inequalities.
Tackling Climate Change	The MTFP proposals seek to continue to support the Council’s responsibilities and ambitions to reduce carbon impact in the Council and the Borough.
Efficient and effective use of resources	The MTFP proposals include savings to ensure the efficiency and effective use of resources.
Health and Wellbeing	The report contains proposals to continue to allocate resources in support of the Council’s Health and Well Being responsibilities
S17 Crime and Disorder	The report contains proposals to continue to allocate resources in support of the Council’s Crime and Disorder responsibilities
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
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

19. The Council continues to face significant and 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 was further compounded in the aftermath of covid as demand for services rose along with an unstable economic climate, where the country saw 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 services in particular Adult and Children's Social Care and homeless with numbers of people in temporary accommodation rising significantly over the last couple of years, all of which have a direct impact on the Council's contracted expenditure.
20. 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 significant additional demand for services is putting an unprecedented pressure on affordability.
21. Over two thirds of our expenditure is spent on Adult and Children's Social Care, caring for our most vulnerable residents and children. Inflation, the National Living Wage and interest rate levels directly impact on our adult care contracts which increased by 7.93% 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 been a 50% increase in contacts from partner agencies and people concerned for a child's welfare, a 45% increase in referrals which must statutorily be responded to and an 11% 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, this consequently impacts on the funding available for all other Council services in particular discretionary areas which keep our town clean, vibrant and safe.
22. Darlington is not alone in facing these pressures, Councils across the country are struggling with the same issues which have been widely reported in the media over the last couple of years with several Councils indicating the inability to balance the books and either requesting exceptional financial support or issuing a Section 114 notice.
23. 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. The new Government administration has recognised the significant pressure in public services and additional funding for core services was announced in the budget along with the promise of fundamental reform of how local government is funded with a redistribution and multiyear settlements from 2026/27.
24. 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 2025/26 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 has 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 whilst further significant savings have been achieved our reserves will be fully depleted by the end of 2027/28. Fundamental funding reform is therefore vital to ensure the ambitions we all have for Darlington come to fruition.

25. Income and resource levels are discussed in detail later in this paper, however as we have only received a provisional one year settlement it is 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 2024/25 going into 2025/26 and the income and resources we will receive in future years.

Updated Information and changes to the draft MTFP

26. As a result of updated information since the draft MTFP was approved for consultation, a number of changes have been made to this proposed. The net effect is an additional £5.415m 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 £0.480m	64-69	4,6
2	Business Rates/Top Up – Estimated changes following the Government review	Over the life of the MTFP reduces reserves by £3.818m	70-76	4,6
3	Settlement – Added New Homes Bonus as continues a further year	Over the life of the MTFP increases reserves by £0.545m	60	4,6
4	Settlement – Increased Revenue Support Grant due to inflation uplift	Over the life of the MTFP increases reserves by £0.625m	56	4,6
5	Settlement – Ending of the Services Grant	Over the life of the MTFP reduces reserves by £0.664m	59	4,6
6	Settlement – Increase in Social Care Grant (Merged with Adults Social Care Grant)	Over the life of the MTFP increases reserves by £7.300m	54	4,6
7	Settlement – Changed Additional Resources in the Budget to new Recovery Grant (reduced as some allocated through Social Care Grant)	Over the life of the MTFP reduces reserves by £2.896m	55	4,6
8	Settlement - National Insurance Offset – Estimated reduction in grant	Over the life of the MTFP reduces reserves by £2.621m	11,51	4,6
9	Settlement – Added Children & Families Grant	Over the life of the MTFP increases reserves by £0.692m	62	4,6
10	Settlement – Added Children Social Care Prevention Grant	Over the life of the MTFP increases reserves by £2.280m	58	4,6
11	Settlement – Homeless Grant increased	Over the life of the MTFP increases reserves by £0.102m	63	4,6
12	Settlement – Added Extended Producer Responsibility Grant	Over the life of the MTFP increases reserves by £7.754m	61	4,6
13	Additional Pressures/Savings	Additional pressures and savings and revised pressures. Reduces reserves by £4.843m over the life of the MTFP.	32,34,35,36	1,2,6
14	Quarter 3 Revenue Budget Management	Improved position at Quarter 3 increasing reserves by £0.479m	81,82,83	5,6

Financial Analysis

Projected Expenditure

27. 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**.

<u>Summary of Pressures</u>	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Service Demand	5.547	4.252	3.926	4.153
Price Inflation	0.619	1.168	1.386	2.981
Reduced Income	0.582	0.345	0.376	0.801
Pay Award	0.761	0.782	0.811	0.828
Other	0.512	0.770	0.553	0.498
Total	8.021	7.317	7.052	9.261

Pressures

28. There are some significant pressures emerging which fall into one of five categories being increased demand, reduced income, pay award, price inflation and other.
29. **Service demand** – the largest pressure area regarding increased demand in 2025/26 is Adult Services, accounting for £1.557m of the pressure, and £3.972m across the MTFP.
30. The second largest pressure across the life of the MTFP is in the homelessness budget due to a substantial increase in demand and the lack of move on accommodation in Darlington. There has been a significant increase in the nights spent in emergency and temporary accommodation and consequently our contracted temporary provision is fully utilised, with the need to place people in alternative hotels and bed and breakfast provision. The shortfall in housing benefit subsidy and rent allowance is anticipated at £1.326m and £5.304m over the MTFP.
31. The Council is not alone in facing this challenge with homelessness widespread across the country. The Council is looking to build more Council housing and the recent announcements by government to remove discounts on right to buy housing will help retain Council stock. We are also looking to purchase and lease additional property to both help the financial position and give residents more stability. This however is a long-term approach and will take time to implement.
32. Another significant demand pressure is in Children's Services with pressures of £1.479m in 2025/26 and £3.136m across the life of the plan. The Council continues to see increases in demand for children's placement with more complex, challenging needs combined with a lack of suitable places, increasing costs. These pressures mirror the national position

where many Councils are facing budget pressures from children's services and have been reported through budget management in 2024/25.

33. A further demand pressure is concessionary fares which has increased by £0.373m in 2025/26 and £1.537m over the MTFP. This is an area the Council has no control over.
34. Additional pressures are now built into the MTFP within Street Scene, for household waste management arrangements, following Cabinets approval of service delivery changes to meet the introduction of weekly food waste collections in line with Government policy changes introduced from 2025/26. This adds £1.865m of pressure across the life of the plan.
35. On a positive note, although we are still experiencing increased tonnages collected from residents and the civic amenity site, these have decreased by £0.710m across the life of the plan and the budget has been updated.
36. **Price Inflation** – whilst the price inflation pressure in 2025/26 is lower than future years this masks the significant increase built into last year's MTFP. We continue to see significant inflationary increases in Adult Social Care, following increases in the National Living Wage from April 2025, CPI and other inflationary increases, which Adults Social Care contracts are based on. This has added £0.338m of pressure in 2025/26 and £3.157m across the plan. In addition, inflation increases significantly in future years with the largest element being mainly around ICT costs where infrastructure and software upgrades and the move to cloud based services for our major systems have increased substantially.
37. **Reduced Income** - the main area of reduced income in Financing Costs is due to a change in reporting requirements for the Minimum Revenue Provision and interest rates remaining relatively high. In addition there is a reduction in grant income in Local Taxation as residents move on to the universal credit system and a one off reduction in income at the Dolphin centre whilst the phase three mechanical and electrical works are completed. There has also been a reduction in cemetery and crematorium income due to market conditions and the rise of direct cremations.
38. **Pay Award** – the 2024/25 pay award was settled at a flat rate of £1,290 per full time employee (to spinal point 43 with all other employees at 2.5%). The percentage increase was therefore different depending upon base salary; however, the average increase was approximately 4.1%. The 2024/25 MTFP budgeted for a 3% increase in 2024/25 and 2% thereafter hence the pressure which is recurring each year. In addition, a provision of 3% has been included in 2025/26 given the recent above inflation increases in the National Living Wage which impact on our lower pay scales.
39. **Other** – this includes several pressures across all service areas, including security which unfortunately is needed across a few of our premises to keep our staff and members of the public safe, including Customer Services, the Dolphin Centre, Crown Street Library and Hopetown due to the increase in violent presentations. There is a significant increase in external audit costs following the failure in the system and the need to rebuild the external audit function. In addition, there are the holding costs of the Wilko and former Northern Echo buildings whilst regeneration takes place.

Savings

Summary of Savings	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Back Office Efficiencies and Process Review	(0.995)	(0.864)	(0.851)	(0.858)
Energy Savings	(0.375)	(0.375)	(0.375)	(0.375)
Increased Income	(1.617)	(1.941)	(2.008)	(1.788)
Other	(0.000)	(1.453)	(1.462)	(1.462)
Pressure Offset	(0.133)	(0.240)	(0.240)	(0.240)
Transformation and Service Review	(0.531)	(0.962)	(1.071)	(1.216)
Total	(3.651)	(5.835)	(6.007)	(5.939)

40. 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 £3.651m has been identified in 2025/26 totalling, £21.4m across the MTFP of which only a small proportion will impact on service provision.
41. **Back Office** - by reducing costs in management, back office, general housekeeping and process review, £0.995m has been identified in 2025/26, and £3.568m over the life of the MTFP. These savings come from staffing vacancies through redesign of service provision, removal of historic underspends and reduction in running costs due to partial closure of buildings and alternative ways of working.
42. **Energy** - usage has been closely monitored over the year given the substantial increase over the last few years and £1.500m in savings over the MTFP are anticipated following reduced rates and usage savings.
43. **Income** - income streams have been reviewed and anticipated an additional £1.617m in 2025/26, £7.354m over the MTFP. This includes additional grant income, fees and charges, appropriate overhead recovery, additional traded and SLA income, more efficient debt collection and rental income.
44. Included in the additional income is an increase to car parking tariffs. Given the significant financial pressure the Council faces, the difficult decision to increase car parking charges is being proposed. The proposal is to increase the rates as per the schedule in Appendix 3, including £1.20 per hour in short stay car parks up to a cap of £5.00 then reverting to a £1 tariff thereafter and £5 per day in long stay up to a £20 weekly ticket. This along with the additional patronage we have seen in the past year would generate an additional £0.500m per annum if introduced. This proposal is not taken lightly but will support ongoing provision of car parking services, highway maintenance works and highway schemes across the borough and is preferable to cutting discretionary services such as grass cutting, street cleaning, community safety and leisure provision.
45. **Other** – A provision for future increases in pension contributions has been released following a recent update from Durham Pension fund which indicated a healthy position with a rise in contribution rates unlikely following the forthcoming tri-annual valuation.

46. **Transformation and service review** – our leisure and cultural offer and facilities are well used and loved by our residents. Our facilities have all enjoyed significant capital investment over the past few years and help Darlington be the vibrant and inclusive town it is. However, these facilities, being the Dolphin Centre, Eastbourne Sports Complex, Crown Street Library and the Hippodrome all run with a financial subsidy. A programme of transformation is looking at how this subsidy can be reduced, this will be a mixture of income generation, reducing the cost of the premises through spend to save initiatives and along with back office and process review.
47. Our successful Town Centre events programme is included in this transformation review with the aim being to maintain a full events programme by reviewing the whole budget area to see what can be done more efficiently and what adds value for money for the Town Centre and Darlington residents
48. In addition, a significant review of Business Support is currently ongoing looking to improve systems and processes through technology and automating where possible. This project is already bringing benefits to how we work and will deliver more savings over the MTFP period. Vacant posts are being held in the interim to avoid where possible redundancies. Work is ongoing on all the transformation areas and savings are profiled to increase across the MTFP period anticipated to be £0.531m in 2025/26 increasing to £1.216m in 2028/29.

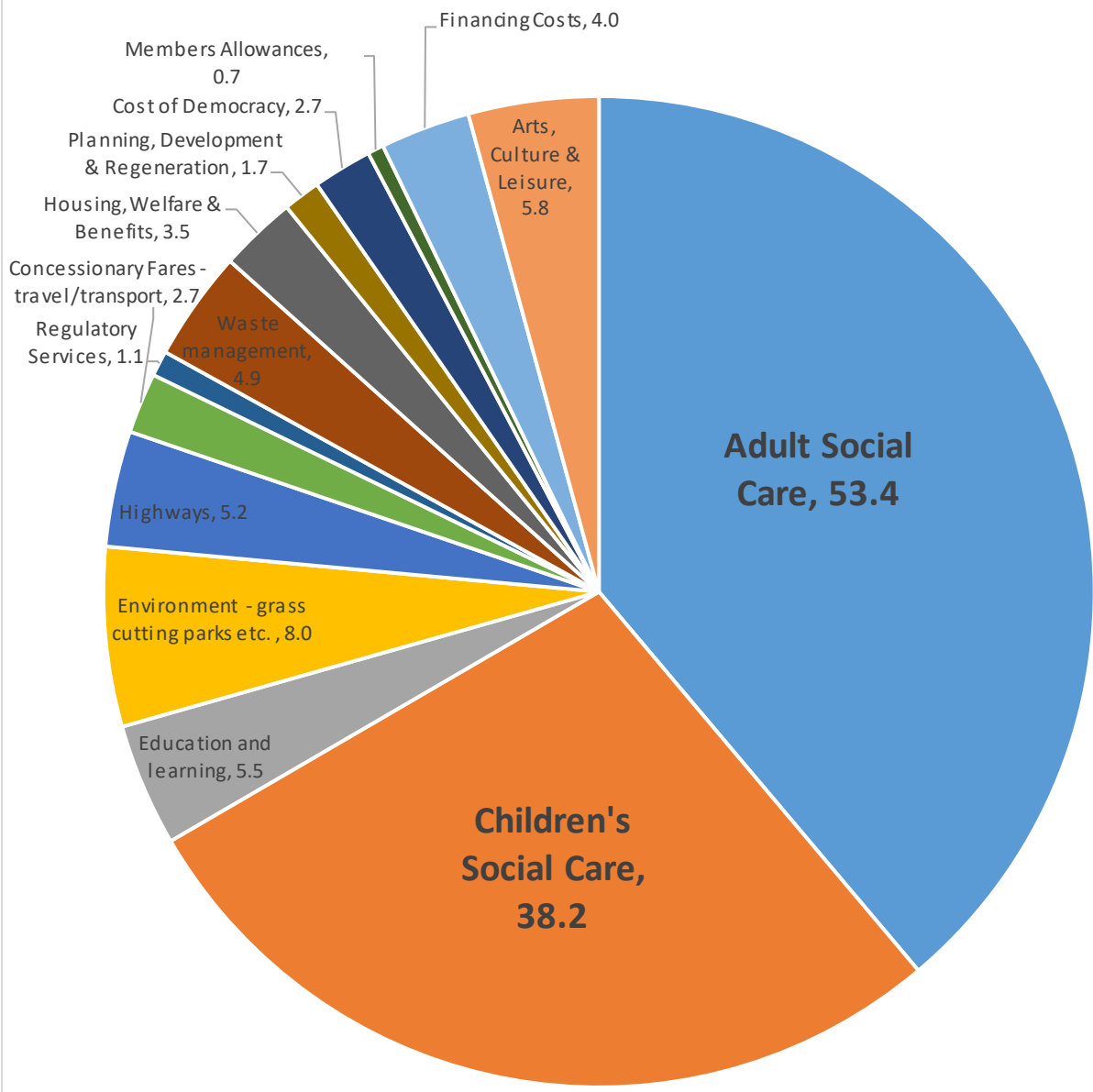
Total Expenditure

49. Taking the above savings and pressures into account, the summarised projected expenditure is shown in the table below:

Service	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Chief Executives Office	0.329	0.337	0.344	0.351
People Group	90.541	92.291	94.785	98.305
	1.832			
Economy & Public Protection Group		1.983	1.787	1.787
Environment, Highways & Community Services Group	26.010	26.229	26.829	27.367
Resources & Governance Group	15.728	16.303	16.927	17.362
Financing Costs	4.028	3.706	3.632	3.925
Investment Returns - Joint Venture	(1.977)	(2.006)	(1.753)	(1.524)
Council Wide	0.663	0.677	0.693	0.706
Contingencies	0.272	0.278	0.202	0.202
Total Expenditure	137.426	139.798	143.446	148.481

50. This proposed net investment in services of £137m in 2025/26 covers a wide range of areas from adult residential care to refuse collection, from Children’s 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 2025/26



- Adult Social Care
- Children's Social Care
- Education and learning
- Environment - grass cutting parks etc.
- Highways
- Concessionary Fares - travel/transport
- Regulatory Services
- Waste management
- Housing, Welfare & Benefits
- Planning, Development & Regeneration
- Cost of Democracy
- Members Allowances
- Financing Costs
- Arts, Culture & Leisure

Projected Income

Local Government Finance Settlement

51. The provisional Local Government Finance Settlement was published on 18 December 2024 and confirmed funding for one year only along with the Council Tax referendum limits of, 3% Council Tax and 2% for Social Care Precept. Consultation on the settlement closed on 15 January 2025 with the final settlement anticipated in February. The provisional settlement is positive and provides additional grant funding for Darlington along with an extension on the New Homes Bonus for an additional year. However, it is anticipated the increase in employers National Insurance contributions announced in the budget will exceed the resource being made available by £0.666m, which is an additional MTFP pressure. As noted above there are further expenditure pressures emerging from CPI increases and demand so whilst helpful it does not change the overall context of the MTFP.
52. Future years funding has not been confirmed and therefore the MTFP is 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, however the overriding principle is that we will receive cash equivalent grant funding for all government funding streams unless otherwise stated.

Core Grant funding to Local Government

53. In recognition of the funding pressures councils are facing and following the budget announcement of an additional £1.3bn including £600m for social care, an increase in core funding has been allocated in the 2025/26 settlement via the Social Care Grants and the new Recovery grant as detailed below. The Government has indicated the review and reform of local government funding will concentrate on rebasing funding to areas with higher deprivation and those with lower Council Tax bases and subsequently a lower ability to raised tax revenue.
54. **Social Care Grant** - this is an amalgamation of the Adult Care Support Grant and the Social Care Grant and has been increased to help the significant pressures faced in both Adult and Children's Social Care. It is anticipated this level of funding will remain and continue into future years on a cash equivalent basis given the pressures faced. Darlington will receive £12.731m in total.
55. **Recovery Grant** - the Government has introduced a new one off recovery grant targeting places with greater need and less ability to raise income locally as a starting point to correct the unfairness of the current system by putting Councils in these areas on a more stable footing. Whilst this is a one off grant the funding reform will be based on the same principles, so the funding has been assumed as carrying on in future years. Darlington's allocation is £1.616m.
56. **Revenue Support Grant (RSG)** - has become a reducing element of the Council core funding over recent years; however, it has been assumed this will continue into future years with a Consumer Price Index (CPI) linked rise.

57. **Better Care Fund (BCF)** - the fund supports local systems to successfully deliver the integration of health and social care in a way that supports person centred care, sustainability and better outcomes for people and carers. The BCF grant is pooled with the NHS BCF grant and is agreed annually by the Health and Wellbeing Board and signed off by the Department of Health and Social Care. Darlington received £4.488m p.a.
58. **Children's Social Care Prevention Grant** – In recognition of the challenges faced in Children's Social Care, the Government has provided £250m of new funding to be used alongside the Children and Families Grant to be used for family help services. Darlington's allocation is £0.570m pa.
59. **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 and to £0.166m in 2024/25. It has been confirmed 2024/25 was the last year of this funding so has been removed from our MTFP estimates.
60. **New Homes Bonus** – this has been extended for a further year but will be repurposed from 2026/27 onwards. Darlington's allocation is £0.545m for 2025/6.
61. **Extended Producer Responsibility (pEPR)** – to try and reduce packaging the Government has introduced an pEPR levy on organisations responsible for producing packaging in the first place. Fees are paid by those organisations with the revenue being passed to Local Authorities to help mitigate the cost of waste collection and disposal of household waste from kerbside and communal collections, brought to Household Recycling Centres. Darlington has received £2.627m in 2025/26 and it has been estimated to reduce by 20% per annum as producers make changes to their packaging.
62. **Children and Families Grant** – this consolidates several social care programmes including funding streams which were time limited and therefore not expected to continue in 2025/26, for example the Supporting Families grant. This funding has been allocated to assist councils in their preventive services and increases Darlington's resources by £0.692m. However, this funding has only currently been confirmed for one year and unlike the Prevention Grant sits outside of the Core Spending Power allocations and therefore is not guaranteed in future years.
63. **Additional budget funding** £233m has been allocated nationally for the for the prevention of homelessness for 2025/26 only, Darlington's is expected to receive £0.242m.

Council Tax Income

64. Due to the reduction and reliance on Government funding over the last decade, Council Tax is now by far the largest single funding stream and will increase further as a percentage over the coming years representing 56% of projected resources anticipated by 2028/29. 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 circa. £0.67m.
65. Referendum limits have been confirmed at 3% and 2% for Council Tax and Social Care precept. There has been no indication of future referendum limits.

66. This MTFP assumes a Council Tax increase of 2.99% for 2025/26 reducing to 1.99% thereafter and an Adult Social Care precept of 2% for 2025/26 reverting to 1% thereafter. As can be seen in the chart in paragraph 50, Adult Social Care is by far our largest overall budget with a spend of £53m. The precept will raise circa. £1.3m which is crucial to meet the overall costs and pressure faced in this service area.
67. 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.
68. Darlington has a low Council Tax Base with 44% of our properties in Band A and 79% of our homes in Band A – C, which means significantly less Council Tax is generated for each 1% raised than in some other more affluent areas and highlights the disparity in how local government is funded.
69. Despite some turbulent years in house building, due to Covid, Nutrient Neutrality and high interest rates Darlington's house building remained stable, planning estimates anticipate growth levels to be an average of 514 Band D equivalent properties over the period of this plan which is a growth on the tax base of 1.4% per annum. This growth is helping to address the national housing shortage and the increasing demand for homes in Darlington. 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 2025/26.

National Non-Domestic Rates (NNDR)

70. 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.
71. Growing the economy is a 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 planning permission for the new Darlington Economic campus has been granted at Brunswick Street which will house His Majesty's Treasury Department along with several other Government departments including the Ministry for Housing, Communities and Local Government. This is providing a boost to the town with other employers looking to relocate to Darlington.
72. 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.

73. One area of uncertainty has been 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.
74. The new Government have committed to a fundamental reform of local government funding system stating they will update and improve the approach to funding allocations within the Local Government finance settlement by redistributing funding to ensure that it reflects an up-to-date assessment of need and local resources. This will be a long-term programme of recovery and reform which will start with a deprivation-based approach in 2025-26 with additional funding targeted to the places that need it most. Broader redistribution of funding will follow through a multi-year settlement from 2026-27. It has been confirmed these reforms will encompass business rates retention given they are a fundamental part of local government finance.
75. As the Government is committed to a reform of local government funding and distribution of business rates, funding beyond 2025/26 cannot be confirmed until the final detail is published on the methodology of this review. Based on information provided by the Council's advisors one of the areas that will influence future business rates distribution is the baseline allocated to Darlington. We have therefore estimated how we think this will impact and have taken the prudent view that there may be some reduction in business rates for Darlington, which should be part offset by the continuation of increases seen in core grant for 2025/26 into future years. This assumption is made as funding is allocated based on deprivation and Council Tax raising abilities as detailed in the core grant funding section of this report.
76. The in-year collection rate target for NNDR is 98.0% and as at the end of December 2024 is 84.25% and on track to achieve the target.

Collection Fund

77. 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

78. 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	2025/26 £m
Housing Benefits	0.421
Public Health Grant	9.523
PFI Grant	3.200
Market Sustainability & Improvement Fund	2.193
Youth Justice Board	0.285
Local Reform & Community Voices	0.057
Adult & Community Learning	1.370
Children & Families Grant - Staying Put	0.056
Delayed Discharge	1.049
Garden Village	0.091
Pupil Premium	1.104
Dedicated Schools Grant	31.751
Children & Families Grant - Virtual Headteacher	0.130
Heritage Lottery Fund	0.125
Domestic Abuse	0.051
Unaccompanied Asylum-Seeking Children	1.234
Homeless	0.564
Safer Streets	0.065
Towns Fund	0.092
DFE Phonics	0.004
	0.039
Bikeability	0.022
Children & Families Grant – Leaving Care Allowance	
	53.426

Fees and charges

79. 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 £0.818m of income to help offset the cost of service provision.

Total Income

80. 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	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Council Tax	70.341	73.600	76.883	80.296
Business Rates retained/Top Up Grant	35.382	35.186	35.620	35.762
Revenue Support Grant	4.743	4.866	4.973	5.072
Better Care Fund	4.488	4.488	4.488	4.488
Social Care Grant	12.731	12.731	12.731	12.731
Additional Homeless Grant	0.242	0.000	0.000	0.000
National Insurance Offset	0.810	0.835	0.860	0.885
Children's Social Care Prevention Grant	0.570	0.570	0.570	0.570
Recovery Grant	1.616	1.616	1.616	1.616
Children & Families Grant	0.692	0.000	0.000	0.000
New Homes Bonus	0.545	0.000	0.000	0.000
Extended Producer Responsibility	2.627	2.101	1.681	1.345
Total Resources	134.787	135.993	139.422	142.765

Projected MTFP

81. 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 £11.5m reserves which can be utilised to support the plan which would cover the position until 2027/28, however it is clear the financial position is unsustainable in future years if local government funding reform does not bear fruit.

	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Projected Total Expenditure	137.426	139.798	143.446	148.481
Projected Total Resources	(134.787)	(135.993)	(139.422)	(142.765)
Projected Budget Deficit	2.639	3.805	4.024	5.716

Revenue Balances

82. The projected revenue outturn for 2025/26 detailed at **Appendix 5**, after taking into account the Risk Reserve of £6.0m, it is anticipated we will have £11.5m of reserves which will be fully utilised at the end of 2027/28 and as previously mentioned not a sustainable position if more funding is not forthcoming. Significant savings and efficiencies have been found £3.7m for 2025/26 as noted above, through service redesign, back office efficiencies, economic and income growth and a review of fees and charges, however without cutting all our discretionary and preventative services, those which help to keep our borough clean, safe, healthy and vibrant and which are a key tool in economic growth and prevent escalation of future costs we are unlikely to meet our funding gap in 2028/29.
83. The Council has reviewed its earmarked reserves, and £0.220m held as a contingency in Direct Payments for redundancies, which has not been called upon for many years, can be released.

Revenue Balances	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Opening Balance	11.458	8.389	4.584	0.560
Increase in Risk Reserve	(0.650)	0.000	0.000	0.000
Release of Earmarked Reserves	0.220	0.000	0.000	0.000
Contribution to/(from) Balances	(2.639)	(3.805)	(4.024)	(5.716)
Closing Balance	8.389	4.584	0.560	(5.156)

Capital Expenditure

84. 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.
85. 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.
86. In recent years there has been acceleration of economic investment some of which is funded or has been pump primed by the Council; examples of such schemes include key road infrastructure that facilitated developments at Symmetry Park, and Central Park that now houses the College, two University buildings, the National Biologics Centre and two

Business Incubator buildings. The Council owned and funded Feethams House in the Town Centre has been the catalyst in attracting the Darlington Economic Campus, and recent Town Centre investment funded from the Towns Fund and Indigenous Growth Fund are both reinvigorating key parts of the Town Centre and importantly enabling the Council to be well positioned for the future and to reshape the Town through its next phase of private sector redevelopment. The Council’s Investment Fund and Economic Growth Investment Fund are vital in helping to stimulate more private sector economic investment across the town that ultimately increases business rates and contributes to the finances of the Council thereby helping to fund vital services

87. The current capital programme stands at £332m 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 2024/25 was presented to Cabinet on 5 November 2024 and noted there was a projected £0.485m underspend on the approved capital programme.

Table 1

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				
	£m	£m	£m	£m	£m	£m	£m	£m
Housing	43.842	35.633	0.000	0.033	1.705	0.000	11.840	93.053
Economic Growth	49.491	0.080	0.440	1.034	7.010	49.223	3.476	110.754
Highways/Transport	65.912	13.501	10.081	1.347	1.741	1.877	1.512	95.971
Leisure & Culture	25.040	0.125	2.545	0.297	0.000	0.550	0.000	28.557
Education	0.000	0.225	0.000	0.307	0.079	1.124	0.290	2.025
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	1.771	0.000	0.000	1.771
Total	184.285	49.564	13.066	3.018	12.377	52.774	17.118	332.202

88. In addition to the current agreed programme 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. Most 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.

89. 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.

90. 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.

91. The risk assessed usable capital receipts over the next four years are in the region of £13m although they are not guaranteed so caution needs to be taken when allocating.
92. There are likely to be many competing priorities against the available resources for both regeneration and refurbishment these schemes will emerge over the coming year/s. At this stage Members are requested to make capital provision for one scheme with a total value of £0.250m, which will be subject to a full report to Cabinet in due course, this is:
 - (a) **Capitalised repairs - £0.250m** – £0.250m is required for repairs on the Council building stock in 2028/29 to ensure it is fit for purpose. This is a rolling programme, and funding has already been agreed for 2025/26 – 2027/28. Details on specific areas of spend will be brought to Cabinet for consideration.

Government Funding

93. Set out below are details of the levels of Government funding available for investment by the Council in 2025/26 and an outline of the proposed use of these funds.

	2025/26 £m
Children’s Services	
School Condition Allocation	0.067
Transport	
Local Transport Plan	3.068
Other	
Disabled Facilities Grant	1.160
Total Capital Grant Available	4.295

School Condition Allocations

94. 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

95. 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.

96. 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. Previously 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 five-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 five 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. In the Budget 2024 a further £500m was pledged nationally for Road Maintenance, the detail of the allocation to Darlington is yet to be announced.

Disabled Facility Grants

97. 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

98. 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 2025/26. Further detail is given in the Housing Revenue Account financial plan but in summary includes:
- (a) Adaptations and lifts - £0.150m
 - (b) Heating Replacement - £1.325m
 - (c) Structural Works - £0.400m
 - (d) Lifeline Services - £0.310m
 - (e) Repairs before Painting - £0.068m
 - (f) Roofing and Repointing work - £1.000m
 - (g) Garages - £0.050m
 - (h) External Works - £0.210m.
 - (i) Pavements - £0.028m
 - (j) Window & Door Replacement - £1.495m
 - (k) Internal planned maintenance (IPM) - £3.600m
 - (l) Communal Works - £0.200m
 - (m) Energy Efficiency Improvements - £4.020m
 - (n) New Build housing - £4.090m
 - (o) Fees - £0.312m

Scrutiny and Consultation

99. Consultation on the draft plan ran from 4 December 2024 to 23 January 2025. The plan was promoted on the Council's consultation website, social media, an article in the One Darlington magazine and coverage in the Northern Echo. There was also information available at Crown Street and Cockerton Libraries and in Customer Services.
100. Council Scrutiny Committees reviewed the MTFP and the proposals in the first weeks of January and the Economy and Resources Scrutiny Committee met on 20 January to consider a response to Cabinet from all Scrutiny Committees.
101. The minutes of the Economy & Resources Scrutiny Committee are shown at **Appendix 8** and include a resolution, that having considered the proposed Medium Term Financial Plan 2025/26 to 2028/29 and the comments of all the Council's Scrutiny Committees, it be recommended to Cabinet that it notes and takes into account all those comments as part of the consultation.
102. Feedback was received with 13 responses to the consultation summarised as follows,
- (a) Council Tax levels:
 - (i) Suggesting Council Tax should not increase.
 - (ii) Whilst not wanting Council Tax to increase, understanding why it has to.
 - (b) Services:
 - (i) A suggestion to sell off buildings that are not used.
 - (ii) To stop unnecessary spend like entertainment, special days.
 - (iii) To reduce management and staff.
 - (iv) To improve the Council website.
 - (v) To implement pay freezes.
 - (vi) Close facilities that do not breakeven.
 - (c) Comments:
 - (i) The Government need to provide more funding for Social Care as this is an NHS service rather than a cost to local taxpayers.
 - (ii) Not to increase car parking charges, to prevent further decline of the town centre.
 - (iii) Encourage town centre shopping by reduced business rates.
 - (iv) To increase the cost of residents parking permits.
 - (v) To push for more funding from TVCA for sustainable transport.

Stronger Communities Fund

103. A report was taken to the Communities and Local Services Scrutiny Committee on 2 January, noting that the fund was not included in the MTFP for consultation, as it is agreed on an annual basis, and requesting a view to be forwarded to the Economy and Resources Committee on 20 January regarding if the fund should continue in 2025/26.
104. As noted in **Appendix 8**, the recommendation from the Communities and Local Services Scrutiny Committee to the Economy and Resources Scrutiny was to continue the fund.
105. Following discussion, the final agreed resolution from the Economy and Resources Scrutiny Committee on the 20 January was that having considered the continuation of the Stronger Community Fund, it should note that the majority view of this Scrutiny Committee is for this scheme not to be continued in the 2025/26 financial year. The minority view of this Committee is that the Stronger Community Fund should continue into the 2025/26 financial year.
106. The Stronger Communities fund funding has not been included in this MTFP.

Equalities Impact

107. The majority of the decisions that have been made as part of the MTFP process will not have an impact on service users, as they are examples of internal streamlining, and won't change the service that people with protected characteristics receive.
108. Some decisions, such as efficiency savings in the Dolphin Centre, the Hippodrome and Eastbourne Sports Complex may have some impact, but will be dependent on how the savings are implemented. This means further Equality Impact work will need to be done before implementation to identify the potential impacts of any change in service, and if possible, mitigate them. Equality Impact work will be done to implement the savings in the least impactful way possible.
109. The increase in parking charges, will likely have some impact on protected characteristic groups, but not more than the population as whole. The change will be mitigated by the fact that more vulnerable groups such as older people and people with disabilities have access to bus passes or Blue Badges.

Conclusion

110. The Council has faced significant financial challenges over the last decade, with substantial 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.
111. 2024 has presented further challenge with increased demand for services particularly in Social Care where complexity and costs are rising significantly and homelessness which has seen an unprecedented demand with nights spend in temporary accommodation rising by 137% year on year.

112. The future of Local Government financing is still uncertain; there have been several Councils issuing a Section 114 notice and even more requesting Exceptional Financial Support with evidence of more to come if funding is not fundamentally reviewed and a reset undertaken to match need with resource. The Government have committed to do this during 2025/26 with a multi-year settlement promised in 2026/27 and steps have already been taken by redistributing funding to areas with higher deprivation and lower council tax bases.
113. The Council can deliver a balanced position until 2027/28 utilising reserves as per our financial strategy, however there is a significant annual budget deficit which is not sustainable in the medium term. Unless additional government funding is forthcoming the Council will need to make some very hard decisions on the future of our discretionary services which residents value and preventative services which could lead to the escalation of costs in statutory service provision, and decisions on how and what will be delivered in the coming years.
114. Planning beyond the current year is extremely difficult, given the uncertainty around future funding and the review of the new Local Government financial system. Current planning suggests reserves will be depleted in 2027/28 and there will be a budget deficit of £5.2m 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.
115. In summary, the Council continues to face significant financial challenges. The savings identified in this MTFP, and the additional funding received in the draft settlement have reduced the ongoing annual sustainability gap. Due to the previous actions to protect reserves where possible, the Council can afford a 2025/26 budget and have reserves available to meet the funding requirement while the Government's review of local government finance takes place. If no additional funding is forthcoming making savings to meet the gap will be extremely challenging, there are no easy options without significantly reducing our discretionary services and preventative services which as previously highlighted assist towards making our town, clean, safe, vibrant and a place where people want to live and work, and businesses want to relocate to.

Robustness Advice

116. Section 25 of the Local Government 2003 includes the statutory duty in respect of the budget report to Council:

‘The Chief Financial Officer (CFO) of the authority must report to it on the following matters: a) the robustness of the estimates made for the purposes of the calculations; and b) the adequacy of the proposed financial reserves.’

117. The Council is required to take this report into account when making its decision in relation to setting the annual budget and setting the Council Tax. Section 26 of the same Act places an onus on the CFO to ensure the Council has established a minimum level of reserves to be retained to cover any unforeseen demands that could not be reasonably defined within finalising the proposed budget.

118. The following statement has been prepared by the Executive Director for Resources and Governance as the Council’s CFO to fulfil this duty and gives the required advice relating to the 2025/26 financial year including a consideration of the budget proposal as a whole.
119. In assessing the robustness of the estimates, I have considered the general financial standing of the Council; the underlying budget assumptions in the financial strategy; the adequacy of budget monitoring and financial reporting in place; the assumptions made on budget pressures and savings proposals; the adequacy of the council’s internal control systems relying on the assurance statements provided in the Annual Governance Statement for the 2023/24 Statement of Accounts; and the level of reserves to cover any potential financial risks faced by the Council.
120. The budget presented to Members in this report has been based on the most accurate information available at the time of writing and the assumptions made based on the draft Local Government Financial Settlement, on that basis I am 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.
121. General Fund reserves are robust and adequate for the coming financial year and reliance on reserves has been significantly reduced from the previous MTFP assumptions through income generation, additional grant, savings and transformation of services which is a positive step. Notwithstanding this, the Council is carrying a 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/or increased income if no further government funding is realised. It is essential we maximise income where possible, ensure we are providing our services in the most efficient manner, and address the growing pressures in social care through transformation, as the Council needs to preserve reserves and allow as much time as possible to reduce the ongoing annual funding gap.

APPENDICES

Appendix 1	Detailed Revenue Estimates 2025/26
Appendix 2	Budget Pressures/Savings
Appendix 3	Fees and Charges Proposals 2025/26
Appendix 4	Assumptions used to prepare estimates
Appendix 5	Projected Revenue Outturn 2024/25
Appendix 6	Proposed MTFP 2025/26 to 2028/29
Appendix 7	Capital Medium Term Financial Plan 2025/26 – 2028/29
Appendix 8	Economy and Resources Scrutiny Committee Minutes 20 January 2025

This page is intentionally left blank

REVENUE ESTIMATES 2025/26 -SUMMARY

Appendix 1

	2024/25	2025/26			
	Net Budget	Gross Budget	Income	Grants	Net Budget
	£000	£000	£000	£000	£000
Chief Executive Office	316	410	(81)	0	329
People Group	85,407	159,523	(16,993)	(51,989)	90,541
Environment, Highways & Community Services Group	26,423	63,333	(37,094)	(229)	26,010
Resources & Governance Group	14,176	48,583	(31,830)	(1,025)	15,728
Economy & Public Protection Group	1,973	4,687	(2,672)	(183)	1,832
Group Totals	128,295	276,536	(88,670)	(53,426)	134,440
Financing Costs	3,547	4,028	0	0	4,028
Investment Returns - Joint Ventures	(1,517)	(1,977)	0	0	(1,977)
Council Wide	179	663	0	0	663
Contingencies	202	272	0	0	272
Grand Total	130,706	279,522	(88,670)	(53,426)	137,426

PEOPLE GROUP - Revenue Estimates 2025/26

	2024/25	2025/26			
	Net Budget	Gross Budget	Income	Grants	Net Budget
	£000	£000	£000	£000	£000
Executive Director of People	177	193	0	0	193
People Support Services					
Transformation & Performance	922	865	(55)	0	810
Business Support	1,756	1,758	(12)	0	1,746
Children's Services					
Children's Services Management & Other Services	654	672	0	0	672
Assessment Care Planning & LAC	4,555	5,029	0	(411)	4,618
First Response & Early Help	3,481	3,623	(31)	0	3,592
Adoption & Placements	21,221	22,786	0	(901)	21,885
Disabled Children	1,484	1,871	(239)	0	1,632
Youth Offending	300	737	(132)	(285)	320
Child Protection & Review	470	443	0	0	443
Quality Assurance & Practice Improvement	100	240	(101)	0	139
Development & Commissioning					
Commissioning	2,218	2,390	(215)	(94)	2,081
Voluntary Sector	293	349	0	(57)	292
Education					
Education	721	36,501	(2,228)	(33,404)	869
Schools	0	4,155	0	(4,155)	0
Transport Unit	3,138	3,413	(52)	0	3,361
Public Health					
Public Health	0	9,523	0	(9,523)	0
Adult Social Care & Health					
External Purchase of Care	36,276	53,640	(10,616)	(3,076)	39,948
Intake & Enablement	751	3,208	(2,473)	0	735
Older People Long Term Condition	1,845	2,393	(303)	0	2,090
Physical Disability Long Term Condition	14	33	(27)	0	6
Learning Disability Long Term Condition	2,282	2,350	(19)	0	2,331
Mental Health Long Term Condition	1,231	1,702	(474)	0	1,228
Service Development & Integration	1,040	1,060	0	(83)	977
Workforce Development	478	589	(16)	0	573
Total People Group	85,407	159,523	(16,993)	(51,989)	90,541

ENVIRONMENT, HIGHWAYS & COMMUNITY SERVICES GROUP - Revenue Estimates 2025/26

	2024/25	2025/26			
	Net Budget	Gross Budget	Income	Grants	Net Budget
	£000	£000	£000	£000	£000
Executive Director - Environment, Highways & Comm. Services	184	189	0	0	189
<u>Highways & Capital Projects</u>					
AD - Highways & Capital Projects	110	115	0	0	115
Building Design Services	60	601	(622)	0	(21)
Capital Projects	439	689	(295)	0	394
Car Parking R&M	612	613	0	0	613
Concessionary Fares	2,241	2,713	(2)	0	2,711
Flood and Water Act	291	90	0	0	90
Highways	4,423	5,306	(1,153)	(39)	4,114
Highways - DLO	(417)	7,475	(7,819)	0	(344)
Investment and Funding	157	171	(74)	0	97
Sustainable Transport	191	172	(73)	0	99
<u>Community Services</u>					
AD - Environmental Services & Community Safety	98	155	0	0	155
Allotments	19	29	(8)	0	21
Building Cleaning - DLO	65	394	(365)	0	29
Cemeteries and Crematorium	(814)	1,157	(1,873)	0	(716)
Street Scene	6,537	9,234	(2,160)	0	7,074
Transport Unit - Fleet Management	58	67	(82)	0	(15)
Waste Management	4,117	4,492	0	0	4,492
Winter Maintenance	623	667	(25)	0	642
<u>Community Safety</u>					
CCTV	289	507	(199)	0	308
Community Safety	809	919	(100)	(65)	754
Parking	(2,016)	222	(2,681)	0	(2,459)
Parking Enforcement	(17)	314	(294)	0	20
Stray Dogs	54	104	(15)	0	89
<u>Leisure and Culture</u>					
Dolphin Centre	1,035	4,686	(3,634)	0	1,052
Eastbourne Complex	39	270	(237)	0	33
Hippodrome	282	5,718	(5,560)	0	158
Hopetown Darlington	410	2,450	(1,855)	(125)	470
Indoor Bowling Centre	31	20	0	0	20
Libraries	957	1,077	(21)	0	1,056
Move More	32	157	(118)	0	39
Outdoor Events	523	502	(30)	0	472
Community Catering	83	265	(265)	0	0
Culture and Heritage Fund	123	125	0	0	125
<u>Building Services</u>					
Construction - DLO	(357)	6,873	(7,234)	0	(361)
Other - DLO	36	0	0	0	0
<u>Corporate Landlord</u>					0
Corporate Landlord	4,911	4,585	(300)	0	4,285
<u>General Support Services</u>					
Works Property & Other	76	78	0	0	78
<u>Joint Levies & Boards</u>					
Environment Agency Levy	129	132	0	0	132
Total Environment, Highways & Community Services Group	26,423	63,333	(37,094)	(229)	26,010

RESOURCES & GOVERNANCE GROUP - Revenue Estimates 2025/26

	2024/25	2025/26			
	Net Budget	Gross Budget	Income	Grants	Net Budget
	£000	£000	£000	£000	£000
Executive Director Resources & Governance	133	234	(94)	0	140
Resources					
AD Resources	120	127	0	0	127
Financial Services	1,570	2,120	(512)	0	1,608
Financial Assessments & Protection	341	403	(43)	(40)	320
Xentrall (D&S Partnership)	2,036	2,806	(699)	0	2,107
Human Resources	765	872	(161)	0	711
Health & Safety	200	252	(47)	0	205
Head of Strategy Performance & Communications					
Communications & Engagement	1,132	1,243	(188)	0	1,055
Systems	1,216	1,229	(3)	0	1,226
Law & Governance					
AD Law & Governance	135	140	0	0	140
Complaints & FOI	381	344	0	0	344
Democratic Services	1,386	1,619	(37)	0	1,582
Registrars	(20)	270	(310)	0	(40)
Administration	560	692	(94)	0	598
Legal	1,768	2,079	(179)	0	1,900
Procurement	196	293	(40)	0	253
Coroners	321	334	0	0	334
Xentrall Shared Services					
ICT	811	1,016	(204)	0	812
Maintenance					
Maintenance DLO	(679)	7,637	(8,355)	0	(718)
Housing & Revenues					
Local Taxation	473	1,060	(554)	0	506
Rent Rebates / Rent Allowances / Council Tax	(132)	20,092	(19,031)	0	1,061
Housing Benefits Administration	637	1,157	(20)	(421)	716
Customer Services	324	457	(201)	0	256
Homelessness	347	1,797	(904)	(564)	329
Service, Strategy & Regulation and General Services	155	310	(154)	0	156
Total Resources & Governance Group	14,176	48,583	(31,830)	(1,025)	15,728

CHIEF EXECUTIVES OFFICE - Revenue Estimates 2025/26

	2024/25	2025/26			
	Net Budget	Gross Budget	Income	Grants	Net Budget
	£000	£000	£000	£000	£000
Chief Executive	216	222	0	0	222
Darlington Partnership	100	188	(81)	0	107
Total Chief Executives Office	316	410	(81)	0	329

ECONOMY & PUBLIC PROTECTION GROUP - Revenue Estimates 2025/26

	2024/25	2025/26			
	Net Budget	Gross Budget	Income	Grants	Net Budget
	£000	£000	£000	£000	£000
Executive Director of Economy and Public Protection	153	194	0	0	194
Emergency Planning	105	97	0	0	97
Building Control	193	392	(223)	0	169
Consolidated Budgets	194	46	0	0	46
Development Management	53	786	(721)	0	65
Economy	257	361	0	(92)	269
Environmental Health	351	402	(28)	0	374
Place Strategy	631	713	(27)	(91)	595
Property Management and Estates	(403)	850	(1,227)	0	(377)
Private Sector Housing	141	152	(27)	0	125
General Licensing	1	195	(195)	0	0
Taxi Licensing	37	218	(218)	0	0
Trading Standards	260	281	(6)	0	275
Total Economy & Public Protection Group	1,973	4,687	(2,672)	(183)	1,832

Analysis of Pressures/Savings	Estimate 25/26 £m	Estimate 26/27 £m	Estimate 27/28 £m	Estimate 28/29 £m
SAVINGS				
Savings - Back Office				
Learning Disabilities - Reduced contingency needed within Direct payments	(0.100)	(0.100)	(0.100)	(0.100)
Economic Growth - Reduced running costs across services	(0.125)	(0.126)	(0.126)	(0.126)
People Services - Reduced running costs across services	(0.113)	(0.083)	(0.083)	(0.088)
Council Wide - Reduced running costs across services	(0.054)	(0.054)	(0.054)	(0.054)
Customer Services - Reduced running costs	(0.048)	(0.048)	(0.049)	(0.047)
Resources & Governance - Reduced running cost across services	(0.073)	(0.062)	(0.045)	(0.049)
Secretarial Support - Reduction in staffing through natural wastage	(0.021)	(0.043)	(0.044)	(0.044)
Mayoral Budget - Efficiencies in running costs	(0.002)	(0.002)	(0.002)	(0.002)
Communications - Changes to the Community Survey	(0.015)	(0.015)	(0.015)	(0.015)
Town Hall & Central House - Savings in cleaning & waste disposal	(0.046)	(0.046)	(0.046)	(0.046)
Refuse Collection - 26/27 no additional round and no borrowing for wheeled bins	(0.280)	(0.100)	(0.100)	(0.100)
Services - Reduced running costs across services	(0.118)	(0.185)	(0.187)	(0.187)
	(0.995)	(0.864)	(0.851)	(0.858)
Savings - Energy				
Corporate Landlord - Reduced utility prices	(0.325)	(0.325)	(0.325)	(0.325)
Highways - Reduced utility prices	(0.050)	(0.050)	(0.050)	(0.050)
	(0.375)	(0.375)	(0.375)	(0.375)
Savings - Increased Income				
Adults - Invest to save increased recovery of bad debt	(0.087)	(0.089)	(0.091)	(0.092)
Building Control - Increase in fees & charges	(0.030)	(0.030)	(0.030)	(0.030)
People Services - Changes in grant funding	(0.201)	(0.207)	(0.214)	(0.214)
Housing - Changes in grant funding	(0.042)	(0.043)	(0.044)	(0.044)
Children's - Matching of other LA charges for placements in DBC services	(0.067)	(0.067)	(0.067)	(0.067)
Investment Returns - Reprofile JV income	(0.149)	(0.256)	(0.301)	(0.072)
Revenue & Benefits - Additional income	(0.098)	(0.113)	(0.128)	(0.137)
Revenue & Benefits - Increase in fees & charges	(0.015)	(0.015)	(0.015)	(0.015)
Resources & Governance - Increased recharges for services	(0.015)	(0.015)	(0.015)	(0.015)
Communications - Additional income from billboard	(0.011)	(0.011)	(0.011)	(0.011)
Registrars - Increase in fees and charges	(0.016)	(0.016)	(0.016)	(0.016)
Car Parking - Continued strong patronage to reflect current income	(0.050)	(0.050)	(0.050)	(0.050)
Services - Additional building cleaning service level agreement income from schools	0.0000	(0.022)	(0.023)	(0.024)
Central Park - Service charge recovery	(0.050)	(0.050)	(0.050)	(0.050)
Building/Highway Design - Increased recovery from schemes	(0.118)	(0.119)	(0.120)	(0.120)
Highways - Increased fees and charges to developers	(0.045)	(0.045)	(0.045)	(0.045)
Highways - Increased funding for highway schemes	(0.250)	(0.250)	(0.250)	(0.250)
Car parking - Increase in fees and charges	(0.298)	(0.450)	(0.450)	(0.450)
Community Safety - Increased collection of income	(0.075)	(0.093)	(0.088)	(0.086)
	(1.617)	(1.941)	(2.008)	(1.788)
Savings - Other				
Contingency - Release of pension fund contingency for three years	0.000	(1.453)	(1.462)	(1.462)
	0.000	(1.453)	(1.462)	(1.462)
Savings - Offset Pressures				
Homeless - Increased accommodation for homeless people	(0.133)	(0.240)	(0.240)	(0.240)
	(0.133)	(0.240)	(0.240)	(0.240)
Savings - Transformation Projects				
People Services - Business Support review of practices	(0.085)	(0.170)	(0.170)	(0.170)
Hippodrome - Reduction in subsidy	(0.150)	(0.250)	(0.275)	(0.300)
Dolphin Centre - Reduction in subsidy	(0.200)	(0.350)	(0.400)	(0.500)
Eastbourne Sports Complex - Reduction in subsidy	(0.020)	(0.050)	(0.080)	(0.100)
Libraries - Service review and efficiencies	(0.008)	(0.009)	(0.010)	(0.010)
Events - Service review and efficiencies	(0.068)	(0.133)	(0.136)	(0.136)
	(0.531)	(0.962)	(1.071)	(1.216)
TOTAL SAVINGS	(3.651)	(5.835)	(6.007)	(5.939)

PRESSURES				
Increased Demand				
Adults - Packages of Care - Increased overall packages costs	1.476	1.070	0.757	0.540
Adults - Other service demand pressures	0.081	0.016	0.016	0.016
Children's - Packages of Care - Increased overall packages costs	1.355	0.322	0.215	0.679
Children's - Other service demand pressures	0.124	0.142	0.175	0.124
Education - Education Psychology, net of traded income	-0.027	0.009	0.057	0.056
Education - Additional SEND Transport routes	0.122	0.072	0.062	0.062
Homeless - Increase in Board & Lodgings	0.005	0.082	0.082	0.082
Revenues & Benefits - Increased postage requirements	0.035	0.035	0.035	0.035
Homeless - Loss of Housing Benefit Subsidy	1.326	1.326	1.326	1.326
Children's Legal Fees - Increased complexity and demand of cases	0.066	0.066	0.066	0.050
Postage - Increase postage requirements	0.040	0.040	0.040	0.040
Concessionary Fares - Increased patronage and inflationary pressures	0.373	0.380	0.388	0.396
Waste Disposal - Increased growth from new builds	0.000	0.000	0.000	0.024
Waste Disposal - Changes in legislation and increased waste tonnages	0.150	0.154	0.159	0.165
Street Scene - Changes in the law to introduce food waste collection	0.311	0.518	0.518	0.518
Street Scene - Increased service to new build property	0.010	0.020	0.030	0.040
Tree Team - Additional borough wide tree inspections.	0.100	0.000	0.000	0.000
	5.547	4.252	3.926	4.153
Price Inflation				
Adults - Change in budgeted inflation from 24/25 MTFP	0.338	0.466	0.536	1.817
Economic Growth - Contractual inflation & fixed rental income	0.000	0.000	0.000	0.040
Children's - Change in budgeted inflation from 24/25 MTFP	(0.049)	0.064	(0.016)	0.165
Contingencies - Pay inflation impact on Apprentice Levy	0.070	0.076	0.000	0.000
Education - Contractual inflation	0.006	0.006	0.006	0.006
Resources & Governance - Revised inflation from 24/25 MTFP & Contractual inflation	0.050	0.050	0.051	0.051
Xentrall ICT/Agresso - Contractual Inflation	0.080	0.380	0.680	0.680
Services - Contractual inflation & fixed rental income	0.000	0.000	0.000	0.090
Waste Disposal - Contractual inflation	0.091	0.093	0.096	0.099
Stray Dogs - New requirement for kennelling fees	0.033	0.033	0.033	0.033
	0.619	1.168	1.386	2.981
Reduced Income				
Estates - Rent reviews and rent slippage	0.000	0.000	0.031	0.031
Children's - Ending/Change of distribution of grants	0.051	0.051	0.051	0.051
Financing Costs - Lower investment income	0.306	0.167	0.164	0.457
Revenues & Benefits - Reduction in Government grant	0.051	0.051	0.051	0.181
Cemeteries & Crematorium - Changes in market, more local facilities and direct cremations	0.074	0.076	0.079	0.081
Dolphin Centre - Lost income during Phase 3 M&E works	0.100	0.000	0.000	0.000
	0.582	0.345	0.376	0.801
Other				
Economic Growth - Restructure of management	0.035	0.035	0.036	0.037
Economic Growth - Short term holding costs of NEB/Wilko Buildings	0.185	0.260	0.150	0.150
Estates - Feethams House - Reprofile of income	0.000	0.158	0.032	(0.049)
Revenues & Benefits - Staff changes	0.030	0.040	0.046	0.059
Audit Fees - Increases following PSAA procurement	0.150	0.158	0.165	0.172
Legal & Procurement - Staff changes	0.026	0.029	0.030	0.031
Services - Additional security at Leisure & Cultural premises	0.086	0.090	0.094	0.098
	0.512	0.770	0.553	0.498
Pay Award				
Pay Award 2024/25 - Additional cost of agreed award	0.049	0.056	0.070	0.072
Pay Award 2025/26 - Additional 1% to cover estimated pay award	0.712	0.726	0.741	0.756
	0.761	0.782	0.811	0.828
TOTAL PRESSURES	8.021	7.317	7.052	9.261
TOTAL NET PRESSURES	4.370	1.482	1.045	3.322

SCHEDULE OF CHARGES 2025/26				
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 2024 to July 2025 (Next Review July 2025) Full Fees (including enrolment and tuition fees) per hour	L	3.00	3.00	NIL
Please see APPENDIX 3a for full Fees Policy 2024 - 2025				
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 2024/25	These charges set nationally by Statute and will be charged at the advised rate for 2025/26	
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	1,925.00	
Fee for Attendance - All days including Bank Holidays	L	610.00	670.00	
Non-refundable booking fee (inclusive of VAT)	L	50.00	55.00	
All Ceremonies – Town Hall				
The Oak Room (Monday to Saturday)	L	325.00	360.00	
The Council Chamber Foyer (Monday to Saturday)	L	147.00	165.00	

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed				
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	
Proof Life Certificate - for those who claim pension abroad	L	N/a	20.00	
				16,000

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	38.00	
				Minimal
LAND CHARGES				
The following fees are inclusive of VAT				
Search Fees				
Standard Search – Residential Property	L	93.50	102.10	
Standard Search – Commercial Property	L	143.50	153.70	
Con 29 Required				
Residential Property				
CON29	L	80.00	87.60	
Additional Parcels	L	25.00	26.28	
Commercial Property				
CON29	L	130.00	139.20	
Additional Parcels	L	25.00	26.28	
Con 29 Optional				
Optional Questions	L	6.00	8.40	
Own Questions	L	6.00	8.40	
Official Search – LLC1	L	13.00	14.50	
Personal Search	L	No charge	No charge	
				Minimal

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				
Work up to and including the date upon which the court makes an order appointing a deputy for property and affairs	N	745.00	944.00	
Annual management fee where the court appoints a local authority deputy for property and affairs, payable on the anniversary of the court order:				
a) for the first year	N	775.00	982.00	
b) for the second and subsequent years	N	650.00	824.00	
c) where the net assets are below £20,300, the local authority deputy for property and affairs will take an annual management fee not exceeding 3.5% of the net assets on the anniversary of the court order appointing the local authority as deputy	N	See Description	See Description	
d) 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 £703.	N	See Description	See Description	
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	380.00	
Preparation and lodgement of an annual report or account to the Public Guardian	N	216.00	274.00	
Conveyancing Costs	N	See Description	See Description	
Travel Rates are allowed at a fixed rate per hour for travel costs	N	40.00	51.00	
Please note that these rates are set by The Office of Public Guardian and are the rates as of 1st April 2024, these may be amended during 2025/26				
Adminstration Fee				
Adminstration 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	127.00	133.00	
DEFERRED PAYMENT FEES				
Administration cost for setting up a Deferred Payment Agreement	L	390.00	410.00	
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	
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	
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	
Internet Use				
Library members First 60 minutes FREE, £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	2,500.00	
Small Major Development (10-199) for a written response, including up to 2 meetings	L	600.00	800.00	
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	50.00	
Advertisements	L	25.00	25.00	
Listed Building consents (to alter/extend/demolish)	L	Free	50.00	
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	2,000.00	
				11,000

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	60.00	62.00	
General Licensing				
Pavement Café Licence, per person				
1-20	L	100.00	210.00	
21-40	L	100.00	242.00	
41-60	L	100.00	273.00	
61-80	L	100.00	305.00	
81-99	L	100.00	320.00	
100 or over	L	100.00	350.00	
Duplicate licence fee	L	50.00	53.00	
Transfer of licence	L	50.00	53.00	
Change of detail	L	30.00	32.00	
Variation of Covers	L	100.00	105.00	
Goods on Highway Licence	L	155.00	163.00	
Sex Shop Grant of application	L	3,885.00	4,080.00	
Sex Shop Renewal	L	1,260.00	1,323.00	
Sex Shop transfer	L	1,260.00	1,323.00	
Cosmetics				
Premise Grant	L	294.00	309.00	
Personal Grant	L	68.00	71.00	
Variation	L	68.00	71.00	
Scrap Metal Dealers				
Collectors Licence (3 years) - grant	L	158.00	166.00	
Collectors Licence (3 years) – renewal	L	158.00	166.00	
Major Variation	L	53.00	56.00	
Minor Variation	L	16.00	17.00	
Site Licence (3 years) Grant	L	368.00	386.00	
Additional Sites (per site per year of licence)	L	205.00	215.00	
Site licence (3 years) – renewal	L	284.00	298.00	
Additional sites (per site per year of licence)	L	205.00	215.00	
Minor Variation Site	L	16.00	17.00	
Major Variation Site	L	53.00 + 68.00 per additional site per year	56.00 + 72.00 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	220.00	
6-20 pitches	L	236.00	248.00	
21-50 pitches	L	252.00	265.00	
Greater than 50 pitches	L	273.00	287.00	
Annual Fees associated with administration and monitoring of site licences;				
1-5 pitches	L	No charge	No charge	
6-50 pitches	L	231.00	243.00	
Greater than 50 pitches	L	273.00	287.00	
Cost of Laying Site Rules	L	26.00	27.00	
Cost of Variation/Transfer	L	105.00	110.00	
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	497.00	
Animal Welfare				
Breeding of Dogs - Grant of Licence				
1 Year Licence	L	258.00	271.00	
2 Year Licence	L	305.00	320.00	
3 Year Licence	L	352.00	370.00	
Breeding of Dogs - Renewal of Licence				
1 Year Licence	L	226.00	237.00	
2 Year Licence	L	273.00	287.00	
3 Year Licence	L	320.00	336.00	
Pet Vending Commercial - Grant of Licence				
1 Year Licence	L	265.00	278.00	
2 Year Licence	L	312.00	328.00	
3 Year Licence	L	359.00	377.00	
Pet Vending Commercial - Renewal of Licence				
1 Year Licence	L	233.00	245.00	
2 Year Licence	L	280.00	294.00	
3 Year Licence	L	327.00	343.00	
Pet Vending Home - Grant of Licence				
1 Year Licence	L	258.00	271.00	
2 Year Licence	L	305.00	320.00	
3 Year Licence	L	352.00	370.00	
Pet Vending Home - Renewal of Licence				
1 Year Licence	L	226.00	237.00	
2 Year Licence	L	273.00	287.00	
3 Year Licence	L	320.00	336.00	
Keeping or Training Animals for Exhibition - Grant of Licence				
3 Year Licence	L	247.00	259.00	
Keeping or Training Animals for Exhibition - Renewal of Licence				
3 Year Licence	L	226.00	237.00	
Hiring Out of Horses - Grant of Licence				
1 Year Licence	L	278.00	292.00	
2 Year Licence	L	325.00	341.00	
3 Year Licence	L	372.00	391.00	
Hiring Out of Horses - Renewal of Licence				
1 Year Licence	L	247.00	259.00	
2 Year Licence	L	294.00	309.00	
3 Year Licence	L	341.00	358.00	
Boarding of Dogs and Cats Commercial - Grant of Licence				
1 Year Licence	L	321.00	337.00	
2 Year Licence	L	368.00	386.00	
3 Year Licence	L	415.00	436.00	
Boarding of Dogs and Cats Commercial - Renewal of Licence				
1 Year Licence	L	289.00	303.00	
2 Year Licence	L	336.00	353.00	
3 Year Licence	L	383.00	402.00	

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	271.00	
2 Year Licence	L	305.00	320.00	
3 Year Licence	L	352.00	370.00	
Boarding of Dogs and Cats Home - Renewal of Licence				
1 Year Licence	L	226.00	237.00	
2 Year Licence	L	273.00	287.00	
3 Year Licence	L	320.00	336.00	
Boarding of Dogs Day Care Up to 7 Dogs - Grant of Licence				
1 Year Licence	L	258.00	271.00	
2 Year Licence	L	305.00	320.00	
3 Year Licence	L	352.00	370.00	
Boarding of Dogs Day Care Up to 7 Dogs - Renewal of Licence				
1 Year Licence	L	226.00	237.00	
2 Year Licence	L	273.00	287.00	
3 Year Licence	L	320.00	336.00	
Boarding of Dogs Day Care 8+ Dogs - Grant of Licence				
1 Year Licence	L	320.00	336.00	
2 Year Licence	L	367.00	385.00	
3 Year Licence	L	414.00	435.00	
Boarding of Dogs Day Care 8+ Dogs - Renewal of Licence				
1 Year Licence	L	289.00	303.00	
2 Year Licence	L	336.00	353.00	
3 Year Licence	L	383.00	402.00	
Dog Boarding Franchise in Darlington - Grant of Licence	L	137.00 + 11.00 per host + 68.00 per host inspection fee + 47.00 annual enforcement fee per year	144.00 + 12.00 per host + 71.00 per host inspection fee + 49.00 annual enforcement fee per year	
Dog Boarding Franchise in Darlington - Renewal of Licence	L	105.00 + 11.00 per host + 68.00 per host inspection fee + 47.00 annual enforcement fee per year	105.00 + 11.00 per host + 68.00 per host inspection fee + 47.00 annual enforcement fee per year	
Dog Boarding Franchise out of Darlington - Grant of Licence	L	63.00 + 63.00 per host	66.00 + 66.00 per host	
Dog Boarding Franchise out of Darlington - Renewal of Licence	L	58.00 + 63.00 per host	61.00 + 66.00 per host	
Additional Fees				
Cost per additional licensable activity - Grant and Renewal (each)	L	68.00	71.00	
Mandatory mid licence inspection fee - Grant and Renewal (each)	L	32.00	34.00	
Variation of licence where no inspection is required (each)	L	37.00	39.00	
Variation of licence where inspection is required (each)	L	95.00	100.00	
Application for Re-Rating (each)	L	74.00	78.00	
Copy Licence	L	16.00	17.00	
Administration Fee	L	37.00	39.00	
Dangerous Wild Animals (not including vets fee)	L	126.00	132.00	

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	1,075.00	
- Week	L	404.00	424.00	
- Day (minimum of 4 days)	L	89.00	93.00	
January / October - Full Calendar Month	L	693.00	728.00	
- Week	L	284.00	298.00	
- Day (minimum of 4 days)	L	63.00	66.00	
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	7,717.00	
If Paying Monthly	L	651.00	684.00	
If Paying Weekly	L	179.00	188.00	
Buskers selling CD's – Half Day	L	25.00	26.00	
Full Day	L	45.00	47.00	
Mobile vehicles (moving or lay-by)	L	273.00	287.00	
New Vendor Permits	L	35.00	37.00	
Skips, Scaffolding and Hoardings				
Place a skip on the highway (less than 3 days notice)	L	40.00	42.00	
Place a skip on the highway (more than 3 days notice)	L	25.00	26.00	
Erection of scaffolding	L	60.00	63.00	
Hoardings	L	60.00	63.00	
Administration Charge (per hour or part thereof)	L	37.00	39.00	
Statutory Fees				
Petroleum Licences				
Less than 2,500 litres	L	45.00	48.00	
2,500 – 50,000 litres	L	61.00	65.00	
More than 50,000 litres	L	128.00	137.00	
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				
<i>Permit Type – The following fees are set by statute and will be revised as changed nationally</i>				
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	
				2,000

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	60.00	62.00	
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	90.00	
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	

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed				
Annual Subsistence Charge;				
Standard process Low*	N	772.00	772.00	
Standard process Medium*	N	1,161.00	1,161.00	
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	60.00	62.00	
Measures				
Linear measures not exceeding 3m each scale	L	16.50	16.50	
Not exceeding 15kg	L	44.00	44.00	
Exceeding 15kg but not exceeding 100kg	L	76.50	76.50	
Exceeding 100kg but not exceeding 250kg	L	91.50	91.50	
Exceeding 250kg but not exceeding 1 tonne	L	159.00	159.00	
Exceeding 1 tonne but not exceeding 10 tonnes	L	254.50	254.50	
Exceeding 10 tonnes but not exceeding 30 tonnes	L	533.50	533.50	
Exceeding 30 tonnes but not exceeding 60 tonnes	L	792.00	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	76.00 per hour	76.00 per hour	
Measuring Instruments for Intoxicating Liquor				
Not exceeding 150ml	L	25.50	25.50	
Other	L	29.50	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	110.50	110.50	
Single Outlets	L	151.00	151.00	
Solely Price Adjustment	L	275.50	275.50	
Otherwise				
Other Types – Single Outlets				
Solely Price Adjustment	L	121.00	121.00	
Otherwise	L	164.00	164.00	
Other Types – Multi Outlets:				
1 Meter Tested	L	176.00	176.00	
2 Meters Tested	L	288.50	288.50	
3 Meters Tested	L	394.00	394.00	
4 Meters Tested	L	502.00	502.00	
5 Meters Tested	L	606.50	606.50	
6 Meters Tested	L	712.50	712.50	
7 Meters Tested	L	805.00	805.00	
8 Meters Tested	L	929.50	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	76.00 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	76.00 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, Commercial Street East & West, Feethams MSCP, Winston Street North & South & West				
1hr	L	1.00	1.20	
2hrs	L	2.00	2.40	
3hrs	L	3.00	3.60	
4hrs	L	4.00	4.80	
5hrs	L	5.00	5.00	
6hrs	L	6.00	6.00	
7hrs	L	7.00	7.00	
8hrs	L	8.00	8.00	
9hrs	L	9.00	9.00	
10hrs	L	10.00	10.00	
Car Parks – (Long Stay) (Mon to Sat)				
Archer Street, Garden Street, Kendrew Street East & West, Hird Street, St Hilda's & Park Place East & West				
1hr	L	1.00	1.20	
2hrs	L	2.00	2.40	
3hrs	L	3.00	3.60	
All day	L	4.00	5.00	
2 days	L	8.00	10.00	
3 days	L	12.00	15.00	
7 days	L	16.00	20.00	
Sunday	L	1.00	2.00	
Car Parks – Long Stay (Mon to Sat)				
Park Lane				
All day	L	5.00	5.00	
Sunday	L	1.00	2.00	
East Street MSCP				
Per hour	L	1.00	1.20	
All day	L	2.00	3.00	
Sunday	L	1.00	2.00	
Chestnut Street				
All day	L	2.00	2.00	
7 days	L	8.00	8.00	
Sunday	L	1.00	2.00	
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	0.70	

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	100.00	100.00	
6 month permit	L	150.00	150.00	
12 month permit	L	250.00	250.00	
				298,000

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed				
BUILDING CONTROL				
Items inclusive of VAT at 20%				
Letter confirming exemption	L	20.00	20.00	
Letter confirming enforcement action will not be taken	L	20.00	20.00	
Copy of historic completion/approval certificates	L	20.00	20.00	
Decision/Approval Notice (Building Control)				
Responding to request for historical information from electronic databases (email response)	L	20.00	20.00	
Responding to request for historical information from electronic databases (letter response)	L	20.00	20.00	
Responding to request for historical information from manually recorded data (email response)	L	20.00	20.00	
Personal searches (email response)	L	20.00	20.00	
The Building (Local Authority Charges) Regulations 2010 plus VAT at the appropriate rate				
Work charged on individual job basis	L	As agreed with client	As agreed with client	
				NIL

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	4.60	4.85	
Non card holder	L	5.25	5.40	
Concession	L	3.50	3.70	
Junior Swim	L	3.00	3.10	
Family swim junior rate discount (up to 4 children accompanying 1 adult)				
Per card holder	L	2.10	2.45	
Per non card holder	L	2.65	2.75	
Under 12 months	L	Free	Free	
Lessons	L	52.50	55.00	
Fitness Areas				
The Gym				
Card holder	L	5.75	5.95	
Non card holder	L	6.25	6.55	
Concession	L	4.30	4.60	
Junior Gym	L	4.30	4.60	
Concession	L	3.35	3.50	
Health & Fitness Classes				
Health & Fitness Classes				
Card holder	L	4.75	5.15	
Non card holder	L	5.50	5.70	
Concession	L	3.65	4.30	
Half Main Hall				
Adult				
Card holder	L	47.00	49.50	
Non card holder	L	53.50	55.00	
Junior (1 hour courts only)	L	32.50	33.50	
Weekday lunchtime				
Card holder	L	39.00	40.00	
Non card holder	L	43.00	45.00	
Badminton				
Adult				
Card holder	L	9.15	9.65	
Non card holder	L	10.40	10.70	
Concession	L	6.90	8.05	
Junior (1 hour courts only)	L	5.15	5.65	
Concession (1 hour courts only)	L	4.00	5.00	
Equipment Hire				
Footballs	L	Free	Free	
Footballs – Deposit (FOC for card holders)	L	5.00	5.00	
Badminton	L	Free	Free	
Badminton – Deposit (FOC for card holders)	L	5.00	5.00	
Table Tennis Bats	L	Free	Free	
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	5.75	5.95	
Parent/toddler (Soft play)	L	5.75	5.95	
Other Activities				
Showers				
Card holders	L	2.25	3.00	
Non card holders	L	2.25	3.00	
Fit 4 Life Packages				
12 month Full Membership	L	299.40	299.40	
12 month Seniors	L	228.00	228.00	
12 month Student	L	180.00	180.00	
6 Month Full	L	195.00	195.00	
12 Month Upfront	L	275.00	275.00	
Swimming Pools				
Main Pool - per hour	L	110.00	120.00	
Diving Pool - per hour	L	63.00	70.00	
Teaching Pool - per hour	L	63.00	70.00	
Gala - per hour				
Swimming Galas - whole complex				
Normal opening hours - per hour	L	352.00	370.00	
Outside normal opening hours - per hour	L	185.00	195.00	
Swimming Galas - Schools, Junior Clubs and Organisations				
Main Pool - Peak	L	247.00	257.00	
Main Pool - Off Peak	L	175.00	185.00	
Main Pool and Teaching Pool - Peak	L	206.00	216.00	
Main Pool and Teaching Pool - Off Peak	L	212.00	222.00	
Electronic Timing	L	104.00	110.00	
Ten Pin Bowling				
Adult Standard - 1 game	L	7.70	7.95	
Juniors (under 16) - 1 game	L	6.15	6.30	
Students & Seniors - Off Peak - 1 game	L	6.15	6.30	
Family Package - Peak - 1 game	L	25.00	26.00	
Family Package - Off Peak -1 game	L	23.00	24.00	
Adult, Students, Seniors - Peak - 2 game	L	15.40	15.90	
Adult, Student, Seniors - Off Peak - 2 game	L	11.80	12.30	
Juniors (under 16) - Peak - 2 game	L	12.30	12.60	
Juniors (under 16) - Off Peak - 2 game	L	11.80	12.10	
Disabled and carer - Off Peak - 1 game (per person)	L	5.25	5.50	
Disabled and carer - Off Peak - 2 game (per person)	L	10.50	11.00	
Dry Sports Hall				
Main Sports Hall - per hour	L	115.50	121.00	
Special Events - per hour Weekends	L	367.00	385.00	
Preparation - per hour Weekends	L	194.00	204.00	
Special Events - Schools - per hour off peak	L	52.00	55.00	
Function Room	L	28.00	30.00	
Seminar Room/Stephenson Suite meeting rooms	L	38.00	41.00	
Pease Suite/Studio	L	48.00	51.00	
Central Hall				
All Events (except commercial, exhibitions and local societies)	L	121.00	127.00	
Exhibitions - commercial - per hour	L	157.50	165.00	
Local Societies event - per hour	L	84.00	88.00	
				50,000

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	26.00	30.00	
Juniors Match	L	16.00	20.00	
				Minimal
EASTBOURNE SPORTS COMPLEX				
3G Pitch				
Non Charter Standard Pay and Play				
1/2 3G Pitch - Adult (1 hour)	L	50.00	55.00	
1/2 3G Pitch - Junior (1 hour)	L	40.00	45.00	
Full 3G Pitch - Adult (1 hour)	L	80.00	85.00	
Full 3G Pitch - Junior (1 hour)	L	55.00	60.00	
Charter Standard and Partner Clubs				
1/2 3G Pitch (1 hour)	L	25.00	30.00	
Full 3G Pitch (1 hour)	L	50.00	60.00	
Grass Pitch Matches - Club				
Adult per match 11 v 11	L	26.00	30.00	
Junior per match 9 v 9	L	16.00	20.00	
Junior per match 7 v 7	L	16.00	20.00	
Junior per match 5 v 5	L	10.00	15.00	
3G Matches - Club				
Junior per match 5 v 5	L	15.00	20.00	
Junior per match 7 v 7	L	20.00	25.00	
Junior per match 9 v 9	L	25.00	30.00	
Junior per match 11 v 11	L	25.00	30.00	
Changing room	L	20.00	20.00	
3G Matches - Adults				
AGP 1 without changing rooms	L	40.00	45.00	
AGP 1 with changing rooms	L	60.00	65.00	
AGP 2 without changing rooms	L	60.00	65.00	
AGP 2 with changing rooms	L	100.00	105.00	
Athletics Track				
Non club rate				
Adult	L	5.00	5.50	
Junior	L	4.00	4.50	
Full track per hour	L	120.00	120.00	
Club rate				
Adult	L	4.00	4.50	
Junior	L	4.00	4.50	
Full track per hour	L	75.00	85.00	
Other				
Shower	L	2.40	2.60	
Function room and pavilion hire per hour (exclusive of VAT)	L	23.00	24.00	
Multi Purpose Studio per hour (exclusive of VAT)	L	17.00	18.00	
				25,000

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed				
HIPPODROME & HULLABALOO				
Restoration Levy (per ticket excluding children's shows)	L	2.00	2.00	
Booking Fee (per ticket)	L	1.00	1.00	
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	2,200.00	2,310.00	
Hippodrome Theatre Hire - max capacity 1,000 - w/end half day	L	1,100.00	1,155.00	
Hippodrome Theatre Hire - max capacity 1,000 - w/day full day	L	2,025.00	2,126.25	
Hippodrome Theatre Hire - max capacity 1,000 - w/day half day	L	1,015.00	1,065.00	
Hullabaloo Theatre Hire - max capacity 150 - per hour	L	72.00	75.00	
Hullabaloo Theatre Hire - max capacity 150 - day hire**	L	520.00	546.25	
**day hire - 9am to 5pm				
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.				
				124,000

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed				
HOPETOWN DARLINGTON				
General Admission Donations welcome	L	Free	Free	
Wagon Woods Adventure Play Children over 1 - 1 hour peak (weekends & school holidays)	L	5.00	5.00	
Children over 1 - 1 hour off peak (weekdays term time)	L	3.50	3.50	
Experiment! immersive ride (opening November 2024)	L	5.00	5.00	
Private Hire The Stephenson Room - per hour	L	50.00	50.00	
The Pease Room - per hour	L	38.75	38.75	
The Carriage Works - half day	L	300.00	300.00	
The Carriage Works - full day	L	500.00	500.00	
The Carriage Works - per hour, after hours	L	100.00	100.00	
The Goods Shed/Clocktower Café - 3 hours 6-9pm	L	500.00	500.00	
The Goods Shed/Clocktower Café - per hour after 9pm	L	100.00	100.00	
Charity/Partner rate on all above hires - 30% discount	L			
Study at The Stores Historical research by Collections Manager - per hour	L	30.00	30.00	
Family history short research - up to 10 mins (including scans)	L	5.00	5.00	
Photographic reproduction - private use	L	6.50	6.50	
Commercial Photographic Reproduction Small local charitable, educational incl. websites	L	6.50	6.50	
Local commercial incl. websites	L	15.00	15.00	
Specialist magazines, journals & newspapers incl. websites	L	30.00	30.00	
Regional TV/Video/Film/DVD	L	50.00	50.00	
National/international TV/Video/Film/DVD	L	100.00	100.00	
School Visits Package 1 - Price per pupil Includes led workshop, Wagon Woods play, self guided time in museum and stores plus dedicated lunch area	L	4.00	4.00	
Package 2 - Price per pupil Includes led workshop, Wagon Woods play, Experiment! immersive ride, self guided time in museum and stores plus dedicated lunch area	L	7.50	7.50	
Both packages reduced by £2 per child for Darlington school children on free school meals				
				NIL
STRAY DOGS				
Dog held at Allington Way Statutory Fee	L	N/a	25.00	
Kennelling Fee	L	N/a	20.00	
Dog held offsite Fees incurred at Allington Way (as above) plus				
Kennelling Fee per day	L	N/a	30.00	
Handling Fee	L	N/a	50.00	
				14,000

Description	Type*	Existing Charge £	New Charge £	Financial Effect £
*KEY for basis of fee and charges setting, L - Locally Agreed, N - Nationally Agreed				
REFUSE COLLECTION AND DISPOSAL				
Refuse sacks (per 25) (Exclusive of VAT)	L	126.80	131.50	
Garden Waste Sacks (Non VATable) (for collection of 10 bags)	L	13.70	14.20	
Bulky Household Collection up to 6 items	L	22.90	23.80	
Garden Waste Service	L	45.00	47.00	
Cost of replacement (inclusive of 20% VAT)				
360L Wheeled Bin	L	64.80	67.20	
240L Wheeled Bin	L	25.60	26.60	
Caddie	L	8.50	8.80	
Glass Box	L	6.25	6.50	
55L Box	L	6.25	6.50	
Lid for recycling box	L	2.50	2.60	
Lid for 240L bin	L	7.50	7.80	
Wheeled bin wheel	L	2.00	2.10	
				19,000

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	1,050.00	1,160.00	
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	1,050.00	1,160.00	
Cremated remains	L	230.00	250.00	
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) - Full Plot	L	1,040.00	1,200.00	
Exclusive burial rights (50 years) - Half Plot	L	520.00	600.00	
Exclusive burial rights (50 years) - Quarter Plot	L	260.00	300.00	
Exclusive burial rights for a bricked grave	L	2,080.00	2,400.00	
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	125.00	150.00	
Use of Crematorium Chapel for burial/memorial service	L	250.00	300.00	
After post mortem remains	L	230.00	250.00	
Exhumation of a body (excl. re-interment)	L	2,215.00	2,500.00	
Exhumation of cremated remains (excl. re-interment)	L	565.00	600.00	
Grave Maintenance (inclusive of 20% VAT)				
Initial payment	L	55.00	60.00	
Annual Maintenance	L	40.00	45.00	
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	230.00	250.00	
Provision of kerbs – traditional sites only	L	100.00	120.00	
Vases not exceeding 300mm	L	85.00	100.00	
Additional inscription	L	85.00	100.00	
Total financial effect for Cemeteries				30,000

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	230.00	250.00	
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	1,050.00	1,160.00	
Direct Cremation	L	550.00	580.00	
After post mortem remains	L	230.00	250.00	
Other charges				
Postal Carton	L	20.00	25.00	
Metal Urn	L	40.00	60.00	
Wooden Casket	L	50.00	70.00	
Biodegradable Urn	L	N/a	85.00	
Baby Urn	L	10.00	10.00	
Extended use of Crematorium Chapel	L	125.00	300.00	
Scattering of remains at reserved time	L	50.00	50.00	
Webcasts (inclusive of VAT at the appropriate rate)	L	55.00	60.00	
Tributes (inclusive of 20% VAT)				
Single Photo	L	15.00	15.00	
Basic Slideshow	L	45.00	55.00	
Slideshow set to music	L	80.00	85.00	
Themed Tribute to music	L	N/a	100.00	
Family supplied Tribute	L	N/a	30.00	
For every additional 25 images	L	20.00	25.00	
Tribute Download link	L	N/a	20.00	
Webcast Keepsake (DVD, Blu-ray, USB or audio CD)	L	60.00	60.00	
Extra copies	L	30.00	30.00	
Video Book	L	N/a	100.00	
Extra copies	L	N/a	60.00	
Memory Box	L	N/a	130.00	
Extra copies	L	N/a	70.00	
Book of Remembrance (inclusive of 20% VAT)				
Single Entry (2 lines)	L	75.00	80.00	
Double Entry (3 or 4 lines)	L	115.00	120.00	
Additional lines	L	25.00	25.00	
Crest or floral emblem	L	120.00	120.00	
Memorial Cards (inclusive of 20% VAT)				
Single entry card (2 lines)	L	30.00	35.00	
Double entry card (3 or 4 lines)	L	35.00	45.00	
Additional lines	L	5.00	10.00	
Crest of floral emblem	L	80.00	100.00	
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	270.00	
Planter plaques	L	370.00	380.00	
Lease of space for memorial plaques (per annum)	L	26.00	27.00	
Total financial effect for Crematorium				140,000

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	200.00	200.00	NIL
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	
Section 184 Application for private vehicle crossings		125.00	150.00	
Temporary Traffic Regulation Notices (road closures etc)	L	184.00	214.00	
Temporary Traffic Regulation Orders (road closures etc) (plus advertising)	L	302.00	332.00	
Emergency Traffic Regulation Orders	L	143.00	173.00	
Application to Secretary of State for TTRO extension (plus advertising)	L	105.00	135.00	
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	182.00	186.00	
- Per road name (council names)	L	221.00	226.00	
- Per plot	L	16.00	16.50	
Street Naming & Numbering of Properties:				
- Per plot or renaming of a property	L	37.00	38.00	
Rechargeable Works	L	Actual cost + 10%	Actual cost + 10%	
Temporary Traffic Light Applications	L	No Charge Individually priced based on requirements	No Charge Individually priced based on requirements	
Section 50 Licence associated bond costs	L	No charge	No charge	
Access protection markings	L	£75.00 + VAT	£75.00 + VAT	
Tourist Sign (plus actual cost of sign)	L	£75.00 + VAT	£75.00 + VAT	
Accident Data Requests	L	75.00	75.00	
Traffic Count Data	L	Individually priced based on charge out rate	Individually priced based on charge out rate	
Street Lighting Design Service	L	No charge	No charge	
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	L	8% of works + legal if delivered by developer	8% of works + legal if delivered by developer	
Section 116 Stopping Up of the Highway	N	Actual Costs	Actual Costs	
Section 38 Road Adoption agreement	L	8% of works + legal if delivered by developer	8% 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 overstays	N	Nationally set scale of charges	Nationally set scale of charges	
				49,000
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	3,066.00 (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	256.00	
Additional parcel	L	50.00	51.00	
Additional notice	L	50.00	51.00	
Authorisation for installing a new gate or stile (HA 80 s147)	L	100.00	102.00	
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				
				Minimal
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	56.00	56.00	
Taxi Vehicle Test and MOT	L	66.00	66.00	
Failure to attend (less than 48 hours' notice)	L	56.00	56.00	
Re-test	L	27.00	27.00	
Re-test including emissions	L	39.00	39.00	
Re-test emissions only	L	12.00	12.00	
Charges for General Public;				
MOT for Standard Car Class IV	L	37.00	38.00	
MOT for Class V Vehicles	L	42.00	45.00	
MOT for Class VII Vehicles	L	42.00	45.00	
				Minimal
PRIVATE SECTOR HOUSING				
Works in default & statutory activities per hour	L	60.00	62.00	
Housing inspections & consultancy per hour (inclusive of VAT)	L	60.00	62.00	
Charge for the service relevant Housing Act 2004 legal notice	L	450.00	465.00	
Administration cost for the securing empty homes (addition of VAT if completed by agreement)				
	L	300.00	310.00	
Houses in Multiple Occupation Activities;				
HMO licence fee per letting/let/tenancy	L	187.00	N/a	
Part A Licence Application	L	N/a	217.00	
Part B 5 year HMO licence per letting	L	N/a	155.00	
Other relevant HMO activities per hour	L	60.00	62.00	
Variation of HMO licence	L	60.00	124.00	
Housing Immigration Inspections;				
Within 10 working days (excluding VAT)	L	150.00	155.00	
Fast Track within 5 working days (excluding VAT)	L	200.00	217.00	
General Enforcement Activities;				
Hourly rate for preparation of case reports/prosecutions	L	60.00	62.00	
Additional copies of legal notices via post	L	10.00	10.00	
Additional copies of legal notices - Scanned copy by Email	L	Free	Free	
Energy Company Regulation				
ECOflex declarations (excluding VAT)	L	50.00	93.00	
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)				
				11,000
COST OF REVENUE COLLECTION				
Council Tax – All Charges do not incur VAT				
Issue of Summons for Liability Order	L	40.00	41.00	
Issue of Liability Order	L	50.00	51.00	
Issue of Summons for Committal Hearing	L	105.00	264.00	
Issue of Statutory Demand	L	184.00	187.00	
Schedule 3 of the Local Government Finance Act 1992				
Penalty where				
- A person is requested to supply information and fails to	L	70.00	70.00	
- A person knowingly supplies inaccurate information	L	70.00	70.00	
- A person fails to notify a material change without a reasonable excuse	L	70.00	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	280.00	280.00	
- A person knowingly supplies inaccurate information	L	280.00	280.00	
				15,000
Business Rates (NNDR) – All Charges do not incur VAT				
Issue of Summons for Liability Order	L	40.00	41.00	
Issue of Liability Order	L	50.00	51.00	
Issue of Summons for Committal Hearing	L	105.00	264.00	
Issue of Statutory Demand	L	184.00	187.00	
				14,000

This page is intentionally left blank

APPENDIX 4

**KEY ASSUMPTIONS USED IN PROJECTED
RESOURCES, EXPENDITURE AND INCOME 2025/26-2028/29**

Factor	Assumption
Resources	
Council Tax Base	Variable depending on projected additional properties.
Council Tax	2.99% increase in 2025/26 and then 1.99% to 2028/29
Adult Social Care Precept	2% increase in 2025/26 and then 1% to 2028/29
Council Tax collection	99% collected
Government Grants	Government grants, as indicated in the Provisional Local Government Finance Settlement 2025/26 and indicative figures for 2026/27 – 2028/29.
	Increase in Business Rates Scheme Top Up Grant of 1.1% in 2025/26. Future years business rates estimated in line with Government review.
	Additional Local Government Funding announced in the Budget split into Social Care Grant and new Recovery Grant as below.
	Revenue Support Grant per provisional financial settlement 2025/26, 2.6% uplift in 2026/27, 2.2% 2027/28 & 2% 2028/29.
	Continuation of Improved Better Care Fund (iBCF) at 2025/26 provisional financial settlement rate across the MTFP.
	New Homes Bonus per provisional settlement 2025/26, no future year's allocations.
	New, Children's Social Care Prevention grant as per provisional financial settlement 2025/26, flatlined and assumed to continue to 2028/29.
	Children & Families Grant as per provisional financial settlement 2025/26, assumed to be one year only.
	Social Care Grant, (merged with Adult Social Care Grant) per 2025/26 provisional financial settlement, flatlined and assumed to continue to 2028/29.
	New, Recovery Grant as per provisional financial settlement 2025/26, flatlined and assumed to continue to 2028/29.
	New, Extended Producer Responsibility Grant as per 2025/26 allocation. Assumed to reduce in future years as industry reduces packaging.
	Additional Homeless Grant, estimated per provisional financial settlement 2025/26, assumed to be one year only.
	Estimated National Insurance Offset grant for directly employed staff, based on formula in provisional financial settlement 2025/26.
Expenditure	
Pay inflation	2025/26 3% 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 2025/26 and until next triennial revaluation in 2028/29.

Financing Costs	
Interest rates payable	Average rate on existing debt, 2025/26 of 4.07%, 2026/27 of 3.38%, 2027/28 of 3.23% and 2028/29 of 2.34%
Interest rates payable on new debt – 10 year rate	2025/26 of 4.23%, 2026/27 of 4.03%, 2027/28 of 3.90% and 2028/29 3.90%.
Interest rates receivable	3.35% in 2025/26, 3.10% in 2026/27, 3.25% in 2027/28 and 3.25% in 2028/29.
Income	
Inflationary increases	Various based on individual service considerations

REVENUE BUDGET MANAGEMENT 2024/25

Projected General Fund Reserve at 31st March 2025	
	2024-28
	MTFP
	(Feb 2024)
Medium Term Financial Plan (MTFP) :-	£000
MTFP Planned Opening Balance 01/04/2024	16,384
Approved net contribution from balances	(4,041)
Planned Closing Balance 31/03/2025	12,343
Increase in opening balance from 2023-24 results	1,321
Projected corporate underspends / (overspends) :-	
Council Wide	(11)
Financing Costs	0
Joint Venture - Investment Return	0
Contingencies	(58)
Contribution from general fund reserves to Housing Benefits	(155)
Projected General Fund Reserve (excluding Departmental) at 31st March 2025	13,440
Planned Balance at 31st March 2025	12,343
Improvement	1,097

Departmental projected year-end balances	
	Improvement / (decline) compared with 2024-28 MTFP
	£000
Chief Executives Office	0
People Group	(143)
Environment, Highways & Community Services Group	(851)
Resources & Governance Group	(1,252)
Economy & Public Protection Group	264
TOTAL	(1,982)

Summary Comparison with :-	
	2024-28
	MTFP
	£000
Corporate Resources - increase in opening balance from 23/24 results	1,321
Corporate Resources - additional in-year Improvement/(Decline)	(224)
Departmental - Improvement / (Decline)	(1,982)
Improvement / (Decline) compared with MTFP	(885)
Projected General Fund Reserve at 31st March 2025	11,458

This page is intentionally left blank

MEDIUM TERM FINANCIAL TERM 2025 TO 2029

	2025/26	2026/27	2027/28	2028/29
	£m	£m	£m	£m
<u>Expenditure</u>				
Chief Executives Office	0.329	0.337	0.344	0.351
People Group	90.541	92.291	94.785	98.305
Economy & Public Protection Group	1.832	1.983	1.787	1.787
Environment, Highways and Community Services Group	26.010	26.229	26.829	27.367
Resources & Governance Group	15.728	16.303	16.927	17.362
Financing costs	4.028	3.706	3.632	3.925
Investment Returns - Joint Venture	(1.977)	(2.006)	(1.753)	(1.524)
Council Wide	0.663	0.677	0.693	0.706
Contingencies	0.272	0.278	0.202	0.202
Contribution to/(from) revenue balances	(2.639)	(3.805)	(4.024)	(5.716)
Total Net Expenditure	134.787	135.993	139.422	142.765
<u>Resources - Projected and Assumed</u>				
Council Tax	70.341	73.600	76.883	80.296
Business Rates retained/Top Up Grant	35.382	35.186	35.620	35.762
Revenue Support Grant	4.743	4.866	4.973	5.072
Better Care Fund	4.488	4.488	4.488	4.488
New Homes Bonus	0.545	0.000	0.000	0.000
Social Care Grant	12.731	12.731	12.731	12.731
Children & Families Grant	0.692	0.000	0.000	0.000
Children's Social Care Prevention Grant	0.570	0.570	0.570	0.570
National Insurance Offset	0.810	0.835	0.860	0.885
Recovery Grant	1.616	1.616	1.616	1.616
Homeless Grant	0.242	0.000	0.000	0.000
Extended Producer Responsibility	2.627	2.101	1.681	1.345
Total Resources	134.787	135.993	139.422	142.765
<u>Balances</u>				
Opening Balance	11.458	8.389	4.584	0.560
Release of Earmarked Reserve	0.220	0.000	0.000	0.000
Transfer to Risk Reserve	(0.650)	0.000	0.000	0.000
Contribution to/(from) Balances	(2.639)	(3.805)	(4.024)	(5.716)
Closing Balance	8.389	4.584	0.560	(5.156)

This page is intentionally left blank

Capital Medium Term Financial Plan 2025/26 - 2028/29					Appendix 7
	2025/26	2026/27	2027/28	2028/29	Total
	£'000	£'000	£'000	£'000	£'000
Children, Families & Learning					
School Condition Allocations	67	67	67	67	268
	67	67	67	67	268
Housing					
Adaptations / Lifts	150	153	156	159	618
Heating replacement programme	1,325	1,351	1,378	1,406	5,460
Structural works	400	408	416	424	1,648
Lifeline Services	310	203	214	217	944
Repairs before painting	68	69	134	136	407
Roofing	1,000	663	676	690	3,029
Garages	50	50	26	27	153
External Works (footpaths, fencing, etc.)	210	214	218	223	865
Pavement Crossing	28	28	29	30	115
Window and Door Replacement Programme	1,495	2,025	2,065	1,607	7,192
IPM works	3,600	3,672	3,745	3,820	14,837
Energy Efficiency	4,020	3,917	3,917	1,500	13,354
Communal Works	200	204	208	212	824
Capital Schemes approved in previous years	12,835	0	0	0	12,835
New build (net of HE grant)/regeneration	4,090	1,000	1,000	1,000	7,090
Fees	312	318	325	331	1,286
	30,093	14,275	14,507	11,782	70,657
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	1,160	1,160	1,160	1,160	4,640
	1,160	1,160	1,160	1,160	4,640
Council funded Schemes					
Advanced Design Fees (Already approved to 2025/26)	150	0	0	0	150
Economic Growth Investment Fund (Already approved to 2025/26)	500	0	0	0	500
Capitalised Repairs (Already approved to 2025/26)	250	250	250	250	1,000
	900	250	250	250	1,650
Self Financing Scheme					
Development of Office Block at Prestigate (Already approved to 2025/26)	8,000	0	0	0	8,000
	8,000	0	0	0	8,000
Total Spending Plans	43,288	18,820	19,052	16,327	97,487
Funded by:					
Capital Grants	4,295	4,295	4,295	4,295	17,180
HRA Revenue Contributions	15,948	13,975	14,207	11,482	55,612
HRA Capital Receipts	300	300	300	300	1,200
Borrowing	13,845	0	0	0	13,845
Corporate Resources	900	250	250	250	1,650
Self Financing	8,000	0	0	0	8,000
Total Resources	43,288	18,820	19,052	16,327	97,487
Commitments - see above	43,288	18,820	19,052	16,327	97,487
Resources Available for Investment	0	0	0	0	0

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

This page is intentionally left blank

ECONOMY AND RESOURCES SCRUTINY COMMITTEE

Monday, 20 January 2025

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

APOLOGIES – Councillors Henderson and Ray,

ALSO IN ATTENDANCE – Councillor McEwan (Deputy Leader and Cabinet Member for Economy) and Councillor Porter (Cabinet Member for Resources)

OFFICERS IN ATTENDANCE – Mark Ladyman (Assistant Director Economic Growth), Brett Nielsen (Assistant Director Resources), Anthony Sandys (Assistant Director - Housing and Revenues) and Olivia Hugill (Democratic Officer)

ER130 DECLARATIONS OF INTEREST

There were no declarations of interest reported at the meeting.

ER131 MEDIUM TERM FINANCIAL PLAN 2025/26 - 2028/29 - TO CONSIDER A RESPONSE TO CABINET ON THE PLAN TAKING INTO ACCOUNT THE VIEWS OF THIS COUNCIL'S SCRUTINY COMMITTEES: -

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 2025/26 – 2028/29.

The Assistant Director Resources attended and outlined the process and consultation period surrounding the MTFP for which he had attended the Council's individual scrutiny committees. It was clarified that the purpose of the 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 Communities and Local Services Scrutiny Committee (CLS) provided a summary of the 2 January 2025 meeting held around the MTFP. This covered the areas which members scrutinised such as the Adult Social Care pressures, if the homelessness strategy would be implemented to Darlington Borough Council, payment around the Extended Producer Responsibility. It was highlighted that the majority view of this Scrutiny Committee could support the MTFP in its current form and that the minority view of this Scrutiny Committee could not support due to the increase in Council Tax and the choices that had been made.

The Chair of this meeting opened the room to discussion and questions with regards to the CLS meeting. Members asked the relevant chair if the budget for Hopetown and food waste had been covered at the meeting.

- b) The Vice-Chair of the Children and Young People Scrutiny Committee provided a summary of the 6 January 2025 meeting, and the discussion held around the MTFP. It was highlighted that Members recognised the pressures in services and gave credit for the work done to reduce costs by bringing services in-house.

The Chair of this meeting opened the room to discussion and questions with regards to the Children and Young People meeting. Members asked the relevant chair if the Childcare Sufficiency work agreed in the current budget and how many looked after children the budget accounts for had been considered at the meeting.

- c) Due to the Chair and Vice Chair been unable to attend the meeting, the Chair of this meeting covered the main comments highlighted at the Adults Scrutiny Committee. The minority view of the committee could not support the MTFP in its current form due to the proposed use of all reserves prior to the end of the proposed MTFP.
- d) The Chair of the Health and Housing Scrutiny Committee provided a summary of the 8 January 2025 meeting, and the discussion held around the MTFP. It was highlighted that Members had raised concerns regarding the ability to agree the MTFP following the draft settlement, the impact of National Insurance changes, discussed in house provision against external provision and the proposed increases to car parking charges. The committee did support the MTFP in its current form.

The Chair of this meeting opened up the room to questions and comments, Members asked if the Health and Housing Scrutiny Committee had a clear understanding of what the Public Health grant would be spent on and asked regarding charges to the Housing Revenue Account. It was also stated that there was a minority view of the Health and Housing Scrutiny Committee that they could not support the MTFP in its current form until they had received the full details of the Local Government Finance Settlement.

- e) The chair of the Economy and Resources Scrutiny Committee provided a summary of the 9 January 2025 meeting, and the discussion held around the MTFP. It was highlighted that the majority view of this committee could support the MTFP in its current form. The minority view could not support the MTFP due to the increase in parking charges and licensing costs.

RESOLVED – That, having considered the proposed Medium Term Financial Plan 2025/26 to 2028/29 and the comments of all the Council’s Scrutiny Committees, it be recommended to Cabinet that it notes and takes into account all those comments as part of the consultation.

ii) **STRONGER COMMUNITY 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.

It was reported that the Communities and Local Services Scrutiny Committee on 2 January 2025 had also considered the report and recommended for the continuation of the scheme

for the 2025/26 financial year and had noted the scheme's current spend against the £50,000 allocated funding.

Members commented that the fund has benefited some individuals in the community. Members entered into discussion around the effective use of funds for this purpose, noting that the fund could be more efficiently spent internally on additional council services. Members discussed that due to the council's medium-term financial position, the scheme should not be funded going forward highlighting that in the previous Medium Term Financial Plan the scheme was scheduled to run until year-end 2024/25 only. Members discussed the paperwork of the scheme and how some councillors struggle to spend the full amount.

RESOLVED – That Cabinet be advised that, having considered the continuation of the Stronger Community Fund, it should note that the majority view of this Scrutiny Committee is for this scheme not to be continued in the 2025/26 financial year.

(b) That the minority view of the Economy and Resources Scrutiny Committee is that the Stronger Community Fund should continue into the 2025/26 financial year.

This page is intentionally left blank

**CABINET
4 FEBRUARY 2025**

CALENDAR OF COUNCIL AND COMMITTEE MEETINGS

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

**Responsible Director -
Elizabeth Davison, Executive Director – Resources and Governance**

SUMMARY REPORT

Purpose of the Report

1. To consider the Calendar of Council and Committee Meetings for the 2025/26 Municipal Year

Recommendations

2. It is recommended that :-
 - (a) The Calendar of Council and Committee Meetings 2025/26, attached as an Appendix, be endorsed;
 - (b) The proposed dates for the meetings of Council be referred to the Annual Council meeting scheduled to be held on Thursday 22 May 2025; and
 - (c) The dates of the first meetings of each of the Committees be agreed and the proposed dates for future meetings, as detailed in the Calendar attached as an Appendix, be considered by each Committee at their first meeting in the 2025/26 Municipal Year.

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 each individual Committee to consider the dates of their respective meetings.
 - (c) To enable the meetings of Council to be approved.

Elizabeth Davison
Executive Director – Resources and Governance

Background Papers

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

Lynne Wood : Extension 5803

Council Plan	The contents of the report do not have any direct implications on the Council Plan.
Addressing inequalities	The contents of the report do not have any directly implications on addressing inequalities.
Tackling Climate Change	The contents of the report do not have any direct implications on tackling climate change.
Efficient and effective use of resources	The contents of the report do have any direct implications on efficient and effective use of resources.
Health and Wellbeing	The contents of the report do have any direct implications on health and wellbeing.
S17 Crime and Disorder	The contents of the report do have any direct implications on S17 crime and disorder.
Wards Affected	The contents of the report do not directly affect any wards.
Groups Affected	The contents of the report do not directly affect any groups.
Budget and Policy Framework	The contents of the report do have any direct implications on the budget and policy framework.
Key Decision	This issues within the report do not represent a key decision.
Urgent Decision	This is not an urgent decision.
Impact on Looked After Children and Care Leavers	The contents of the report does not have an 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. The date for Remembrance Sunday is also included within the calendar.

Outcome of Consultation

7. Internal consultation was undertaken on the Calendar of Council and Committee meetings. Consideration will be given to the proposed meeting dates at the first meeting of each of the respective Committees.

This page is intentionally left blank

CALENDAR OF MEETINGS

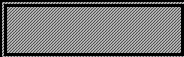
This document was classified as: OFFICIAL

2025/26

Calendar May 2025 to May 2026

Recess - 4 weeks 21 July to 15 August 2025

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

 = 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					
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		
JUNE 2025							1	2	3	4 PA	5	6	7	8	9	10 AD CAB	11	12 CLS	13	14	15	16 CYP	17 L CPP	18 H&H HW BB	19	20	21	22	23	24	25	26 E&R	27	28	29	30
JULY 2025		1	2 PA	3	4	5	6	7 SAC RE	8 CAB	9	10	11	12	13	14 A	15	16	17 C	18	19	20	21	22	23	24	25	26	27	28	29 L	30 PA	31				
AUGUST 2025					1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19 CPP (F)	20	21	22	23	24	25	26 AD	27 PA	28 CLS	29	30	31	
SEPTEMBER 2025	1 CYP	2	3 H&H	4 E&R	5	6	7	8	9 L CAB	10	11	12	13	14	15	16	17	18 HW BB	19	20	21	22	23	24 PA	25 C	26	27	28	29	30						
OCTOBER 2025			1	2	3	4	5	6	7 CAB	8	9	10	11	12	13 A	14	15	16	17	18	19	20 CYP	21 L CPP	22 PA	23 CLS	24	25	26	27	28 AD	29 H&H	30 E&R	31			
NOVEMBER 2025					1	2	3	4 CAB	5	6	7	8	9	10 RS SACR E	11	12	13	14	15	16	17	18	19 PA	20	21	22	23	24	25	26	27 C	28	29	30		
DECEMBER 2025	1	2 L CAB	3	4 HW BB	5	6	7	8	9	10	11	12	13	14	15	16 CPP	17 PA	18	19	20	21	22	23	24	25	26	27	28	29	30	31					
JANUARY 2026			1	2	3	4	5 CYP	6 AD CAB	7 H&H	8 E&R	9	10	11	12	13 L	14 PA	15 CLS	16	17	18	19 A	20	21	22	23	24	25	26	27	28	29 E&R C	30	31			
FEBRUARY 2026						1	2	3 CAB	4	5	6	7	8	9	10	11 PA	12	13	14	15	16	17 CPP (F)	18	19	20	21	22	23	24 AD	25	26	27	28			
MARCH 2026					1	2 CYP	3 L CAB	4 H&H	5 CLS	6	7	8	9 SACR E	10	11 PA	12	13	14	15	16	17	18	19 HW BB	20	21	22	23	24	25	26 C	27	28	29	30	31	
APRIL 2026		1	2	3	4	5	6	7 CAB	8 PA	9	10	11	12	13	14 AD	15 H&H	16 E&R	17	18	19	20 CYP	21 L CPP	22	23 CLS	24	25	26	27 A	28	29	30					
MAY 2026				1	2	3	4	5 CAB	6 PA	7	8	9	10	11	12	13	14 C	15	16	17	18	19	20	21 AC	22	23	24	25	26	27	28	29	30	31		

Mon	Tues	Wed	Thurs	Fri	Sat	Sun	Mon	Tues	Wed	Thurs	Fri	Sat	Sun	Mon	Tues	Wed	Thurs	Fri	Sat	Sun	Mon	Tues	Wed
-----	------	-----	-------	-----	-----	-----	-----	------	-----	-------	-----	-----	-----	-----	------	-----	-------	-----	-----	-----	-----	------	-----

CABINET
4 FEBRUARY 2025

DARLINGTON CAPITAL STRATEGY 2025/26

Responsible Cabinet Member – Councillor Mandy Porter
Resources Portfolio

Responsible Director – Elizabeth Davison
Executive Director Resources & Governance

SUMMARY REPORT

Purpose of the Report

1. This report requests that Cabinet review the Councils Capital Strategy for 2025/26, prior to forwarding to Council for their approval.

Summary

2. The revised Prudential Code for Capital Finance in Local Authorities 2024 requires every Council to publish a Capital Strategy and review on an annual basis. In accordance with the regulations the Council published its first strategy in 2019/20 and attached in **Appendix 1** is the 2025/26 update.

Recommendation

3. It is recommended that Cabinet review the Capital Strategy for 2025/26 and pass any comments to Council prior to forwarding to Council approval.

Reasons

4. The recommendation is supported by the following 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.

Elizabeth Davison
Executive Director Resources & Governance

Background Papers

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

Elizabeth Davison: Extension 5830

Council Plan	The Council’s Capital Strategy contributes to all priorities outlined within the Council Plan.
Addressing inequalities	There is no impact as a result of this report.
Tackling Climate Change	The Capital Strategy contributes to the Council’s objectives for tackling climate change.
Efficient and effective use of resources	Having a clear view on Capital investment and financing plans ensures efficient and effective use of resources.
Health and Well Being	This report has no implications for the Council’s Health and wellbeing Programme
S17 Crime and Disorder	This report has no implications for crime and disorder.
Wards Affected	All wards
Groups Affected	All groups
Budget and Policy Framework	This report does not affect the budget or policy framework.
Key Decision	The Capital strategy must be approved by full Council
Urgent Decision	The Capital strategy must be approved by full Council
Impact on Looked After Children and Care Leavers	This report has no impact on Looked After Children or Care Leavers

MAIN REPORT

5. The revised Prudential Code for Capital Finance in Local Authorities 2024 requires every Council to publish a Capital Strategy and review on an annual basis. In accordance with the regulations the Council published its first strategy in 2019/20 and attached in Appendix 1 is the 2025/26 update.
6. The revised Code emphasises the need to ensure capital expenditure is prudent, proportional, affordable and sustainable. There is also greater emphasis placed on the long-term implications of capital expenditure on the revenue budget and the delivery of the Council’s policy objectives.
7. The Strategy provides an overview of how capital expenditure and financing plans are decided upon and provides the framework for the development, management and monitoring of the council capital investment plans. It focuses on core principles that underpin the Council’s four-year capital programme and the governance framework which is in place.
8. The Strategy also highlights the resource streams available in terms of funding to the Council and the risk management approach taken.
9. The Strategy maintains a strong and current link to the Council’s priorities and to its key strategy documents such as the Treasury Management Strategy, Medium Term Financial Plan and the Council Plan.

DARLINGTON BOROUGH COUNCIL CAPITAL STRATEGY 2025/26



DARLINGTON
Borough Council

Darlington Borough Council

Capital Strategy

Introduction

1. The Capital Strategy has been developed in line with the CIPFA Prudential Code for Capital Finance in Local Authorities 2024. The Capital Strategy is intended to give a high level overview of how capital expenditure and financing plans are decided upon and provides the framework for the development, management and monitoring of the Council's capital investment plans.
2. The Strategy aligns with the priorities in the Council Plan and focuses on core principles that underpin the Council's approach to capital investments; the governance framework required to ensure the capital programme is delivered and provides value for money for the residents of Darlington.
3. The Strategy is integrated with the Medium Term Financial Plan (MTFP) (which incorporates the Capital Programme, the Asset Management Plan and Treasury Management Strategy) and will be reviewed as such on an annual basis

The Key objective of Darlington's Capital Strategy

4. The **capital strategy** defines and outlines the approach to capital investments and is fundamental to the Council's financial planning process. The key objective of the capital strategy is to deliver a capital programme that.
 - (a) Ensures capital expenditure and investment decisions are used to support the delivery of the services according to the priorities within the Council plan and supporting strategies.
 - (b) Is affordable, financially prudent and sustainable.
 - (c) Ensures the most cost effective use is made of existing assets and new capital investment.
 - (d) Provides Value for Money.
 - (e) Encourages Invest to Save initiatives to make efficiencies within the Council's revenue budget.
 - (f) Ensures the appraisal and prioritisation process for new schemes is robust and captures risks and mitigating factors.

The Council's Vision and Key priorities

5. Capital expenditure should support the Council's continuing commitment to the core principles and ambitions set out within the Council Plan, which articulates the Council's vision of **Darlington is one of the best places to live, learn, work and invest in the UK, with a strong and sustainable economy, healthy thriving communities and opportunities for all**. All capital expenditure proposals should be considered alongside the following priorities which the Council is committed to in order to achieve the vision;
 - (a) Economy: A strong sustainable economy and highly skilled workforce with opportunities for all.
 - (b) Homes: Affordable and secure homes that meet the current and future needs of residents.
 - (c) Living Well: A healthier and better quality of life for longer, supporting those who need it most.
 - (d) Children and Young People: Best start in life, realising potential and raising aspirations for our children and young people.

- (e) Communities: Safer, healthier and more engaged communities.
 - (f) Local Environment: A well-connected, clean and sustainable borough.
6. Overarching all of the above is the focus on the Council being financially stable and being run as effectively and efficiently as possible, ensuring value for money and good governance which this strategy is part of.

Governance Arrangements

7. The Capital Programme is the Council's plan of capital works for future years, including details on the funding of the schemes.
8. The programme is determined by the need to incur capital expenditure, capital resources available; and the revenue implications flowing from the capital expenditure.
9. The Council's Constitution and financial regulations govern the capital programme process and require Full Council to agree the programme annually. The reports of the Executive Director – Resources and Governance will consider the compliance of the proposed schemes in the programme with the medium term financial plan, the capital resources available, the revenue implications of the proposed capital expenditure and any other relevant information.
10. All schemes are formally approved into the capital programme by following a process as set out in the financial regulations and approved by Council. The inclusion of a scheme in the programme does not constitute authority to incur expenditure. Each capital scheme shall be the subject of a written report by the responsible Director to Cabinet and this report shall include the need for the proposed expenditure, its place in the Council's strategic plans, the estimated capital cost analysed as appropriate, the estimated revenue implications (if applicable) and the methods of financing.
11. Cabinet receive regular capital monitoring reports and approve variations to the programme within Cabinet's delegated authority limits.
12. Cabinet also considers new bids that fall outside the annual budget process.
13. Schemes with a final outturn level over £1m are reported to Cabinet comparing actual cost, timeliness and quality with the original and amended approvals.
14. Scrutiny Committees can call in Cabinet reports, receive and scrutinise reports.
15. All projects progressing to the capital programme follow the constitution and financial regulations and the capital programme is subject to internal and external audit.

Investment evaluation and prioritisation

16. As part of the budget planning process services are required to submit capital proposals for consideration to the Asset Management & Capital Projects Review Board (AM & CPRB) for investment decisions. The capital investment appraisal process focuses on:
- (a) Policy and strategic fit
 - (b) Affordability and resources
 - (c) VFM, cost/benefit

- (d) Options appraisal
- (e) Risk assessment and
- (f) Capability and capacity within the Council to manage and deliver the project

17. Where capital expenditure requirements exceed external funding availability, bids for internal resources are prepared and assessed by the AM & CPRB using a scoring model which has regard to the capital strategy, asset management plan and the Council Plan. AM & CPRB submit to Chief Officers Executive (COE) a list of assessed bids. COE then develop proposals for inclusion in the Capital Programme, Cabinet consider these proposals and make recommendations to Council for final approval.
18. The AM & CPRB, chaired by the Executive Director – Environment, Highways and Community Services and including representation from all departments, maintain a continuous review of capital planning, management and reporting, with regard to best practice, experience and opportunities for improving the Council's capital and asset management.
19. The AM & CPRB oversee implementation of standards and procedures and make recommendations to other parties (Chief Officers Executive, Cabinet, Council) as appropriate. In developing their proposals, AM & CPRB shall, in addition to departmental capital expenditure plans, have due regard to:
- (a) the various funding streams available from government and other grants
 - (b) developer contributions towards capital expenditure under section 106 agreements and any other similar arrangements
 - (c) internal resources available from capital receipts, non-supported borrowing and revenue contributions to capital expenditure.

Invest to save projects

20. Departments are encouraged to consider innovation in service provision that can drive efficiency and deliver cashable savings. Invest to save bids will be considered on the same basis as other capital proposals and need to demonstrate what savings and benefits will be achieved as a result of the proposed initiative. However, as the benefits of these schemes should outweigh the costs it is likely these bids will be prioritised.

Approvals outside the normal budget setting process

21. Any additional capital proposals required within year and outside the annual budget process must be submitted to the AM & CPRB for consideration. The group will then appraise the scheme and it will be reported to Cabinet for approval.

Capital or Treasury Management Investments

22. Treasury Management investment activity covers those investments which arise from the Council's cash flows and debt management activity, and ultimately represent balances which need to be invested until the cash is required for use in the general course of business.
23. For Treasury Management investments the security and liquidity of funds are placed ahead of the investment return. The management of associated risk is set out in the Treasury Management Strategy and the Annual Investment Strategy.

Service and Commercial Investments

24. These are investments for policy reasons outside of normal treasury management activity. This may include:

- (a) **Service Investments** - These are investments held clearly and explicitly in the course of the provision, and for the purposes, of operational services, including economic regeneration. Any potential Service Investment would be presented to Cabinet for approval prior to commencement.
- (b) **Commercial Investment** - These are investments taken mainly for financial reasons and may include investments taken with the aim of making a financial surplus for the Council.

25. Commercial investments also include fixed assets which are held primarily for financial benefit, such as investment properties. Any commercial Investment would be presented to Cabinet for approval prior to commencement.

Due Diligence

26. For all capital investments, the appropriate level of due diligence will be undertaken with the extent and depth reflecting the level of additional risk being considered.

27. Due diligence process and procedures will include:

- (a) Effective scrutiny of proposed investments.
- (b) Identification of the risk to both the capital sums invested and the returns.
- (c) Understanding the extent and nature of any external underwriting of those risks.
- (d) The potential impact on the financial sustainability of the Council if those risks come to fruition.
- (e) Identification of the assets being held for security against debt and any prior charges on those assets.
- (f) Where necessary independent and expert advice will be sought.

Loans to External Bodies or Organisations

28. The Council's capital programme also includes provision to provide loan facilities to external bodies or organisations for activities that are aligned to, and support, Council service objectives and/or corporate priorities. Examples may include, supporting economic growth such as housebuilding and improving the health and wellbeing of local communities.

29. Under statutory regulations these loans are treated as capital expenditure.

30. In making such loans the Council is exposing itself to the risk of the borrower defaulting on loan repayments. The Council, in making these loans must therefore ensure they are prudent and have fully considered the risk implications. The loans for these purposes will be subject to a financial appraisal and a series of due diligence checks, and only be provided if the Council is fully satisfied of the borrower's ability to meet their obligations. Wherever possible, the Council will aim to mitigate its risks and exposure to default by seeking appropriate additional security from the borrower. This may often be in the form of a legal charge over the borrower's property or assets.

31. All such loans are agreed by Cabinet and will be subject to close, regular monitoring.

32. The rate of interest charged on these facilities will be dependent on the nature and structure of the individual loan and the assessed risks to the Council. However, loans would usually only be provided on the basis that

there is no net cost to the Council. In addition, all new loans will need to adhere to subsidy control regulations.

33. The 2024 Prudential Code now also includes a requirement for financing costs to be charged to revenue for commercial loans until the loan is repaid.

Funding Sources

34. The Council's capital programme is funded from a mix of sources including:

- (a) Prudential Borrowing – The introduction of the Prudential code in 2004 allowed the Council to undertake unsupported borrowing itself. This borrowing is subject to the requirements of the Prudential Code for Capital Expenditure for Local Authorities. The Council must ensure that unsupported borrowing is affordable, prudent and cost effective. This funding can also be used as an option to front fund development to stimulate growth. This has provided the Council with the flexibility to raise capital funding as demand and business need have dictated. This type of borrowing has revenue implications for the Council in the form of financing costs.
- (b) External Grants – A proportion of our capital funding comes through as external grant allocations from central government departments such as the Department for Transport via the Tees Valley Combined Authority, the Ministry of Housing, Communities and Local Government and the Department of Education. In addition, direct funding is received from the Tees Valley Combined Authority (TVCA) under the devolved arrangements. The TVCA has an approved investment plan of £588.2m over a ten year period (2019-2029) and Darlington has been successful securing funding for a number of growth projects including £10m for the Town Centre, £25m for Darlington Railway Station and £20m for Hopetown Darlington.
- (c) A significant element of the capital investment programme is funded from the Housing Revenue Account. Funding towards the Council's New Build programme is also received from Homes England (HE). All Housing Capital schemes are funded this way and are prioritised through the Housing Business Plan.
- (d) Section 106 and external contributions – elements of the capital programme are funded by contributions from private sector developers and partners.
- (e) Revenue Funding – The Council can use revenue resources to fund capital projects on a direct basis, however, given the financial climate we are working in and the pressure on services the Council's revenue budget has reduced options in this area and the preference is for Invest to Save projects where feasible.
- (f) Capital Receipts – A capital receipt is an amount of money exceeding £10,000, which is generated from the sale of an asset. The Council is able to generate capital receipts through the sale of surplus assets such as land and buildings. The Council seeks to maximise the level of these resources which will be available to support the Council's plans.

Capital Investment Fund

35. At its meeting of 24 November 2016, the Council established a Capital Investment Fund of £10m which due to its success has subsequently been increased to £50m.
36. Council approved the principle and establishment of the Capital Investment Fund to be used for innovative investment opportunities beyond the traditional Treasury Management Strategy in order to achieve greater returns given the low returns on investment due to the current economic climate.
37. The Council is utilising the fund to achieve greater returns by exploring more innovative approaches whilst at the same time being willing to take on a greater level of risk. Such approaches include loans to other organisations, joint venture house building, property investment or developing sites for sale.
38. The Investment fund also provides for wider benefits which extend further than direct reward and assist with economic regeneration and job opportunities.
39. Since the establishment of the fund and at the time of writing Cabinet have agreed to seventeen uses of the fund for schemes such as housing joint ventures, office development, and pump priming. A number of schemes have been fully repaid and the Joint Ventures have provided higher dividends that initially anticipated. All projects are detailed and reported to Cabinet for approval.

Economic Growth Investment Fund (EGIF)

40. The EGIF was set up in recognition that Economic Growth is a priority for the Council and the Economic Growth Investment plan sets out what needs to be done in order for the Borough to accelerate sustainable, managed and planned economic growth. It also provides the structured framework required to ensure that a programme of investments is created that can deliver the strategic ambitions and goals of the Council.
41. The majority of the Plan is and will be completed in conjunction with the Tees Valley Combined Authority, however the Council needs to pump prime and match fund some of the schemes hence the establishment of the EGIF which is utilised for such needs.
42. Any proceeds from sites which subsequently become operational and sold will be reinvested in the fund for future developments.
43. Specific scheme approvals will be subject to detailed reports to Cabinet to release each scheme as and when they are required.

Risk Management

44. Risk is the threat that an event or action will adversely affect the Council's ability to achieve its objectives and to execute its strategies successfully.
45. Risk management is the process of identifying risks, evaluating their potential consequences and determining the most effective methods of managing them and responding to them. It is both a means of minimising the costs and disruption to the Council caused by undesired events and of ensuring that staff understand and appreciate the element of risk in all of their activities.
46. The aim is to reduce the frequency of adverse risk events occurring, minimise the severity of their consequences if they do occur, or to consider whether risk can be transferred to other parties.

47. To manage risk effectively, an assessment of risk should be taken on every capital project, mitigated where possible and monitored.
48. It is important to identify the appetite for risk by each scheme and for the capital programme as a whole, especially when investing in capital assets held primarily for financial returns. Under the CIPFA Prudential Code these are defined as investments and so the key principle of control of risk and optimising returns consistent with the level of risk applies.

Knowledge and skills

49. The Council has professionally qualified staff across a range of disciplines including finance, legal and property that follow continuous professional development (CPD) and attend courses on an ongoing basis to keep abreast of new developments and skills.
50. The Council establishes project teams from all the professional disciplines from across the council as and when required. External professional advice is taken where required and will always be sought in consideration of any major commercial property investment decision.
51. Internal and external training is offered to Members to ensure they have up to date knowledge and expertise to understand and challenge capital and treasury decisions taken by the Executive Director – Resources and Governance.

**CABINET
4 FEBRUARY 2025**

REVENUE BUDGET MONITORING 2024/25 – QUARTER 3

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

**Responsible Director -
Elizabeth Davison, Executive Director - Resources and Governance**

SUMMARY REPORT

Purpose of the Report

1. To provide a forecast of the 2024/25 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 2024/25. The latest projections show an overall decline of £0.885m on the 2024-28 Medium Term Financial Plan (MTFP). This is due to £1.982m of departmental pressures, a decline in corporate resources of £0.224m, offset by £1.321m of additional balances following the 2023/24 outturn.
3. The change in the forecast year end budget position has improved by £0.479m between Quarter 2 and Quarter 3, however a small number of service areas continue to have significant budget pressures that have increased during the year. These increases have been offset by all departments scrutinising their budgets and reducing spend where possible to assist with the overall Council financial position.

Recommendations

4. It is recommended that:-
 - (a) The forecast revenue outturn for 2024/25 be noted.
 - (b) The carry forward request at paragraph 14 be noted and approved.
 - (c) Further regular reports be made to monitor progress and take prompt action if necessary.

Reasons

5. 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
Executive Director - Resources and Governance

Background Papers

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

Brett Nielsen : Extension 5403

Council Plan	The Council's revenue budget contributes to all priorities outlined within the Council Plan.
Addressing inequalities	This report is providing an update on the revenue budget position therefore there is no impact as a result of this report.
Tackling Climate Change	This report provides an update on the revenue budget position, which supports the council's responsibilities and ambitions to tackle climate change.
Efficient and effective use of resources	This report contains updated information regarding efficiency savings contained within the MTFP.
Health and Wellbeing	This report is providing an update on the revenue budget position therefore there is no impact as a result of this report.
S17 Crime and Disorder	This report has no implications for crime and disorder
Wards Affected	No specific impact on an individual area as a result of this report
Groups Affected	No specific impact on an individual area as a result of this report
Budget and Policy Framework	This report does not recommend a change to the Council's budget or policy framework
Key Decision	This is not a key decision
Urgent Decision	This is not an urgent decision
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

6. This is the third revenue budget management report to Cabinet for 2024/25 and provides the latest revenue position forecast as part of the Council's continuous financial management process.
7. To enable timely information to be presented and in accordance with publication requirements, this report has been completed before the end of the third quarter. The information in this report has been taken from the financial records to November and managers' projections for the remainder of the year. Assumptions have been made concerning future demand for services over the final quarter, therefore changes in the projected outturn are inevitable as the Council is a large and complex organisation.
8. Overall, the projected General Fund reserves position as at the 31 March 2025 is £11.458m, which is £0.885m less than the planned balances in the 2024-28 MTFP. This change relates to £1.982m of departmental pressures, a decline in corporate resources of £0.224m, offset by £1.321m of additional balances following the 2023/24 outturn.

Departmental Resources

9. Departmental resource projections are summarised in **Appendix 2** and detailed in **Appendices 2(a) to 2(e)**.
10. **People** budgets are projected to be overspent by £0.143m at the end of the financial year, an improvement of £0.314m from Quarter 2. The main changes are detailed below:
 - (a) **Children's Services** are projecting an overspend of £0.294m at the year end, which is a decline of £0.256m on the Quarter 2 reported position. The main changes are;
 - (i) The Adoption and Placements and Disabled Children's budgets are projected to have a combined net overspend of £0.222m, a decline of £0.278m from Quarter 2. The Adoption and Placements budget has seen an increased net pressure of £0.397m, from four additional complex high cost residential placements and the continuing use of residential placements due to the availability of foster carers, offset in part by savings in running costs in DBC homes and additional Home Office grant. Following extensive work, there has been a cost reduction for a complexed package of care for a disabled child, reducing expenditure by £0.120m.
 - (ii) The Assessment and Care Planning & LAC teams are projected to be overspent by £0.048m, an improvement of £0.081m from Quarter 2. This is due to a reduction in projected expenditure to support families to prevent children coming into care, additional Home Office grant income, staff changes and reduced running costs.
 - (b) **Education** is projected to have an underspend of £0.111m, an improvement of £0.135m from Quarter 2. This improvement is due to additional income from traded

services and lower than projected costs of SEND pupil transport following the confirmation of routes for the autumn term.

- (c) **Adult Social Care & Health** is projected to be overspent by £0.357m, an improvement of £0.391m from Quarter 2. The main changes since the last report are;
- (i) External Packages of Care budgets are projected to overspend by £0.131m an improvement of £0.619m from Quarter 2. This is mainly due to a reduction in planned Domiciliary Care costs from delays in hospital discharges due to availability of provision and a savings on a complex high costs package of care (£0.742m). Offset by increases in the number of short break stays in residential homes and new placements (£0.133m).
 - (ii) Learning Disability Long Term Condition budgets are projected to overspend by £0.031m a decline on Quarter 2 of £0.089m from the continued use of agency workers as the service has not been able to recruit to vacant posts.
 - (iii) Mental Health Long Term Condition budgets are predicted to be overspent by £0.102m at the year end, a move of £0.058m on the Quarter 2 position, from additional and extended use of agency workers to undertake Deprivation of Liberty assessments. In house staff have been trained and therefore the use of agency workers will reduce.

11. **Environment, Highways and Community Services** budgets are projecting an overspend of £0.851m, a decline of £0.242m from Quarter 2. The main changes are detailed below:

- (a) **Highways & Capital Projects** is projected to overspend by £0.395m, a small improvement of £0.012m from Quarter 2. While **Highways DLO** is expected to be overspent by £0.060m due to slippage on some capital highway schemes, this has been offset by the release of £0.067m previously carried forward resource, no longer required for subsidised bus routes in **Sustainable Transport**, following alternative funding streams being identified.
- (b) **Community Services** is expected to be overspent by £0.418m, an improvement of £0.103m from the Quarter 2 reported position and is detailed below:
 - (i) Due to resourcing issues, additional staffing costs were incurred over the first half of the financial year in **Building Cleaning** which is expected to overspend by £0.042m. These resourcing issues have now been resolved.
 - (ii) The **Cemeteries and Crematorium** services pressure has increased by £0.052m. This is due to ongoing reduced income levels, due to an increase in direct cremations and wider choice of facilities in the region.
 - (iii) **Waste Management** has seen an improvement in the level of tonnages projected for both household waste and at the civic amenity site with an associated decrease in cost of £0.200m.
- (c) **Community Safety** overall is expected to be underspent by £0.356m, an improvement of £0.180m from the position reported at quarter 2 as below:

- (i) **Community Safety and Enforcement** is expected to underspend by a further £0.051m as additional savings in staffing have arisen due to recent vacancies and grant funded posts.
 - (ii) **Car Parking and Parking Enforcement** overall is expected to underspend by an additional £0.135m as patronage at the Council's car parks remains positive and continues to perform better than levels projected as part of the MTFP. There has also been increased enforcement action by the Community Enforcement Team which has seen an increase in parking fines issued helping to improve adherence to parking regulations.
 - (d) **Leisure and Cultural Services** is now expected to overspend by £0.574m. This is mainly from Hopetown Darlington, where there is a projected under-performance on income recovery of £0.600m during the initial period of operation compared to the business plan and budget targets. The scale of the project and some of the challenges through the project delivery phase were underestimated and resulted in delays in some activities expected to be open from day one not being available. For example, 'Experiment!' was not opened until early December (a projected income shortfall of £0.270m including Wagon Woods), the complexity of delivering the private siding meant it was not ready for opening, and the show field was not available for events, all of which are a key to visitor numbers. These challenges are reflected in reviews of Hopetown's performance that identify the initial months of opening as slower than expected. There were approximately 50% fewer visitors than included in the business plan, which has impacted on forecasted merchandising and catering sales (£0.160m). There has also been lower than anticipated use of the car park (£0.215m) with visitors parking in neighbouring streets.
12. **Resources and Governance** budgets are projecting a year end budget overspend of £1.252m, an improvement of £0.235m from Quarter 2. The main changes are detailed below:
- (a) **Resources** is projected to be £0.444m underspent at the year end, an improvement of £0.402m on Quarter 2. This improvement is from staff vacancies, running cost savings and additional projected income for support services provided outside of the general fund and grant funding. In addition £0.222m has been received following the winding up of Achieving Real Change in Communities (ARCC) the company formed to bid for the Durham probation company, with Darlington's share of the guarantee fund returned.
 - (b) **Law & Governance** is projecting an overspend of £0.425m, an improvement from Quarter 2 of £0.063m. This is mainly due to slowing down Children's legal costs, offset by additional staffing and running costs across the division.
 - (c) **Xentrall ICT Services** are projected to be £0.139m overspent at the year end, a move of £0.119m on Quarter 2. This is mainly due to increased prices of infrastructure across the Council.

(d) **Housing General Fund** is projecting to be £1.223m overspent, a decline on Quarter 2 of £0.142m. This is due to additional shortfalls in Housing Benefit subsidy of £0.172m due to ongoing increases in homelessness and the lack of suitable accommodation, offset by staffing and running cost savings across the division.

13. The **Economy and Public Protection** budgets are projected to be £0.264m underspent at the year end, an improvement of £0.230m on Quarter 2. The significant movement is in **Development Management** where following planning submissions over the last few months (linked to major developments within the borough) it is now expected to achieve the income target. In addition the service has also been able to recover outstanding debt. The result of these actions has seen an overall improvement of £0.170m.

Carry Forwards Requests

14. There is a £0.030m new carry forward request from savings in the Community Safety budget for use in **General Licensing**. Following the Government announcement that they are withdrawing their electronic forms support over the coming years it is requested that resource is carried forward to develop and implement a local solution for licensing. This was previously funded by Community Safety.

15. The School balances and allocations are shown in **Appendix 2(f)**.

Housing Revenue Account (HRA)

16. HRA projections are shown in **Appendix 3** with an overall projected balanced budget. The contribution from balances has increased by £0.599m from Quarter 2, primarily due to:

- (i) A reduction in anticipated income due to additional Right to Buy sales (six since Quarter 2) and an increase in void properties by 19 since Quarter 2, which has impacted on projected rent (£0.290m) and services charges (£0.042m).
- (ii) Increased operational costs mainly due to increased premises insurance costs from increased construction costs/insurance premium inflation and claims made.
- (iii) Additional repairs and maintenance costs from inflationary price increases from suppliers (£0.167m) for works to properties.

Conclusion

17. The Council's projected revenue reserves at the end of 2024/25 are £11.458m, £0.885m lower than the initial 2024-28 MTFP position. This position relates to £1.982m of departmental pressures, a decline in corporate resources of £0.224m, offset by £1.321m of additional balances following the 2023/24 outturn.

18. The single most significant pressure is homeless accommodation which is a national issue across the country due to the shortfall in the housing benefit subsidy received from the Department of Work and Pensions. Work is ongoing within the Council to increase the Council's capacity to provide accommodation for our homeless people with the aim of reducing costs against external provision.

19. Although Hopetown has experienced delays in some attractions opening in 2024/25, analysis shows that the anticipated spend per head is at the levels expected, but it is the lower than anticipated visitor numbers that has impacted on budget projections. The business plan is being reviewed continually as would be expected in the opening year to adjust to actual circumstances that Hopetown is experiencing. The facility has won numerous awards and is building a reputation that will address this slow start, and further actions are identified to address the market position. A number of attractions are now open or due to open early this year, for example the private siding which will be a key attraction when steam engines are displayed, and train rides are offered as part of event days. It will be ready early this year and in good time for 2025 bicentenary celebrations which will be a major attraction driving overall visitor numbers and therefore increased income through the site. We are considering options for car parking and reviewing expenditure budgets. Moving into 2025 and beyond the operating model has been reviewed resulting in savings and an extensive programme of events and activities will take place at Hopetown to drive numbers to the business plan projections.
20. All services continue to scrutinise their budgets to reduce spend or generate income to assist with the current year budget pressures and to assist with future years budgets.
21. As a Council and a region we continue to lobby government to highlight the pressures that councils are facing to deliver statutory services.

Outcome of Consultation

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

This page is intentionally left blank

REVENUE BUDGET MANAGEMENT 2024/25

<u>Projected General Fund Reserve at 31st March 2025</u>		2024-28 MTFP (Feb 2024)
Medium Term Financial Plan (MTFP) :-		£000
MTFP Planned Opening Balance 01/04/2024		16,384
Approved net contribution from balances		(4,041)
Planned Closing Balance 31/03/2025		12,343
Increase in opening balance from 2023-24 results		1,321
Projected corporate underspends / (overspends) :-		
Council Wide		(11)
Financing Costs		0
Joint Venture - Investment Return		0
Contingencies		(58)
Contribution from general fund reserves to Housing Benefits		(155)
Projected General Fund Reserve (excluding Departmental) 31st March 2025	at	13,440
Planned Balance at 31st March 2025		12,343
Improvement		1,097

<u>Departmental projected year-end balances</u>		Improvement / (decline) compared with 2024-28 MTFP £000
People Group		(143)
Environment, Highways & Community Services Group		(851)
Resources and Governance Group		(1,252)
Economy & Public Protection Group		264
Chief Executives Office		0
TOTAL		(1,982)

<u>Summary Comparison with :-</u>		2024-28 MTFP £000
Corporate Resources - increase in opening balance from 23/24 results		1,321
Corporate Resources - additional in-year Improvement/(Decline)		(224)
Departmental - Improvement / (Decline)		(1,982)
Improvement / (Decline) compared with MTFP		(885)
Projected General Fund Reserve at 31st March 2025		11,458

GENERAL FUND REVENUE BUDGET MANAGEMENT 2024/25

	Budget				Expenditure		
	Original 2024/25	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	84,432	1,247	(272)	85,407	85,550	0	143
Environment, Highways & Community Services Group	24,842	2,205	(624)	26,423	27,244	30	851
Resources and Governance Group	13,580	824	(228)	14,176	15,428	0	1,252
Chief Executives Office	302	14	0	316	316	0	0
Economy & Public Protection Group	1,675	421	(123)	1,973	1,709	0	(264)
Total Departmental Resources	124,831	4,711	(1,247)	128,295	130,247	30	1,982
Corporate Resources							
Council Wide	631	(452)	0	179	190	0	11
Financing Costs	3,547	0	0	3,547	3,547	0	0
Joint Venture - Investment Return	(1,517)	0	0	(1,517)	(1,517)	0	0
Contingencies Budget							
Apprentice Levy	202	0	0	202	260	0	58
Total Corporate Resources	2,863	(452)	0	2,411	2,480	0	69
Net Expenditure	127,694	4,259	(1,247)	130,706	132,727	30	2,051
Contributions To / (From) Reserves							
Planned Contribution to General Fund Reserves (MTFP)	(6,283)	0	0	(6,283)	(6,283)	0	0
Departmental Brought Forwards from 2023/24	0	(4,104)	0	(4,104)	(4,104)	0	0
Already approved Carry Forwards	0	0	1,247	1,247	1,247	0	0
Contribution from general reserves to Housing Benefits	0	(155)	0	(155)	0	0	155
General Fund Total	121,411	0	0	121,411	123,587	30	2,206

Note: Appendix 1 shows an increase in reserves of £1.321m brought forward from 2023/24

REVENUE BUDGET MANAGEMENT UPDATE 2024/25

	<i>Budget</i>			<i>Expenditure</i>			<i>(Under)/ Over Spend £000</i>
	<i>Original Budget £000</i>	<i>Approved Adjustments £000</i>	<i>Amended Approved Budget £000</i>	<i>Expenditure to November £000</i>	<i>Projected Spend £000</i>	<i>Total Projection £000</i>	
<u>Council Wide</u>							
Corporate Running Costs	28	240	268	0	240	240	(28)
Procurement savings	(24)	0	(24)	25	(75)	(50)	(26)
Pay Award	627	(692)	(65)	0	0	0	65
In Year Over/(Under) Spend	631	(452)	179	25	165	190	11

REVENUE BUDGET MANAGEMENT UPDATE 2024/25									
	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>									
Executive Director - People	178	(1)	0	177	155	0	34	189	12
<u>People Support Services</u>									
Transformation & Performance	793	129	0	922	513	0	234	747	(175)
Business Support	1,649	107	0	1,756	1,177	0	562	1,739	(17)
	2,442	236	0	2,678	1,690	0	796	2,486	(192)
<u>Children's Services</u>									
Children's Services Management & Other Services	681	(27)	0	654	479	0	203	682	28
Assessment Care Planning & LAC	4,429	126	0	4,555	3,406	0	1,197	4,603	48
First Response & Early Help	3,758	(277)	0	3,481	2,026	0	1,337	3,363	(118)
Youth Offending/ASB	307	(7)	0	300	(93)	0	393	300	0
Adoption & Placements	21,263	(42)	0	21,221	13,267	0	8,059	21,326	105
Disabled Children	1,372	112	0	1,484	1,087	0	514	1,601	117
Child Protection & Review	433	37	0	470	399	0	185	584	114
Quality Assurance & Practice Improvement	138	(38)	0	100	(110)	0	210	100	0
	32,381	(116)	0	32,265	20,461	0	12,098	32,559	294
<u>Development & Commissioning</u>									
Commissioning	1,967	475	(224)	2,218	2,108	0	(107)	2,001	(217)
Voluntary Sector	293	0	0	293	132	0	161	293	0
	2,260	475	(224)	2,511	2,240	0	54	2,294	(217)
<u>Education</u>									
Education	702	67	(48)	721	19,854	0	(19,253)	601	(120)
Schools	0	0	0	0	2,533	0	(2,533)	0	0
Transport Unit	3,111	27	0	3,138	3,277	0	(130)	3,147	9
	3,813	94	(48)	3,859	25,664	0	(21,916)	3,748	(111)
<u>Public Health</u>									
Public Health	0	0	0	0	4,274	0	(4,274)	0	0
	0	0	0	0	4,274	0	(4,274)	0	0
<u>Adult Social Care & Health</u>									
External Purchase of Care	35,886	390	0	36,276	15,902	0	20,505	36,407	131
Intake & Enablement	727	24	0	751	1,733	0	(982)	751	0
Older People Long Term Condition	1,832	13	0	1,845	1,489	0	409	1,898	53
Physical Disability Long Term Condition	14	0	0	14	24	0	(16)	8	(6)
Learning Disability Long Term Condition	2,253	29	0	2,282	1,538	0	775	2,313	31
Mental Health Long Term Condition	1,163	68	0	1,231	904	0	429	1,333	102
Service Development & Integration	1,068	(28)	0	1,040	601	0	485	1,086	46
Workforce Development	415	63	0	478	205	0	273	478	0
	43,358	559	0	43,917	22,396	0	21,878	44,274	357
In Year Over/(Under) Spend	84,432	1,247	(272)	85,407	76,880	0	8,670	85,550	143

REVENUE BUDGET MANAGEMENT UPDATE 2024/25									
	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>Environment, Highways & Community Services Group</u>									
Executive Director - Environment, Highways & Community Services	184	0	0	184	122	0	62	184	0
<u>Highways & Capital Projects</u>									
AD - Highways & Capital Projects	111	(1)	0	110	91	0	19	110	0
Building Design Services	63	(3)	0	60	(52)	0	112	60	0
Capital Projects	374	65	0	439	211	0	228	439	0
Car Parking R&M	612	0	0	612	512	0	45	557	(55)
Concessionary Fares	2,247	50	(56)	2,241	1,275	0	1,293	2,568	327
Flood & Water Act	89	202	0	291	(261)	0	552	291	0
Highways	4,237	246	(60)	4,423	508	0	4,045	4,553	130
Highways - DLO	(437)	20	0	(417)	3,056	0	(3,413)	(357)	60
Investment & Funding	89	433	(365)	157	40	0	117	157	0
Sustainable Transport	96	95	0	191	(278)	0	402	124	(67)
	7,481	1,107	(481)	8,107	5,102	0	3,400	8,502	395
<u>Community Services</u>									
AD - Environmental Services &									
Community Safety	99	(1)	0	98	59	0	31	90	(8)
Allotments	19	0	0	19	6	0	15	21	2
Building Cleaning - DLO	33	32	0	65	(215)	0	322	107	42
Cemeteries & Crematorium	(821)	7	0	(814)	(106)	0	(426)	(532)	282
Street Scene	6,282	255	0	6,537	3,183	0	3,354	6,537	0
Transport Unit - Fleet Management	57	1	0	58	1,257	0	(1,199)	58	0
Waste Management	4,109	8	0	4,117	2,693	0	1,524	4,217	100
Winter Maintenance	618	5	0	623	284	0	339	623	0
	10,396	307	0	10,703	7,161	0	3,960	11,121	418

REVENUE BUDGET MANAGEMENT UPDATE 2024/25									
	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>Environment, Highways & Community Services Group</u>									
<u>Community Safety</u>									
CCTV	284	5	0	289	89	0	204	293	4
Community Safety	781	119	(91)	809	143	30	537	710	(99)
Parking	(2,049)	33	0	(2,016)	(1,473)	0	(751)	(2,224)	(208)
Parking Enforcement	17	(34)	0	(17)	(137)	0	55	(82)	(65)
Stray Dogs	53	1	0	54	35	0	31	66	12
	(914)	124	(91)	(881)	(1,343)	30	76	(1,237)	(356)
<u>Leisure and Culture</u>									
Dolphin Centre	973	74	(12)	1,035	273	0	721	994	(41)
Eastbourne Complex	36	3	0	39	67	0	(28)	39	0
Hippodrome	222	100	(40)	282	(1,053)	0	1,295	242	(40)
Hopetown Darlington	369	41	0	410	1,641	0	(631)	1,010	600
Indoor Bowling Centre	19	12	0	31	8	0	20	28	(3)
Libraries	946	11	0	957	613	0	422	1,035	78
Move More	31	1	0	32	(249)	0	281	32	0
Outdoor Events	522	1	0	523	260	0	263	523	0
Community Catering	82	1	0	83	3	0	60	63	(20)
Culture and Heritage Fund	122	1	0	123	64	0	59	123	0
	3,322	245	(52)	3,515	1,627	0	2,462	4,089	574
<u>Building Services</u>									
Construction - DLO	(366)	9	0	(357)	(3,543)	0	3,186	(357)	0
Other - DLO	0	36	0	36	1,236	0	(1,237)	(1)	(37)
	(366)	45	0	(321)	(2,307)	0	1,949	(358)	(37)
<u>Corporate Landlord</u>									
Corporate Landlord	4,534	377	0	4,911	2,930	0	1,841	4,771	(140)
<u>General Support Services</u>									
Works Property & Other	76	0	0	76	0	0	76	76	0
<u>Joint Levies & Boards</u>									
Environment Agency Levy	129	0	0	129	126	0	0	126	(3)
In Year Over/(Under) Spend	24,842	2,205	(624)	26,423	13,418	30	13,826	27,274	851

REVENUE BUDGET MANAGEMENT UPDATE 2024/25

	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>Resources and Governance Group</u>									
Executive Director - Resources and Governance	136	(3)	0	133	121	0	13	134	1
<u>Resources</u>									
AD Resources	120	0	0	120	82	0	40	122	2
Financial Services	1,598	37	(65)	1,570	1,466	0	(251)	1,215	(355)
Financial Assessments & Protection	301	40	0	341	201	0	99	300	(41)
Xentrall (D&S Partnership)	1,968	68	0	2,036	1,320	0	716	2,036	0
Human Resources	680	130	(45)	765	480	0	245	725	(40)
Health & Safety	200	0	0	200	162	0	28	190	(10)
	4,867	275	(110)	5,032	3,711	0	877	4,588	(444)
<u>Head of Strategy Performance & Communications</u>									
Communications & Engagement	1,045	135	(48)	1,132	748	0	292	1,040	(92)
Systems	1,132	154	(70)	1,216	1,109	0	107	1,216	0
	2,177	289	(118)	2,348	1,857	0	399	2,256	(92)
<u>Law & Governance</u>									
AD Law & Governance	136	(1)	0	135	96	0	39	135	0
Complaints & FOI	330	51	0	381	201	0	174	375	(6)
Democratic Services	1,381	5	0	1,386	1,047	0	482	1,529	143
Registrars	(26)	6	0	(20)	(99)	0	85	(14)	6
Administration	550	10	0	560	490	0	90	580	20
Legal Services	1,768	0	0	1,768	1,195	0	822	2,017	249
Procurement	195	1	0	196	144	0	55	199	3
Coroners	321	0	0	321	0	0	331	331	10
	4,655	72	0	4,727	3,074	0	2,078	5,152	425
<u>Xentrall Shared Services</u>									
ICT	811	0	0	811	253	0	697	950	139
	811	0	0	811	253	0	697	950	139
<u>Building Services</u>									
Maintenance - DLO	(684)	5	0	(679)	1,273	0	(1,952)	(679)	0
	(684)	5	0	(679)	1,273	0	(1,952)	(679)	0
<u>Housing & Revenues</u>									
Local Taxation	473	0	0	473	538	0	(126)	412	(61)
Rent Rebates / Rent Allowances / Council Tax	(132)	0	0	(132)	9,156	0	(7,972)	1,184	1,316
Housing Benefits Administration	451	186	0	637	565	0	61	626	(11)
Customer Services	324	0	0	324	184	0	90	274	(50)
Homelessness	347	0	0	347	(691)	0	1,067	376	29
Service, Strategy & Regulation and General	155	0	0	155	(1,951)	0	2,106	155	0
	1,618	186	0	1,804	7,801	0	(4,774)	3,027	1,223
In Year Over/(Under) Spend	13,580	824	(228)	14,176	18,090	0	(2,662)	15,428	1,252

REVENUE BUDGET MANAGEMENT UPDATE 2024/25

	<i>Budget</i>				<i>Expenditure</i>			<i>(Under)/ Over Spend £000</i>
	Original Budget £000	Approved Adjustments £000	Approved C/fwds £000	Amended Approved Budget £000	Expenditure to November £000	Projected Spend £000	Total Projection £000	
<i>Chief Executive Office</i>								
Chief Executive	217	(1)	0	216	145	71	216	0
Darlington Partnership	85	15	0	100	15	85	100	0
In Year Over/(Under) Spend	302	14	0	316	160	156	316	0
<i>Economy and Public Protection Group</i>								
AD - Economic Growth	154	(1)	0	153	101	50	151	(2)
Emergency Planning	105	0		105	49	45	94	(11)
Building Control	192	1	0	193	103	43	146	(47)
Consolidated Budgets	46	148	0	194	(100)	294	194	0
Development Management	52	1	0	53	53	(60)	(7)	(60)
Economy	259	56	(58)	257	28	229	257	0
Environmental Health	351	0	0	351	94	180	274	(77)
Place Strategy	603	93	(65)	631	120	488	608	(23)
Property Management & Estates	(487)	84	0	(403)	(760)	357	(403)	0
Private Sector Housing	112	29	0	141	(139)	258	119	(22)
General Licensing	0	1	0	1	(51)	66	15	14
Taxi Licensing	28	9	0	37	(30)	67	37	0
Trading Standards	260	0	0	260	129	95	224	(36)
In Year Over/(Under) Spend	1,675	421	(123)	1,973	(403)	2,112	1,709	(264)

BUDGET MANAGEMENT 2024/25

SCHOOLS PROJECTED BALANCES 2024/25					
School Name	Opening Balance at 1st April 2024	Formula Budget Allocation*	Total Available	Closing Balance at 31st March 2025	Projected Closing Balance as proportion of Formula Budget Allocation
	£000	£000	£000	£000	%
<u>Primary</u>					
Federation of Darlington Nursery Schools	34	1,131	948	78	7%
Harrowgate Hill Primary	43	2,687	2,730	(69)	(3%)
Red Hall Primary	239	1,588	1,827	148	9%
Rise Carr College, Clifton House & Eldon House	305	2,005	2,310	313	16%
Primary Total	621	7,411	7,815	470	

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

HOUSING REVENUE ACCOUNT 2024/25

	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)	(23,640)	0	(23,640)	(23,029)	611
Sundry Rents (Including Garages & Shops)	(497)	0	(497)	(480)	17
Charges For Services & Facilities	(3,377)	11	(3,366)	(3,320)	46
Contribution towards expenditure	(887)	(205)	(1,092)	(1,331)	(239)
Interest Receivable	(6)	0	(6)	(450)	(444)
Total Income	(28,407)	(194)	(28,601)	(28,610)	(9)
<u>Expenditure</u>					
Operational	4,859	205	5,064	5,528	464
Service Charges	3,377	(11)	3,366	3,320	(46)
Maintenance	6,179	0	6,179	6,432	253
Capital Financing Costs	3,911	0	3,911	3,911	0
Revenue Contribution to Capital Outlay	13,455	0	13,455	13,455	0
Increase in Bad Debt Provision	250	0	250	150	(100)
In year contribution to/(from) balances	(3,624)	0	(3,624)	(4,186)	(562)
Total Expenditure	28,407	194	28,601	28,610	9
(Surplus)/Deficit	0	0	0	0	0

HRA Balances	£000
Opening balance 01/04/2024	25,947
Contribution to/(from) balances	(4,186)
Closing balance	21,761

**CABINET
4 FEBRUARY 2025**

**PROJECT POSITION STATEMENT & CAPITAL PROGRAMME MONITORING
QUARTER 3 2024/25**

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

**Responsible Directors -
Dave Winstanley, Executive Director – Environment, Highways & Community Services
Elizabeth Davison, Executive Director of Resources and Governance**

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 £330.800m against an approved programme of £330.901m. 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. The programme, including commitments, remains affordable within the Medium Term Financial Plan (MTFP) for 2024/25 – 2027/28.
4. The Council has a substantial annual construction programme of work. The current project position statement (PPS) shows there are 26 live projects currently being managed by the Council with an overall projected outturn value of £157.563m. 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) Note the adjustment in resources as detailed in paragraph 22.
 - (d) Approve the adjustments to resources as detailed in paragraph 24.

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 Environment, Highways and Community Services

Elizabeth Davison
Group Director of Resources and Governance

Background Papers

- (i) Capital Medium Term Financial Plan 2024/25 – 2027/28
- (ii) Project Position Statement and Capital Monitoring Outturn 2023/24

Brian Robson : Extension 6608
Steve Wake : Extension 5424

Council Plan	The Capital Programme referred to in the report supports delivery of the Council plan.
Addressing inequalities	There are no specific implications for Addressing Inequalities.
Tackling Climate Change	Tackling Climate Change issues are assessed and reported in individual projects.
Efficient and effective use of resources	The recommendations support the effective and efficient use of resources.
Health and Wellbeing	There are no issues relating to Health and Wellbeing which the report needs to address.
S17 Crime and Disorder	This report has no implications for crime and disorder.
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.
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

2024/25 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 2024-25 schemes previously released by Cabinet, is £154.853m.

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 2024, 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	Projected Outturn	Variance	Variance (Value)
		£ / p	£ / p	%	£ / p
Environment, Highways & Community Services	17	103,853,893	104,177,938	0.3	324,045
Resources & Governance	4	38,601,739	38,167,833	(1.1)	(433,906)
Economy & Public Protection	5	15,217,000	15,217,000	0.0	0
TOTAL	26	157,672,632	157,562,771		(109,861)

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.

The live projects are at the following stages:

Department	Brief	CP1	CP2	CP3	CP4	CP5	Total
Environment, Highways & Community Services	0	0	1	5	4	7	17
Resources & Governance	0	0	1	3	0	0	4
Economy & Public Protection	0	0	0	4	1	0	5
TOTAL	0	0	2	12	5	7	26

- a) **Control Point 1 (CP1) – Start Up:** is used to define the position of a project at its conception stage.
- b) **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.
- c) **Control Point 3 (CP3) – Define:** the point that the project is progressed to RIBA Stage F, i.e. detailed design.
- d) **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.
- e) **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.

15. The status on live projects is as follows:

Department	Red	Blue	Green
Environment, Highways & Community Services	2	15	0
Resources & Governance	0	3	1
Economy & Public Protection	0	5	0
TOTAL	2	23	1

- (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.

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

Project	Reason for Variance	Action
Skinnergate Re-development Housing	A number of delays have occurred on this project including the need to produce a revised design to satisfy concerns raised by English Heritage at the planning application stage and the requirements for Nutrient Neutrality.	Phase 1 demolition is now underway.
Hopetown	As previously reported, remaining risk and disputed sums remain. Depending on the outcome the current forecast is between £603k under budget and £363k over budget. The PPS is reporting the worst case scenario at this stage.	The site has been operational since 16 th July with works to the VR pod now complete. Awaiting breakdown of costs from Network Rail.

17. In line with the Council's Financial Procedure rules any scheme with an outturn value of in excess of a £1m has to be reported to Cabinet. In accordance with the agreed procedure the Ingenium Parc Project have been reviewed (CP5) and the results and final outturn are shown in **Appendix 4**.

18. If approved this scheme will be removed from the live PPS listing in Appendix 1.

Reconciliation of Project Position Statement to Capital Programme

19. 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	157.563
Schemes closed or on hold within CP but awaiting PPS post project review.	13.415
Annualised Schemes excluded from PPS - Housing Repairs & Maintenance	30.411
Annualised Schemes excluded from PPS - Highways Maintenance	11.308
Annualised Schemes excluded from PPS - Childrens Services School Maintenance	0.302
Non construction excluded from PPS	13.190
Capital Investment fund excluded from PPS	65.078
Projects under 75k excluded from PPS	2.503
Capital Schemes not yet integrated into PPS reporting	14.760
Included in PPS & CMR	0.000
Funding not yet allocated	22.270
Capital Programme	330.800

20. The table below shows the split of the approved capital programme of £330.901m, 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 £0.101m underspend on the approved capital programme.

	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	43.667	30.179	0.000	0.033	1.705	0.000	17.294	92.878
Economic Growth	47.877	0.080	0.440	0.923	7.028	53.707	3.476	113.531
Highways/Transport	59.439	11.173	9.804	0.798	2.193	7.321	1.512	92.240
Leisure & Culture	21.617	0.125	2.545	0.445	0.000	3.974	0.000	28.706
Education	0.000	0.302	0.000	0.199	0.079	1.124	0.000	1.704
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	1.771	0.000	0.000	1.771
Total	172.600	41.859	12.789	2.398	12.847	66.126	22.282	330.901

Capital Programme

21. Paragraph 22 shows the movements in the Capital Programme resources which have previously been approved and is noted for information.

22. Adjustment in resources to note:

Adjustments to note which have been prior released

Department	Scheme	Value £	Reason for adjustment	Resource type adjusted
Chief Executive & Economic Growth	Neasham Road Development Site	£108,460	Prior release of capital receipts	Capital Receipts
Chief Executive & Economic Growth	Neasham Road Cell 'C'	£333,000	Prior release of Capital Receipts for Nutrient Neutrality	Capital Receipts
TOTAL		£441,460		

23. Paragraph 24 shows the movements in the Capital Programme since the approval of the 2024/25 Capital MTFP, some of which have not yet been approved by Members.

24. Adjustment to resources requested by departments:

Adjustments needing approval release

Department	Scheme	Value £	Reason for adjustment	Resource type adjusted
Chief Executive & Economic Growth	Haxby Road MSG - Play Area Improvements	£25,000	Release of S106 funding - 13/00940/OUT Sadberge Road, MsG (Hunters Fold)	S106 Funding
Chief Executive & Economic Growth	Station Road MSG - Play Area Improvements	£18,479	Release of S106 funding - 13/00940/OUT Sadberge Road, MsG (Hunters Fold)	S106 Funding
Chief Executive & Economic Growth	South Park - Play Area Improvements	£27,190	Release of S106 funding - 13/01038/FUL Former Darlington Football Club Ground	S106 Funding
Chief Executive & Economic Growth	South Park - Play Area Improvements	£71,079	Release of S106 funding - 13/01038/FUL Former Darlington Football Club Ground	S106 Funding
Chief Executive & Economic Growth	South Park - Play Area Improvements	£7,000	Release of S106 funding - 05/00708/FUL Wimpey Housing Development Geneva Lane	S106 Funding
Chief Executive & Economic Growth	Skinnergate & Yards Project	£141,000	Release of Towns Fund Grant	Towns Fund

Department	Scheme	Value £	Reason for adjustment	Resource type adjusted
Chief Executive & Economic Growth	Neasham Road Fees	£74,397	Release of Capital Receipts to cover additional fee charges connected with the development.	Capital Receipts
Chief Executive & Economic Growth	Neasham Road Cell 'C'	£145,000	Release of Capital Receipts to cover additional costs.	Capital Receipts
TOTAL		£509,145		

Outcome of Consultation

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

This page is intentionally left blank

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	Economy & Public Protection	Economy & Public Protection	Mark Ladyman	Mike Bowron	R0180	£0	£800,000	£880,000	£1,680,000	£1,680,000	0%	£0	31-Mar-23	29-Mar-26	29-Mar-26	0	Y	Lee Darvill	Detailed Design and Construction drawings are being drawn up to provide accurate assessments to allow appropriate costing for the remaining properties on the project details provided from previous similar works are assisting in providing more accurate cost profiling.	All properties to complete the works identified on the Yards and Skinnergate project have been chosen and the plans being drawn up for construction. The Programme and Project Officer are currently working on the exit strategy for the project and confirm the documentation that will be provided to advise the businesses that the project is coming to an end. This will be circulated when completed.		To assist in establishing a more accurate projected cost for each property, further cost scheduling is being carried out by the client Quantity Surveyor.	
Skinnergate Re-development Housing							Live	Environment, Highways & Community Services	Environment, Highways & Community Services	Anthony Sandys	Brian Robson	H6748	£0	£4,950,000	£1,515,000	£6,465,000	£6,465,000	0%	£0	30-May-25		30-May-26	0	Y	Andrew Burnley	Party Wall arrangements are still being finalised for the Phase 2 stabilisation works	Party Wall arrangements are still being finalised for the Phase 2 stabilisation works. Works to demolish No.2 Rabby Terrace are due to commence in early 2025		Initial surveys have been undertaken into condition of existing heritage building to inform next stage of design.	
Sherborne Close Phase 2							Live	Resources & Governance	Resources & Governance	Anthony Sandys	Ben Walsie	H6749	£0	£2,375,962	£2,232,456	£4,608,418	£4,608,418	0%	£0	06/03/2023	19/08/2025	19/08/2025	0	Y	Nel Wenington	Piling & foundation works underway. NMA application approved. Design team to implement changes.	Site drainage and ground engineering ongoing. Non material amendment approved for PV panels to roofs, minor brickwork changes and external landscaping.		Infrastructure for EV charging to be installed to individual flats to service development future needs.	
Hoptonville Darlington							Live	Environment, Highways & Community Services	Environment, Highways & Community Services	Ian Thompson	Brian Robson	R0155	£210,000	£20,000,000	£17,088,350	£37,088,350	£37,451,515	1%	£363,165	30-Sep-24		30-Sep-24	0	Y	Space Architects	The site has been operational since 16th July, works to the VR pool continue and will likely open before the October half-term	The site has been operational since 16th July, VR pool is now operational, project is now in the defects period			
Neasham Rd							Live	Resources & Governance	Resources & Governance	Anthony Sandys	Ben Walsie	H6745	£0	£31,069,000	£1,008,203	£32,077,203	£31,643,297	-1%	£433,906	02-May-25	30-Nov-25	30-Nov-25	0	Y	Lee Darvill	Contractor due to report Phase 1B proposed completion date during November 24.	Phase 1B handover to be delayed to allow carriageway works to be completed, providing permanent road for tenant access. Revised date to be confirmed.		Project still within approved budget.	
Chestnut Street Housing Development							Live	Resources & Governance	Resources & Governance	Anthony Sandys	Ben Walsie	H6759	£116,118	£116,118	0	£116,118	£116,118	0%	£0	TBA		TBA	0	Y	Nel Wenington	RIBA Stage 2 submission planned for client review November 24, with pre application submitted to planning dept. Dec 24. Site investigations still underway to ascertain existing underground apparatus locations.	Pre application to be submitted to planning dept in Dec 24. Scheme design progressing into RIBA Stage 3. Site investigations returned confirming cuvet location and ground conditions		CP2 budget of £116,118.00 covers internal design costs, external consultant input, PM fees & planning charge. Construction cost forecast to be reviewed following Stage 2 report.	
Innovation Central							Live	Environment, Highways & Community Services	Environment, Highways & Community Services	Anthony Hewitt	Joanne Wood	R0157	£50,000	£500,000	£8,287,854	£8,787,854	£8,787,854	0%	£0	31-Dec-21	31-Aug-22	31-Aug-22	0	Y	Napper Architects	BREEAM Certificate has been received with an overall score of 71.3% and a rating of Excellent. The Deed of Covenant is still outstanding, however, the project closure can now take place.	BREEAM Certificate has been received with an overall score of 71.3% and a rating of Excellent. The Deed of Covenant is still outstanding, however, the project closure can now take place.			
Ingenium Parc Masterplan + Infrastructure							Live	Environment, Highways & Community Services	Environment, Highways & Community Services	Anthony Hewitt	Joanne Wood	R0144	£0	£611,500	£4,265,593	£4,877,093	£4,877,093	0%	£0	31-Aug-18	23-Dec-22	31-Jul-24	577	Y	Y	Following a meeting with NWL all defects have now been approved and Section 104 will be applied for. Closure of the project will be fully undertaken with the responsibility for the site falling to estates.	Following a meeting with NWL all defects have now been approved and Section 104 will be applied for. Closure of the project will be fully undertaken with the responsibility for the site falling to estates.		End of the drainage defect is due 24th July 2024 and the project closure can commence after this date.	
Eastbourne Sports Pitches & Drainage							Live	Environment, Highways & Community Services	Environment, Highways & Community Services	Ian Thompson	Rebecca Robson	L0154	£0	£1,610,000	£941,843	£2,551,843	£2,551,843	0%	£0	31-Jul-23	31-Aug-23	07-Jun-24	241	Y	SPACE	The items listed below are still outstanding as of the 09/09/24. 1. Handing over of the O&M's / H&S files to the end user. 2. CCTV connection. 3. Landscaping works - Autumn 2024	The items listed below are still outstanding as of the 09/09/24. 1. Handing over of the O&M's / H&S files to the end user. 2. CCTV connection.		Final Account with Building Services to be agreed.	Lesson Learnt arranged for late October and the CP5 and £1m report will be done after the meeting and once all works have been completed, final account agreed by all parties and the Client has received their H & S / O&M files.
Darlington Demolition							Live	Environment, Highways & Community Services	Environment, Highways & Community Services	Dave Winstanley	Julia McCabe	R0165	£1,322,940	£1,322,940	£0	£1,322,940	£1,322,940	0%	£0	01-Mar-23	01-Dec-24	01-Dec-24	365	Y	A & N Consultants	GATEWAY WEST: Complete	GATEWAY WEST: Complete			
Darlington Station CPO							Live	Environment, Highways & Community Services	Environment, Highways & Community Services	Dave Winstanley	Julia McCabe	R0170	£0	£8,077,262	£655,650	£7,421,612	£7,421,612	0%	£0	21-Sep-22		21-Sep-22	0	N	N/A	Negotiations ongoing.	Negotiations ongoing.		The Council continues to negotiate with the interest who are yet to agree a compensation amount. This process could continue until c. 2027.	
Central Park Roundabouts Transition							Live	Environment, Highways & Community Services	Environment, Highways & Community Services	Dave Winstanley	Michael Bowron	R0172	£2,350,000	£2,650,000	£250,000	£2,900,000	£2,900,000	0%	£0	31-Mar-22	30-Apr-24	30-Apr-24	0	Y	WDC	CP5 completed and signed off. Previous Mast site remediation works had been destroyed and is awaiting DBC Building Services to complete. These are now scheduled for completion Early October 2024.	Works to the land following the mast removal have been completed. Planting and seeding will be carried out when the seasons allows but the project is completed.			
Civic Theatre Refurbishment & Theatre Hallaboo							Live	Environment, Highways & Community Services	Environment, Highways & Community Services	Ian Thompson	Brian Robson	L0115	£50,000	£50,000	£16,019,000	£16,069,000	£16,069,000	0%	£0	01-Aug-13	06-Nov-17	06-Nov-17	0	Y	Todd Milburn	Works Complete. Following some remedial works on the Parkgate Elevation Demolition works now complete, perimeter fencing to be installed defects certificate has now been issued.	Works Complete. Following some remedial works on the Parkgate Elevation Demolition works now complete, perimeter fencing to be installed defects certificate has now been issued.			
156 Northgate							Live	Economy & Public Protection	Economy & Public Protection	Mark Ladyman	Joanne Wood	R0194	£0	£1,000,000	£0	£1,000,000	£1,000,000	0%	£0	31/08/2024	31/03/2026	31/03/2026	0	Y	Y	Revised planning and listed building consent was received on 10th October. Tender documents were issued on NEPO on Monday 21st October 2024 with a closing date of Friday 6th December 2024. It is proposed to award the contract on 16th December and start on site January 2025. The CP3 was issued to the client on 29th October 2024. Awaiting return.	Prior approval application submitted for roof level PV panels. WDC cost submission received for Phase 1 of M&E refurbishment.		Willmott Dixon design services contract in place for £330,348.78.	Fire engineering survey continuing. Sport England engaged to confirm grant funding conditions.
Conscliffe Road							Live	Economy & Public Protection	Economy & Public Protection	Mark Ladyman	Michael Bowron	R0193	£0	£500,000	£49,000	£549,000	£549,000	0%	£0	01/03/2024	01/03/2025	01/03/2025	0	Yes	Noel Walecki	Drainage works have been completed and initial kerb works have been started. Weekly site meetings are being carried out to confirm progress and address any risks.	Works are progressing well with drainage and kerbing nearing completion to the new layout. Residents and Businesses are being kept informed by the contractor and signs are up on the site providing contact details should anybody need to contact the project team to discuss the project.		The final valuation has been received and paid. Spend will be monitored as the project progresses.	
Dolphin Centre - Pool Repairs							Closed	Environment, Highways & Community Services	Environment, Highways & Community Services	Ian Thompson	Ben Walsie	D0197	£0	£220,000	£1,635,000	£1,855,000	£1,855,000	0%	£0	14/09/2023	16/08/2024	16/08/2024	0	Y	Michael Johnson	Lessons learnt complete, final account underway	Lessons learnt complete, final account underway			
Feedhams House							Live	Environment, Highways & Community Services	Environment, Highways & Community Services	Ian Williams	Jenny Upton & Jane Sutcliffe Project Richard Storey PM. by Richard Storey	D0161	£246,000	£8,500,000	£0	£8,500,000	£8,460,880	0%	£39,120	30/07/2019	31/05/2020	15/05/2020	-16	Yes	Tim Rainford (Nappers)	The CP5 is to be drafted and the full project closure process is anticipated to be completed in May 2025	The CP5 is to be drafted and the full project closure process completed.		The project is currently 38k underspend but it is anticipated the final archaeological report will identify spend against this.	
Dolphin Centre M and E Refurb							Live	Environment, Highways & Community Services	Environment, Highways & Community Services	Lisa Soderman	Ben Walsie	D0191	£230,000	£2,200,000	£500,000	£2,700,000	£2,700,000	0%	£0	01/10/2025	01/12/2025	01/12/2025	0	Y	A & N Consultants Andrea Nicholls	WDC submitted cost & programme for Sport England funded roof PV cells & replacement CIP, client team reviewing. Greenspan indoor golf specialised engaged and attending site in Nov 24.	Prior approval application submitted for roof level PV panels. WDC cost submission received for Phase 1 of M&E refurbishment.		Key Dates: Building Refurb application - November 2024 Building Refurb application - November 2024 Window & Roof - February 2025 Ground floor handover - August 2025 Overall completion - December 2026	TVCA Q2 claim submitted and approved. Q3 to be submitted by 15th January. Additional claim to be submitted for the asbestos removal, awaiting on final costs from the contractor so they can be quantified.
Northern Echo Building							Live	Economy & Public Protection	Economy & Public Protection	Mark Ladyman	Ian Stewart / Rebecca Robson	R0179	£0	£11,400,000	£0	£11,400,000	£11,400,000	0%	£0	31/03/2026	31/2/2026	31/2/2026	0	Y	Mark Black-Adavo	Awaiting closure report.	Awaiting closure report.			
Houghton Road - Tornado Way							Live	Environment, Highways & Community Services	Environment, Highways & Community Services	Andy Casey	Noel Walecki	TP722	£0	£1,539,433	£0	£1,539,433	£1,539,433	0%	£0	31/03/2020		31/07/2021	487	N	Noel Walecki	Awaiting closure report.	Awaiting closure report.		Budget comprises £1,367,433 NPf + £172,000 LTP match funding.	
Home Upgrade Grant							Live	Resources & Governance	Resources & Governance	Graham Hall	Christine Booth	H6755 supported by 16063	£0	£8,210,000	£4,410,000.00	£1,800,000	£1,800,000	0%	£0	31/05/2025		31/05/2025	0	Y	TBA	81 of the initial 100 properties signed up for works to process. Variations agreed to include design works for Storm Tempest and Classic Plumbing and Heating. Batch submissions for properties involved in the scheme commenced June 2024.	81 of the initial 100 properties signed up for works to process. Variations agreed to include design works for Storm Tempest and Classic Plumbing and Heating. Batch submissions for properties involved in the scheme commenced June 2024.		Project delivery reduced from 300 to 100 properties following mid-term review - Process value changed to £1,800,000 as of 01.04.24. Informal Change request submitted 18.09.24 to revert to 120 properties £2,160,000 capital funding.	

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		
Victoria Road Facade Improvements							Live	Economy & Public Protection	Economy & Public Protection	Mark Ladyman	Mike Bowron	R0188	£30,000	£588,000	£0	£588,000	£588,000	0%	£0	31/03/2024	31/03/2026	31/03/2026	0	Y	Lee Davill	Works to the first properties are currently being staggered with some small remedial works being identified. The next phase of properties has now been drawn up and construction drawings passed to the main contractor	Works continue to be slow on the Victoria project with many property owners not responding to various contact by the project liaison officer. This will have an impact upon the overall spend which is likely to be reduced.	circa £160,000 spent so far			
Rowan East Extension							Live	Environment, Highways & Community Services	Environment, Highways & Community Services	Guy Metcalfe	Julia McCabe	D0192	£10,000	£10,000	£0	£10,000	£10,000	0%	£0	TBC	TBC	TBC		Yes	TBC	Further reports required for Planning submitted w/c 23 September.	Awaiting outcome of application to Natural England for Nutrient neutrality credits. Confirmation required for Planning.				
Victoria Road Access to Station							Live	Environment, Highways & Community Services	Environment, Highways & Community Services	Andy Casey	Noel Walecki	TP818	£0	£1,146,701	£0	£1,146,701	£1,146,701	0%	£0	31/03/2020	31/07/2022	31/07/2022	0	Y	Noel Walecki	Awaiting closure report before cost centre can be closed and removed from PPS.	Awaiting closure report before cost centre can be closed and removed from PPS.	Funding is £875,000 LGF + £300,000 LTP. Additional LTP funding of £171,701 supplied to cover increased costs.			
Walking Cycling Route MSC Farm Road Mill Lane							Live	Environment, Highways & Community Services	Environment, Highways & Community Services	Andy Casey	Noel Walecki	TP241	£0	£325,000	£0	£325,000	£325,000	0%	£0	31/03/2022	31/03/2025	31/03/2025	0	Y	Noel Walecki	Planning determination has been extended by 3 months. Anticipated clearance will be carried out winter 24 – 25 with main works commencing in Spring 2025. Planning has been submitted with various objections to address. Network Rail, Environment Agency, DfC ecological. Objections to planning approval require the following work: BNG survey and additional ecological surveys. These are now complete ready for submission. Updating the FRA to demonstrate that proposed works don't have an adverse impact on flooding. EA requirement. This can now be done following updates to the bridge design info. Construction phase plan to appease Network rails concerns. DLO are currently drafting the main document. Environmental construction management plan to appease EA concerns relating to habitat and bridge construction. Additional information will be added to the construction phase plan once DLO have drafted. Further advice may be required as document is developed.	Planning determination has been extended by 3 months. Anticipated clearance will be carried out winter 24 – 25 with main works commencing in Spring 2025. Planning has been submitted with various objections to address. Network Rail, Environment Agency, DfC ecological. Objections to planning approval require the following work: BNG survey and additional ecological surveys. These are now complete ready for submission. Updating the FRA to demonstrate that proposed works don't have an adverse impact on flooding. EA requirement. This can now be done following updates to the bridge design info. Construction phase plan to appease Network rails concerns. DLO are currently drafting the main document. Environmental construction management plan to appease EA concerns relating to habitat and bridge construction. Additional information will be added to the construction phase plan once DLO have drafted. Further advice may be required as document is developed.	LTP (£180,000) plus Section 106 developer contributions (£155,000)			
Woodland Road LCWIP Phase 2							Live	Environment, Highways & Community Services	Environment, Highways & Community Services	Andy Casey	Ben Waidie	TP244	£0	£294,067	£0	£294,067	£294,067	0%	£0	01/04/2025		01/04/2025	0	Y	Noel Walecki	Detailed Design ATE final submission scheduled for Dec 24, which would allow scheme to be approved by TVCA for funding.	Project due final Active Travel England endorsement in Dec 24. TVCA to endorse scheme and issue project delivery funding agreement				
Total													Sum of Feasibility Project Budget	Sum of Original Approved Budget	Sum of Increase to Original Approved Budget	Sum of Current Approved Budget	Sum of Project Expected Outturn Cost		Sum of Variance Value												
Total													£4,615,058	£108,065,983	£49,606,649	£157,672,632	£167,562,771		-£109,861												

2024/25 Capital Resources Summary

Row Ref.		Approved Commitments £M	Virement of Resources £M	Variance £M	Total £M
1	Capital Commitments				
2	Brought forward from 2023/24	114.714			
3	2024/25 Capital Programme (released by Cabinet)	40.139			154.853
4	Projected (Under)/Over Spend				
5	Total Commitments	154.853	0.000	0.000	154.853
	To Be Funded By:				
	External and Departmental Resources				
6	External Funding and Departmental Supported Borrowing	15.607	-	-	15.607
7	Departmental Unsupported Borrowing	0.000	-	-	0.000
8	Capital Grants	56.239	-	-	56.239
9	Capital Contributions	0.050	-	-	0.050
10	Revenue Contributions	28.468	-	-	28.468
11	Capital Receipts - HRA	0.606	-	-	0.606
	Total	100.970	0.000	0.000	100.970
	Corporate Resources				
12	Capital Receipts (General Fund)/ Prudential Borrowing	53.883	-	-	53.883
	Total	53.883	0.000	0.000	53.883
13	Total Resources	154.853	0.000	0.000	154.853

Corporate Resources Analysis

	£M	
14	Required Resources to fund 2024/25 expenditure (see above)	53.883
15	Total Planned Use of Corporate Resources	53.883
16	Less: Total Projected net Capital Receipts 24/25 (as per Appendix 3)	(5.354)
17	Add: projects already released and included in the capital commitments above	7.201
18	Corporate Resources required to fund capital programme	55.730

This page is intentionally left blank

Capital Receipts Utilisation - latest projection

	2024/25	2025/26	2026/27
	£m	£m	£m
Projected Opening Balance as at 1 April	5.287	0.714	2.227
Projected net Capital Receipts	0.067	6.259	5.190
Total projected Capital Receipts	5.354	6.973	7.417
<u>Less (as per approved capital programme)</u>			
Capitalisation utilisation as per MTFP	0.000	(1.400)	0.000
Council funded schemes	(0.430)	(0.400)	(0.250)
Economic Growth Investment Fund	(0.500)	(0.500)	0.000
Earmarked reserves	(0.095)	(0.128)	0.000
Slippage from previous years	(3.615)	(2.318)	0.000
Projected available Capital Receipts as at 31 March	0.714	2.227	7.167

This page is intentionally left blank

FINAL OUTTURN REPORT INGENIUM PARC PROJECT

Responsible Cabinet Member – Cllr McEwan

Responsible Director – Dave Winstanley

SUMMARY REPORT

Purpose of the Report

1. To report the lessons learned from the project and the final outturn in accordance with the Financial Procedure Rules.

Summary

2. Ingenium Parc lies to the South of Salter’s Lane with Cummins Engineering Limited to the north and Maidendale nature reserve to the west.
3. This a large town centre fringe site consisting of approximately 40 Hectares (HA) of previously greenfield land. The project set out to build infrastructure to and within the site.
4. The aim of the project was to unlock development land, which was ultimately capable of delivering regeneration priorities for the Council. The strategy was to develop the site in phases. Phase 1 provides a length of road from Salter’s Lane to serve the first developable plots alongside major drainage works to unlock land for development.
5. Over £5m, in grant funding was secured from the Combined Authority to deliver this phase of the Ingenium Parc Project which included the installation of Utilities, Spine Road, Ecological Mitigation and Morton Palms Car Park.
6. Para 43 of the Financial Procedure Rules requires that the final outturn of all schemes with a value in excess of £1 million be reported to Cabinet.
7. The report reviews the actual cost, timeliness and quality including lessons learned; to ensure a continuous review of capital planning, management and reporting, with regard to best practice, experience and opportunities for improving the Council’s capital and asset management processes.

Recommendation

8. It is recommended that Members note the final outturn of the Project.

Reasons

9. The recommendation is supported by the following reasons: -
 - (a) To comply with the Council's Financial Procedure Rules.
 - (b) To ensure a continuous review of capital planning, management and reporting, with regard to best practice, experience and opportunities for improving the Council's capital and asset management processes.

Joanne Wood – Capital Projects Manager

MAIN REPORT

Information and Analysis

10. Ingenium Parc lies to the South East of Salter's Lane with Cummins Engineering to the north and Maidendale nature reserve to the west.
11. In 2015 the local authority instigated a project to open up a large area of land, including 40ha of land south of Yarm Road known as Ingenium Parc. This is a greenfield site located between Salters Lane and Alderman Best Way. The site is also adjoined by Maidendale Nature Reserve.
12. The project was originally conceived in 2015, with the initial works involving the upgrades to the adjoining Morton Palms development to the south-east in 2017 and then the construction of the access road by the Council in 2019. The programme was for the preparation of site itself to follow immediately after, but progress on this project was slowed as a result of complex, planning related requirements, namely:
 - (a) The discovery of archaeological findings that required a revision to the approach.
 - (b) The existence of Great Crested Newts that required works to be undertaken in accordance with a Natural England licence at pre-set times - specifically during winter months, which coincided with periods of flooding making for extremely challenging and on occasions impossible progression of groundworks.
 - (c) Due to changing legislation, the need to redesign and extend the drainage scheme to cover not just the land earmarked for the initial phase of development, but to design and build a flood mitigation solution that covered much of the entire site.
 - (d) Due to another legislation change, new Biodiversity Net Gain requirements had to be provided for.
13. As a result of the above, following redesign, and a significantly revised planning application, the works had to be split across three winters (2021/22, 2022/23 and 2023/24). They also coincided with the Covid-related restrictions on working practices.
14. Despite the time delays and the resultant inflationary and Covid-based increases in prices the works were completed for the available budget, albeit they increased from the original £4.27m to £4.88m.
15. The road infrastructure was designed and installed by the Council's own Highways Dept. The drainage works were designed by Lynas Engineers and installed by Seymour's Construction; and the wildlife planting was undertaken by Brambledown and the Council's Street Scene team.

16. The site now consists of:
- (a) a large expanse of developable land under the responsibility of the Council’s Estates team who will be responsible for its upkeep and promotion; and
 - (b) a large area of surrounding land, particularly to the south that has been improved in terms of its wildlife habitat and in particular for the support of the Great Crested Newt population which occupies land to the south. This is separated from the development land by a permanent newt barrier. The improved habitats are being managed alongside the Maidendale Nature Reserve by Street Scene.
17. Para 43 of the Financial Procedure Rules requires that the final outturn of all schemes with a value in excess of £1 million be reported to Cabinet.
18. The report reviews the actual cost, timeliness and quality including lessons learned to ensure a continuous review of capital planning, management and reporting, with regard to best practice, experience and opportunities for improving the Council’s capital and asset management processes.

Cost

19. The table below summarises the project budget and final outturn.

Original Project Budget (CP1)	Original Approved Project Budget	Revisions to Approved Project budget	Approved Project Budget	Final Out Turn Cost	Variance (%)	Variance (Value)
£4,265,593	£4,265,593	£611,500	£4,877,093	£4,877,903	<+0%	+0

20. The budget was revised and authorised prior to works beginning on the main site works, following a range of mainly planning-related challenges, exacerbated by Covid and significant increases in market costs between 2020 and 2023.

Quality

21. In terms of quality the project met all standards laid out in the appropriate design guides, Planning permission and Building Regulations.

Time

22. The table below summarises the project timeline.

Original Planned Project Completion Date (CP1)	Revised Approved Project Completion Date	Actual Completion Date	Schedule Variation (days)
31 August 2018	23 December 2022	31 July 2024	596

23. The revised timeframe reflects a slightly delayed start following on from earlier elements of the wider project (works to Morton Palms and Salter's Lane); time taken to amend the approach to meet changing legislation and a result of the complex environmental and Covid-19 situation that existed. The project "lost" an entire year as groundworks required slightly more time than the short winter window allowed, so two winters were required to complete the full scope of drainage works.

Lessons Learned

24. The Asset Management and Capital Programme Review Board (AM&CPRB or AMG) has specific roles defined in the Council's Constitution. The Board shall maintain a continuous review of capital planning, management and reporting, with regard to best practice, experience and opportunities for improving the Council's capital and asset management.
25. The key findings and lessons learned from this project are summarised below:
 - (a) Works carried out during the first covid restrictions slowed progress due to changes to working requirements; particularly during site establishment – the team now have a better understanding of such requirements and how to mitigate these should any comparable restrictions be reintroduced.
 - (b) Planning requirements on the project changed as a result of legislative changes. Closer working between the Capital Projects and Planning teams will be implemented on future schemes so that the impact of any change is understood at an early stage.
 - (c) This project was handed over to the Estates team on completion. The project management control point (CP) process has been amended to agree handover details prior to starting work so that all teams are clear on their responsibilities.

Procurement

26. The majority of the Highway works were delivered through DBC Highways and the specialist drainage elements were delivered by Seymour Civil Engineering Ltd through a competitive tendering exercise.

Contract Management

27. In terms of contract management, the highways contract was delivered inhouse "in the spirit of JCT" and the drainage contract was delivered externally in accordance with NEC3 Form of Contract 2013. These operated as anticipated.

Health & Safety

28. The Principal Designer role for the scheme was delivered by Noel Walecki of the Council. There were no reportable accidents during the development.

Risk Log

29. The risk log for the scheme was regularly reviewed and risk which could be transferred onto the Principal Contractor were included within the main construction contract.

Communications

30. The communications strategy for the scheme was developed through the Ingenium Parc Board to regularly highlight risks and/or opportunities in each phase of the project in a timely manner.

**CABINET
4 FEBRUARY 2025**

PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT STRATEGY REPORT 2025/26

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

**Responsible Director -
Elizabeth Davison, Executive Director of Resources and Governance**

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 2025/26 to 2027/28 relating to capital expenditure and Treasury Management activity.
 - (b) A policy statement relating to the Minimum Revenue Provision.
 - (c) The Treasury Management Strategy 2025/26, which includes the Annual Investment Strategy for 2025/26
2. The report outlines the Council's prudential indicators for 2025/26 – 2027/28 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.

Recommendations

4. It is recommended that the Cabinet examine the following and pass on any comments to Council in order that they approve them:
- (a) The Prudential Indicators and limits for 2025/26 to 2027/28 summarised in Tables 1 and 2.
 - (b) The Minimum Revenue Provision (MRP) statement (paragraphs 39 – 48).
 - (c) The Treasury Management Strategy 2025/26 to 2027/28 as summarised in paragraphs 52 to 82.
 - (d) The Annual Investment Strategy 2025/26 contained in paragraphs 83 to 114.

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 Ministry for Housing, Communities and Local Government (MHCLG) guidance on investments and MRP Guidance.
 - (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
Executive Director Resources and Governance

Background Papers

- (i) Annual Draft Statement of Account 2023/24
- (ii) Draft MTFP (incl Capital MTFP 2025/26 to 2028/29)
- (iii) Draft Capital Strategy
- (iv) MUFG Corporate Markets Treasury Limited Economic Report Dec 2024

Council Plan	The Council’s Treasury Management Strategy contributes to all priorities outlined within the Council Plan.
Addressing inequalities	There is no impact as a result of this report.
Tackling Climate Change	There is no impact as a result of this report.
Efficient and effective use of resources	The Council’s Treasury Management Strategy contributes towards the efficient and effective use of resources.
Health and Well Being	This report has no implications for the Council’s Health and Well Being agenda
S17 Crime and Disorder	This report has no implications for S 17 Crime and Disorder.
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.
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 2021 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.

Quarterly reports

- 18. In addition to the three major reports detailed above quarterly reporting is also required (end of June/end of December). These additional reports do not need to be reported to the Council but do require to be adequately scrutinised. This role is undertaken by the Audit Committee.

Environmental, social and governance (ESG)

- 19. The Council consider their credit and counterparty policies in the light of ESG information. All the main rating agencies are now extolling how they incorporate ESG risks alongside more traditional financial risk metrics when assessing counterparty ratings. Our Treasury Management advisors update us on any changes to counterparty ratings and look at ESG factors into their creditworthiness assessment service.

Treasury Management Strategy for 2025/26

- 20. The strategy for 2025/26 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.

21. These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG MRP Guidance, the CIPFA Treasury Management Code and the MHCLG Investment Guidance.
22. 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

	2024/25 Revised	2025/26 Estimated	2026/27 Estimated	2027/28 Estimated
Capital Expenditure Tables 3 and 4	74.738	82.954	45.719	24.352
Capital financing requirement - Table 5	248.267	266.783	279.135	285.634
Ratio of financing costs to net revenue stream – General Fund See paragraph 50 - Table 6	4.10%	4.15%	3.76%	3.55%
Ratio of financing costs to net revenue stream –HRA See paragraph 50 - Table 6	12.49%	13.34%	12.02%	11.53%
Operational boundary for external debt - Table 9	190.401	213.463	230.330	241.085
Authorised limit for external debt - Table 10	260.681	280.122	293.092	299.916

Table 2 – Treasury Management

	2025/26 Upper Limit	2026/27 Upper Limit	2027/28 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 2025/26			
	Lower Limit	Upper Limit	
Under 12 months	0%	50%	
12 months to 2 years	0%	60%	
2 years to 5 years	0%	70%	
5 years to 10 years	0%	80%	
10 years and above	0%	100%	

Training

23. 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 January 2024. Further training sessions will be arranged as required. The training needs of treasury management officers are periodically reviewed.

Treasury Management Consultants

24. The Council uses MUFG Corporate Markets Treasury Limited 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.
25. 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 2025/26– 2027/28

26. 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

27. 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

	2024/25 Revised £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
General Fund	32.905	30.216	11.588	4.545
HRA	34.506	39.878	28.737	14.507
Estimated Capital Expenditure	67.411	70.094	40.325	19.052
Loans to Joint Ventures	7.327	12.860	5.394	5.300
Total	74.738	82.954	45.719	24.352

28. The financing need above excludes other long-term liabilities, such as PFI and leasing arrangements which already include borrowing instruments.
29. 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

	2024/25 Revised £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
General Fund	32.905	30.216	11.588	4.545
HRA	34.506	39.878	28.737	14.507
Loans to Joint Ventures	7.327	12.860	5.394	5.300
Total Capital	74.738	82.954	45.719	24.352
Financed by:				
Capital receipts -General Fund	4.450	2.732	0.00	0.00
Capital receipts - Housing	0.000	0.00	0.300	0.300
Capital grants	27.033	25.118	10.857	4.295
JV Repayments	3.415	4.120	2.767	8.734
Self-financing - GF	0.000	0.171	2.731	0.250
Revenue Contributions (Housing)	34.482	26.774	26.437	14.207
Total excluding borrowing	69.380	58.915	43.092	27.786
Net financing need for the year	5.358	24.039	2.627	-3.434

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

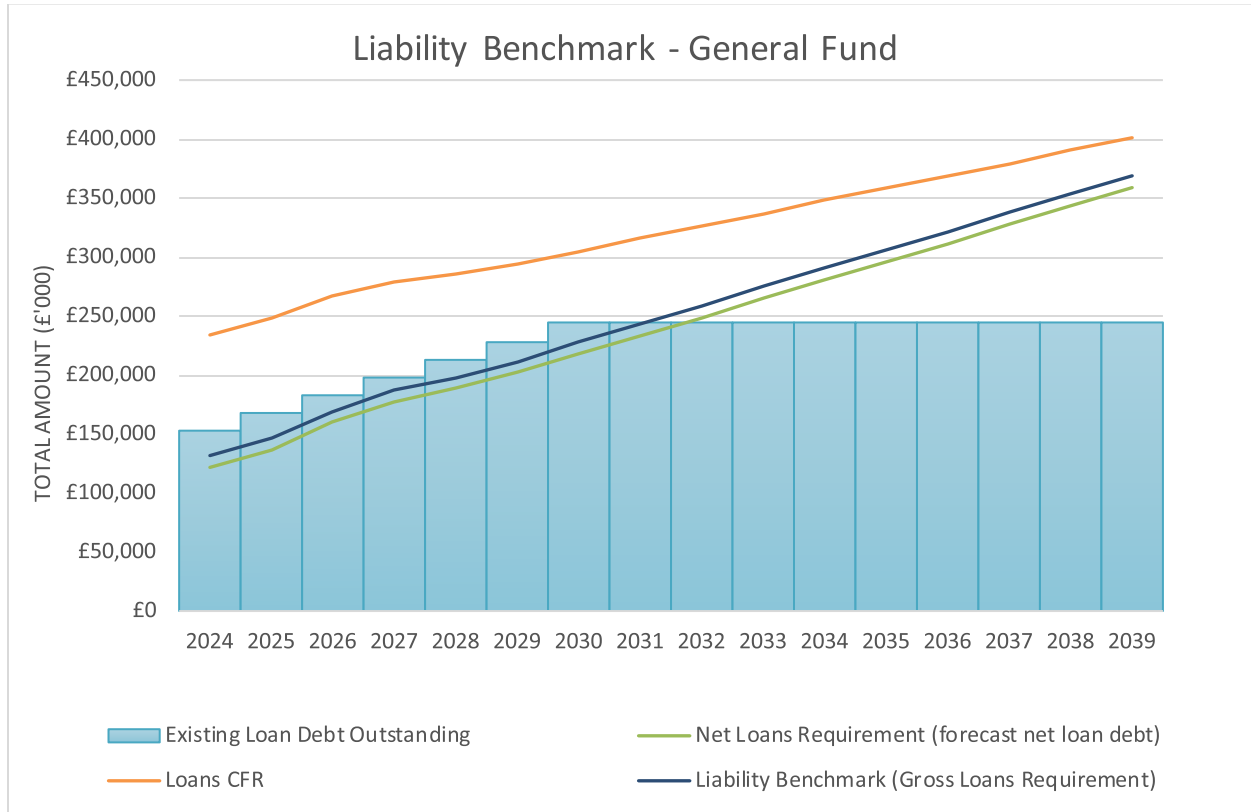
30. The second prudential indicator is the Council’s Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council’s indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.
31. 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.
32. 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 £6.912m of such schemes within the CFR.
33. The Committee is asked to approve the CFR projections below:

Table 5 – CFR Projections

	2024/25 Revised £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
CFR – General Fund	151.373	152.420	153.665	155.335
CFR – PFI and Finance leases	6.912	6.317	5.725	5.133
CFR – housing	76.371	85.778	95.018	104.092
CFR - Loans to JV’s	13.611	22.268	24.727	21.074
Total CFR	248.267	266.783	279.135	285.634
Movement in CFR		18.515	12.351	6.499

Liability Benchmark

34. 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.



35. 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.

36. 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.

37. 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.
38. The Liability Benchmark position is not to be confused with the under/over borrowing position as shown by the prudential indicator in Table 8 below. This compares the actual gross debt to the capital financing position and is demonstrated in the Liability Benchmark above by comparing Loans CFR to Existing Loan Debt outstanding.

MRP Policy Statement

39. 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).
40. MHCLG regulations have been issued which require the full Council to approve an MRP Statement in advance of each year. The MRP Guidance 2024 provides 4 options for calculating MRP. An authority can use a mix of these options if it considers it appropriate to do so.
41. The adoption of IFRS 16 Right of Use Assets has led to some assets previously leased and therefore off balance sheet, being brought on to balance sheet. MRP will also need to be provided for those assets as they will increase the CFR.
42. The Regulations state that local authorities must make MRP with respect to any debt used to finance a commercial capital loan. A capital loan is defined as a loan undertaken primarily for financial return or where the loan itself is capital expenditure undertaken primarily for financial return. The Authority's loans to joint ventures are categorised as commercial loans. It should be noted however that the loan repayments can also be used to reduce the CFR and hence the MRP charge, however, until the loan has been fully repaid MRP must be charged.
43. It is proposed that Darlington Borough Council's MRP policy statement for 2025/26 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.

- (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%).
 - (d) For IFRS 16 Right of Use Assets the MRP will be measured as being equal to the element of the rent/charge for the asset.
 - (e) For commercial loans MRP will be based on the estimated life of the assets and repayments will be on an annuity basis until the loans have been repaid in full.
44. 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.
45. Repayments included in annual PFI or finance leases are applied as MRP.
46. 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. Where no principal repayment is made in a given year MRP will be charged in accordance with the Council's MRP policy.
47. **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.
48. Cumulative VRP overpayments made to date are £0.500m.

Affordability Prudential Indicators

49. 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

50. 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

	2024/25 Revised	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
General Fund	4.10%	4.15%	3.76%	3.55%
HRA	12.49%	13.34%	12.02%	11.53%

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

Treasury Management Strategy

Borrowing

52. 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

53. 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 three Property Funds with a total investment as at 31st December 2024 of £25.4m. These are expected to bring a gross return of between 2.50% and 3.50% over the life of the MTFP. In 2023/24 the funds returned £1.08m in dividends.
54. Initially £30m was invested in property funds as a long term commitment. Capital valuations however do fluctuate over time and due to prevailing economic conditions over the past few years the capital value of our investments has decreased. During 2024/25 we have seen capital values start to recover as interest rates and inflation start to fall. This recovery is forecast to continue, however it will strongly depend upon what happens in the economic climate in the coming year.
55. During 2024/25 the Council were informed by one of our funds (Hermes Federated) that due to a significant redemption request the fund was potentially looking at either merging with another larger property fund, or being wound up during the course of 2025/26.
56. At present no decision has been made with regards to the future of the Hermes fund but Officers will continue to be involved in any discussions regarding this and will review the situation once a decision has been made with regards the future of the fund. It should be noted that at present this has not impacted on the capital value of the fund or the dividend distributions.
57. 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 and report back to Members through the usual reporting processes.

Current Portfolio Position

58. The overall treasury management portfolio as at 31 March 2024 and for the position as at 31 December 2024 are shown below for both borrowings and investments.

Table 7 – Treasury Portfolio

TREASURY PORTFOLIO				
	Actual 31/03/2024 £m's	Actual 31/03/2024 %	Current 31/12/2024 £m's	Current 31/12/2023 %
Treasury Investments				
Banks	0.000	0.0	0.000	0.0
local authorities	0.000	0.0	5.000	12.1
money market funds	6.370	20.5	10.950	26.5
Total managed in house	6.370	20.5	15.950	38.6
Property funds	24.767	79.5	25.407	61.4
Total managed externally	24.767	79.5	25.407	61.4
Total treasury investments	31.137	100.0	41.357	100.0
Treasury external borrowing				
local authorities	32.000	20.9	47.000	28.0
PWLB	108.278	70.8	108.208	64.5
LOBO's	12.600	8.3	12.600	7.5
Total external borrowing	152.878	100.0	167.808	100.0
Net treasury borrowing	121.741		126.451	

59. The Council's expected treasury portfolio position at 31 March 2025, 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

	2024/25 Revised £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Debt at 31 March	167.878	182.878	197.878	212.878
Loans to Joint Ventures	13.611	22.268	24.727	21.074
Other long-term liabilities (OLTL)	6.912	6.317	5.725	5.133
Gross Actual debt at 31 March	188.401	211.463	228.330	239.085
The Capital Financing Requirement from Table 5	248.268	266.783	279.135	285.634
Under / (over) borrowing	59.867	55.320	50.805	46.549

60. 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 2025/26 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.
61. The Executive Director of Resources and Governance 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

62. 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

	2024/25 Revised £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Debt from Table 8 (incl JV's)	181.489	205.146	222.605	233.952
Other long-term liabilities	6.912	6.317	5.725	5.133
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	190.401	213.463	230.330	241.085

The Authorised Limit for external debt

63. 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:
64. 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.
65. The Council is asked to approve the following Authorised Limit:

Table 10 – Authorised Limit

	2024/25 Revised £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
CFR	248.268	266.783	279.135	285.634
Additional Headroom @ 5%	12.413	13.339	13.957	14.282
Authorised Limit	260.681	280.122	293.092	299.916

66. It is proposed that the additional headroom for years 2025/26 to 2027/28 is 5% above the CFR, this would allow for any additional cashflow needs throughout the years.

Prospects for Interest Rates

67. The Council has appointed MUFG Corporate Markets Treasury Limited 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 2024	4.75	5.00	5.30	5.60	5.40
Mar 2025	4.50	4.90	5.10	5.50	5.30
Jun 2025	4.25	4.80	5.00	5.40	5.20
Sep 2025	4.00	4.60	4.80	5.30	5.10
Dec 2025	4.00	4.50	4.80	5.20	5.00
Mar 2026	3.75	4.50	4.70	5.10	4.90
Jun 2026	3.75	4.40	4.50	5.00	4.80
Sep 2026	3.75	4.30	4.50	4.90	4.70
Dec 2026	3.50	4.20	4.40	4.80	4.60
Mar 2027	3.50	4.10	4.30	4.70	4.50
Jun 2027	3.50	4.00	4.20	4.60	4.40
Sep 2027	3.50	4.00	4.20	4.50	4.30
Dec 2027	3.50	3.90	4.10	4.50	4.30

** 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. A further reduction on 0.40% is also available for those councils which like Darlington have a Housing Revenue Account.*

Investment and borrowing rates

68. Investment returns are likely to decrease towards the latter part of 2025/26 if both CPI inflation and wage/employment data support a fall in the bank rate. Caution must be exercised in respect of all interest rate forecasts as there are so many variables involved at this time.
69. Borrowing interest rates are also forecast to fall by the end of 2025/26 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.
70. 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

71. 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 relatively elevated in 2025 even if some rate cuts arise

72. Against this background and the risks within the economic forecast, caution will be adopted with the 2025/26 treasury operations. The Executive Director Resources and Governance 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.
73. Any decisions would be reported to the appropriate Committee at the next available opportunity.

Treasury Management Limits on Activity

74. 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

	2025/26	2026/27	2027/28
	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 2025/26			
	Lower	Upper	
Under 12 months	0%	50%	
12 months to 2 years	0%	60%	
2 years to 5 years	0%	70%	
5 years to 10 years	0%	80%	
10 years and above	0%	100%	

Policy on Borrowing in Advance of Need

- 75. 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.
- 76. 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

- 77. Rescheduling of current borrowing in our debt portfolio may be considered if there is spare cash available to facilitate any repayment or rebalancing of the portfolio to provide more certainty is considered appropriate.
- 78. 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).
- 79. 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.
- 80. 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

81. 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).
82. 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

83. The MHCLG 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.
84. The Council’s investment policy has regard to the following:
- (a) MHCLG’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
85. 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.
86. 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.

87. The above guidance from the MHCLG 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 2023/24 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 was extended by Government to 31 March 2025. At present Government are not minded to extend the statutory override further.

88. 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

89. The above criteria are unchanged from last year.

Investment Counterparty Selection Criteria

Creditworthiness policy

90. This Council applies the creditworthiness service provided by MUFG Corporate Markets Treasury Limited. 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.

91. 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) Orange 1 year

- | | | |
|-----|-----------|----------------|
| (d) | Red | 6 months |
| (e) | Green | 100 days |
| (f) | No colour | not to be used |

92. The MUFG Corporate Markets Treasury Limited 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.
93. 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.
94. 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.
95. 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.
96. 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	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	

97. Due care will be taken to consider the exposure of the Council’s total investment portfolio to non-specified investments, countries, groups and sectors.
98. 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.
99. The proposed criteria for Specified and Non-Specified investments are shown in Appendix 2 for approval.

Investment Strategy

In-house funds

100. 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 being cut quicker than expected if the economy stagnates, so an agile investment strategy would be appropriate to optimise returns.
101. 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

102. The current forecast shown in paragraph 67, includes a forecast for Bank Rate to be cut to 4.00% in quarter 2 2025.
103. 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) | 2024/25 (remainder) | 4.60% |
| (b) | 2025/26 | 4.10% |
| (c) | 2026/27 | 3.70% |
| (d) | 2027/28 | 3.50% |
| (e) | 2028/29 | 3.50% |
| (f) | Years 6 to 10 | 3.50% |
| (g) | Years 10+ | 3.50% |
104. 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

105. 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.
106. The Committee is asked to approve the treasury indicator and limit: -

Table 14 – Maximum Principal sums invested

	2024/25	2025/26	2026/27
Principal sums invested greater than 365 days	£50m	£50m	£50m

107. 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

108. 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.

109. 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.

110. 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.

111. 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

112. 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.

113. 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.
114. 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

115. 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

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

Economic Background provided by MUFG Corporate Markets Treasury Limited

1. The third quarter of 2024 (July to September) saw:
2. GDP growth stagnating in July following downwardly revised Q2 figures (0.5% quarter on quarter (q/q))
3. A further easing in wage growth as the headline 3 month year on year (y/y) rate (including bonuses) fell from 4.6% in June to 4.0% in July;
4. CPI inflation hitting its target in June before edging above it to 2.2% in July and August;
5. Core CPI inflation increasing from 3.3% in July to 3.6% in August;
6. The Bank of England initiating its easing cycle by lowering interest rates from 5.25% to 5.0% in August and holding them steady in its September meeting;
7. 10-year gilt yields falling to 4.0% in September.
8. The economy's stagnation in June and July points more to a mild slowdown in GDP growth than a sudden drop back into a recession. Moreover, the drop in September's composite activity Purchasing Managers Index, from 53.8 in August to 52.9, was still consistent with GDP growth of 0.3%-0.4% for the summer months. This is in line with the Bank of England's view, and it was encouraging that an improvement in manufacturing output growth could be detected, whilst the services PMI balance suggests non-retail services output grew by 0.5% q/q in Q3. Additionally, the services PMI future activity balance showed an uptick in September, although readings after the Chancellor's announcements at the Budget on 30th October will be more meaningful.
9. The 1.0% m/m jump in retail sales in August was stronger than the consensus forecast for a 0.4% month on month (m/m) increase. The rise was reasonably broad based, with six of the seven main sub sectors recording monthly increases, though the biggest gains came from clothing stores and supermarkets, which the ONS reported was driven by the warmer-than-usual weather and end of season sales. As a result, some of that strength is probably temporary.
10. The Government's plans to raise public spending by around £16bn a year (0.6% GDP) have caused concerns that a big rise in taxes will be announced in the Budget, which could weaken GDP growth in the medium-term. However, if taxes are raised in line with spending (i.e., by £16bn) that would mean the overall stance of fiscal policy would be similar to the previous government's plan to reduce the budget deficit. Additionally, rises in public spending tend to boost GDP by more than increases in taxes reduce it. Our colleagues at Capital Economics suggest GDP growth will hit 1.2% in 2024 before reaching 1.5% for both 2025 and 2026.
11. The further easing in wage growth will be welcomed by the Bank of England as a sign that labour market conditions are continuing to cool. The 3myy growth rate of average earnings fell from 4.6% in June to 4.0% in July. On a three-month annualised basis, average earnings growth eased from 3.0% to 1.8%, its lowest rate since December 2023. Excluding bonuses, the 3myy rate fell from 5.4% to 5.1%.
12. Other labour market indicators also point to a further loosening in the labour market. The 59,000 fall in the alternative PAYE measure of the number of employees in August marked the fourth fall in the past five months. And the 77,000 decline in the three months to August was the biggest drop since November 2020. Moreover, the number of workforce jobs fell by 28,000 in Q2. The downward trend in job vacancies continued too. The number of job vacancies fell from 872,000 in the three months to July to 857,000 in the three months to August. That leaves it 34% below its peak in May 2022, and just 5% above its pre-pandemic level. Nonetheless, the Bank of England is still more concerned about the inflationary influence of the labour market rather than the risk of a major slowdown in labour market activity.
13. CPI inflation stayed at 2.2% in August, but services inflation rose from a two-year low of 5.2% in July to 5.6%, significantly above its long-run average of 3.5%. Food and fuel price inflation exerted

some downward pressure on CPI inflation, but these were offset by the upward effects from rising furniture/household equipment inflation, recreation/culture inflation and a surprisingly large rise in airfares inflation from -10.4% in July to +11.9% in August. As a result, core inflation crept back up from 3.3% to 3.6%. CPI inflation is also expected to rise in the coming months, potentially reaching 2.9% in November, before declining to around 2.0% by mid-2025.

14. The Bank initiated its loosening cycle in August with a 25bps rate cut, lowering rates from 5.25% to 5.0%. In its September meeting, the Bank, resembling the ECB more than the Fed, opted to hold rates steady at 5.0%, signalling a preference for a more gradual approach to rate cuts. Notably, one Monetary Policy Committee (MPC) member (Swati Dhingra) voted for a consecutive 25bps cut, while four members swung back to voting to leave rates unchanged. That meant the slim 5-4 vote in favour of a cut in August shifted to a solid 8-1 vote in favour of no change.
15. Looking ahead, CPI inflation will likely rise in the coming months before it falls back to its target of 2.0% in mid-2025. The increasing uncertainties of the Middle East may also exert an upward pressure on inflation, with oil prices rising in the aftermath of Iran's missile attack on Israel on 1 October. China's recent outpouring of new fiscal support measures in the latter stages of September has also added to the upshift in broader commodity prices, which, in turn, may impact on global inflation levels and thus monetary policy decisions. Despite these recent developments, our central forecast is still for rates to fall to 4.5% by the end of 2024 with further cuts likely throughout 2025. This is in line with market expectations, however, although a November rate cut still looks likely, December may be more problematic for the Bank if CPI inflation spikes towards 3%. In the second half of 2025, though, we think a more marked easing in inflation will prompt the Bank to speed up, resulting in rates eventually reaching 3.0%, rather than the 3.25-3.50% currently priced in by financial markets.
16. Our forecast is next due to be updated around mid-November following the 30 October Budget, 5 November US presidential election and the 7 November MPC meeting and the release of the Bank of England Quarterly Monetary Policy Report.
17. Looking at gilt movements in the first half of 2024/25, and you will note the 10-year gilt yield declined from 4.32% in May to 4.02% in August as the Bank's August rate cut signalled the start of its loosening cycle. Following the decision to hold the Bank Rate at 5.0% in September, the market response was muted, with the 10-year yield rising by only 5bps after the announcement. This likely reflected the fact that money markets had priced in a 25% chance of a rate cut prior to the meeting. The yield had already increased by about 10bps in the days leading up to the meeting, driven in part by the Fed's "hawkish cut" on 18 September. There is a possibility that gilt yields will rise near-term as UK policymakers remain cautious due to persistent inflation concerns, before declining in the longer term as rates fall to 3.0%.
18. The FTSE 100 reached a peak of 8,380 in the third quarter of 2024, but its performance is firmly in the shade of the US S&P500, which has breached the 5,700 threshold on several occasions recently. Its progress, however, may pause for the time being whilst investors wait to see who is elected the next US President, and how events in the Middle East (and Ukraine) unfold. The catalyst for any further rally (or not) is likely to be the degree of investors' faith in AI.

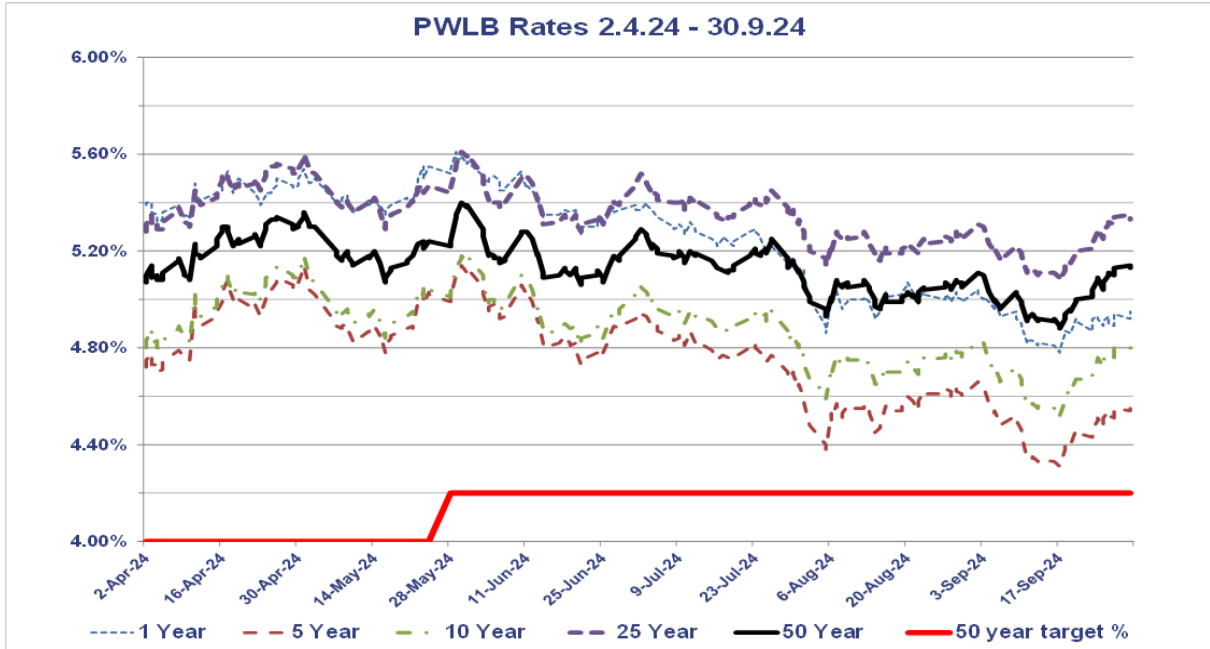
MPC meetings: 9 May, 20 June, 1 August, 19 September 2024

19. On 9 May, the Bank of England's Monetary Policy Committee (MPC) voted 7-2 to keep Bank Rate at 5.25%. This outcome was repeated on 20th June.
20. However, by the time of the August meeting, there was a 5-4 vote in place for rates to be cut by 25bps to 5%. However, subsequent speeches from MPC members have supported Governor Bailey's tone with its emphasis on "gradual" reductions over time.
21. Markets thought there may be an outside chance of a further Bank Rate reduction in September, following the 50bps cut by the FOMC, but this came to nothing.

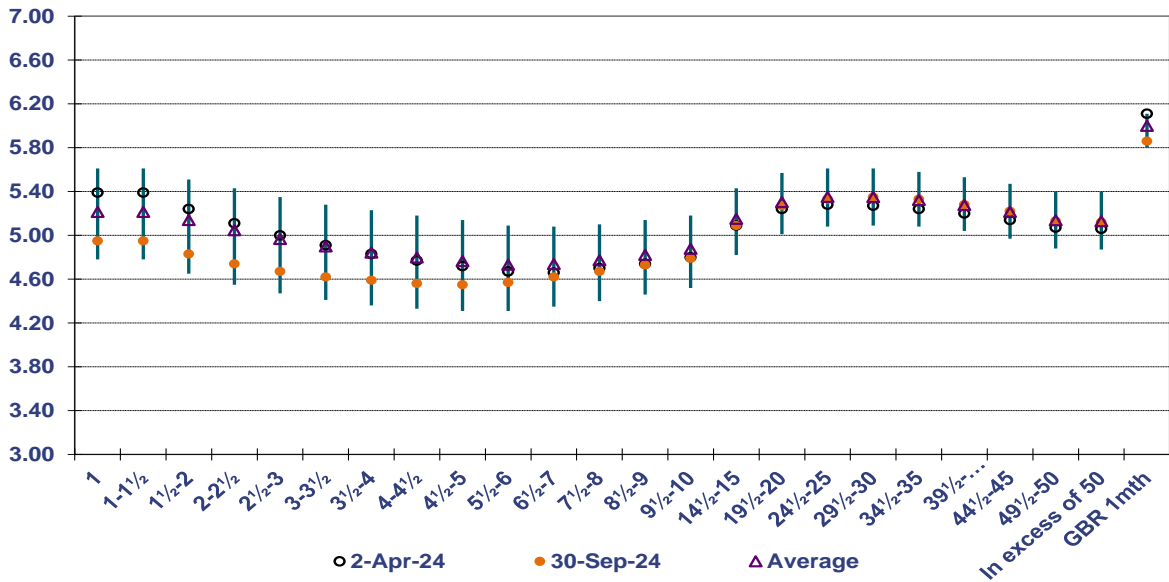
22. Nonetheless, November still looks most likely to be the next month to see a rate cut to 4.75% but, thereafter, inflation and employment data releases, as well as geo-political events, are likely to be the determinant for what happens in the remainder of 2024/25 and into 2025/26.

23. In the chart below, despite a considerable gilt market rally in mid-September, rates started and finished the six-month period under review in broadly the same position.

PWL B RATES 02.04.24 - 30.09.24



PWL B Certainty Rate Variations 2.4.24 to 30.9.24



HIGH/LOW/AVERAGE PWL B RATES FOR 02.04.24 – 30.09.24

	1 Year	5 Year	10 Year	25 Year	50 Year
02/04/2024	5.39%	4.72%	4.80%	5.28%	5.07%
30/09/2024	4.95%	4.55%	4.79%	5.33%	5.13%
Low	4.78%	4.31%	4.52%	5.08%	4.88%
Low date	17/09/2024	17/09/2024	17/09/2024	17/09/2024	17/09/2024
High	5.61%	5.14%	5.18%	5.61%	5.40%
High date	29/05/2024	01/05/2024	01/05/2024	01/05/2024	01/05/2024
Average	5.21%	4.76%	4.88%	5.35%	5.14%
Spread	0.83%	0.83%	0.66%	0.53%	0.52%

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	Orange Red Green No Colour		12 months 6 months 100 days Not for use
Term Deposits with Banks and Building Societies	Orange Red Green No Colour		12 months 6 months 100 days Not for use
CD's or Corporate Bonds with Banks and Building Societies	Orange Red Green No Colour		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.

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank