

**DECISIONS SHOULD NOT BE IMPLEMENTED BEFORE
MONDAY 21 FEBRUARY 2022**

CABINET

Tuesday, 8 February 2022

PRESENT – Councillors Mrs H Scott (Chair), Clarke, Dulston, Durham, Marshall, K Nicholson and Tostevin

INVITEES – Councillors Curry, Harker and Snedker

APOLOGIES – Councillors Keir and Tait

ALSO IN ATTENDANCE – Councillors Mrs Culley, Holroyd, McCollom and Renton

C93 DECLARATIONS OF INTEREST.

There were no declarations of interest reported at the meeting.

**C94 TO HEAR RELEVANT REPRESENTATION (FROM MEMBERS AND THE GENERAL PUBLIC) ON
ITEMS ON THIS CABINET AGENDA.**

In respect of Minute C98(4) below, the Chair of the North Eastern Locomotive Preservation Group (NELPG) made a representation to Cabinet.

**C95 TO APPROVE THE MINUTES OF THE MEETING OF THIS CABINET HELD ON TUESDAY 11
JANUARY 2022.**

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

REASON – They represent an accurate record of the meeting

C96 MATTERS REFERRED TO CABINET

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

C97 ISSUES ARISING FROM SCRUTINY COMMITTEE

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

C98 KEY DECISIONS:-

(1) ADOPTION OF DARLINGTON BOROUGH LOCAL PLAN 2016/36

The Cabinet Member with the Economy Portfolio introduced the report of the Chief Executive (previously circulated) providing Members with an update on the process undertaken in the preparation of the Borough of Darlington Local Plan 2016/36 (Darlington Local Plan); the conclusions and recommendations of the report received from the Planning

Inspector (also previously circulated) appointed to undertake the examination of the Local Plan which identified that the Local Plan, subject to recommended Main Modifications, is sound, legally compliant and capable of adoption; and informing Members of the statutory procedures for the adoption of the Local Plan, following which there is a six-week period when it can be challenged in the High Court under section 113 of the Planning and Compulsory Purchase Act 2004.

The submitted report stated that all Local Planning Authorities were required to prepare a Local Plan that set out the local planning policies for their local planning authority area; an up-to-date Local Plan was essential to meet the development needs of the Borough and to enable the Council to shape and maintain control of development; the Local Plan was a framework for growth and aimed to ensure that Darlington would become an even more sustainable location in which people increasingly chose to live, work and visit; and that as well as delivering the economic strategy, it also made provision for new housing and infrastructure to meet local needs of the current and future population.

It was reported that the success of the Borough was predicated on growth and underpinned the future vibrancy of the town centre and local communities; the Local Plan set out how Darlington would grow, adapt and change and importantly how this would be achieved and managed; and provided the Council with the required spatial guidance and direction to contribute to and enable the structured development of the Borough, in support of both the Council's drive for a growing economy, building stronger communities and creating opportunities for all whilst mitigating and adapting to climate change, protecting and enhancing the environment, heritage and green infrastructure.

References were made to the Local Plan preparation process, including key milestones; the two public consultations that had been undertaken; the appointment of the Planning Inspector; the public hearings held as part of the examination process; the main modifications identified by the Inspector; a number of other additional modifications identified through the consultation process; the adoption process; monitoring of the Local Plan; and the financial and legal implications of its adoption.

Particular references were made at the meeting to the timescales involved; the development of masterplans; impact on communities; and the importance of having a sound local plan in place to ensure that any development is right for Darlington and is sustainable. The Cabinet Member with the Economy Portfolio responded thereon.

RESOLVED – (a) That the conclusions of the Report on the Examination of the Darlington Local Plan received from the Planning Inspectorate, as detailed at Appendix 1 of the submitted report, be noted, which recommended that, subject to modifications, the Local Plan be adopted.

(b) That it be recommended to Council that the Darlington Local Plan, attached at Appendix 3 of the submitted report, including all modifications detailed in Appendices 1 and 2 of the submitted report, and the Policies Map, attached at Appendix 4 of the submitted report, including modifications detailed in Appendix 5 of the submitted report, be adopted.

(c) That the Core Strategy (2010) policies and saved Local Plan (1997, alterations 2001) policies, be superseded, upon the adoption of the Darlington Local Plan.

REASON - Local Planning Authorities must prepare a Local Plan that sets out the local planning policies for their local planning authority area. Government guidance requires that Local Plans must be positively prepared, justified, effective and be consistent with national policy, in accordance with Section 20 of the Planning and Compulsory Purchase Act 2004 (as amended) and the National Planning Policy Framework (NPPF).

(2) SCHOOL ADMISSION ARRANGEMENTS 2023/24

The Cabinet Member with the Children and Young People Portfolio introduced the report of the Group Director of People (previously circulated) requesting that consideration be given to the Local Authority's admission arrangements (also previously circulated) for the 2023/24 academic year for maintained schools in the Borough.

The submitted report stated that in line with the School Admissions Code, an Admission Authority was required to annually determine the admission arrangements used to allocate places for schools for which it was the admission authority; all Admission Authorities were required to consult on their admission arrangements and co-ordinated scheme at least once every seven years; and that this Council had consulted with the appropriate bodies within the required timescales. Consultation had taken place on the reduction of the published admission number for Harrowgate Hill Primary School from 90 to 60 for the 2023/24 entry and that with the introduction of the new School Admissions Code in September 2021, consultation had been undertaken, in order to adopt a scheme for 2023/24, that met the requirement pertaining to in-year admission arrangements. It was reported that no comments had been received to the consultation and that an Equality Impact Assessment had been undertaken.

RESOLVED - That the admission arrangements, as appended to the submitted report, for the three maintained primary schools in Darlington for entry in 2023/24 and for the administration of in-year applications thereafter, be approved.

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

(3) EDUCATION CASE MANAGEMENT SYSTEM

The Cabinet Member with the Children and Young People Portfolio introduced the report of the Group Director of People (previously circulated) requesting that consideration be given to the procurement of a new software support and maintenance contract in respect of the product known as 'Liquidlogic Early Years and Education System (EYES)' at an additional cost of £467,000 over the 2022/23 and 2023/24 financial years.

The submitted report stated that it had been identified that the current IT provision for Education systems did not enable a transformative approach to directorate wide work to secure the best outcomes for families in Darlington; a business case had considered a number of options for the purchase of a new IT system which would offer full integration of records across the People directorate; and outlined the preferred option.

Particular references were made to the procurement process; financial implications of the project; and equalities considerations.

RESOLVED – (a) That the review of the software requirements in Education Services as detailed in the submitted report, be noted, and the procurement of a new software and maintenance contract for Early Years and Education staff that facilitated greater integrated working across the People Directorate, also as detailed in the submitted report, be approved.

(b) That the assessment of the procurement, as set out in Appendix C to the submitted report, be noted, and the procurement be designated as non-strategic procurement.

(c) That the award of the contract, be delegated to the Group Director of People in accordance with the Contract Procedure Rules.

REASONS – (a) To facilitate the full integration of records across the People directorate.

(b) To better enable Education Services to support the Council to fulfil its statutory duties.

(c) To comply with the Contract Procedure Rules.

(4) DARLINGTON RAIL HERITAGE QUARTER

The Leader introduced the report of the Group Director of Services (previously circulated) providing an update on the Darlington Rail Heritage Quarter (DRHQ) project and seeking the necessary approvals to deliver the project for the Bicentennial Anniversary of the Stockton and Darlington Railway (S&DR) in 2025.

It was reported that the DRHQ was a major project that invested in the Council's rail heritage ahead of the bicentennial anniversary of the S&DR in 2025 to create a national visitor destination in Darlington; heritage and cultural regeneration were recognised as key ingredients to economic growth and that the DRHQ would complement the economic growth ambition of the Borough; the DRHQ would be transformed into a major visitor attraction by 2024 so that it could be a central part of the bicentenary events of the S&DR in 2025; essential improvements would be undertaken to a number of significantly historic buildings on the site, linking them together to create a cluster of attractions including, the Skerne Bridge, the oldest working railway bridge in the world; digital and technological investment would bring history to life; and that there would be a new immersive ride experience. Other facilities to be provided at the DRHQ included a café, shop, themed play area, show field, a new live engineering building, temporary exhibition space, archive and extended car parking, all of which would attract all generations to visit for years to come.

The submitted report outlined the background, objectives and vision of the project; provided an update on the approvals, acquisitions and leases required to deliver the project; outlined the delivery timetable; financial, legal and HR implications; procurement advice; consultation undertaken; and equalities considerations.

The Chair of the North Eastern Locomotive Preservation Group (NELPG) addressed Members at the meeting and requested that consideration be given to the Council re-engaging with them, as a key partner of the DRHQ. The Leader responded thereon, and in doing so, stated

that although the Officers of the Council would agree to meet with them there may now be limited opportunities due to the tight deadlines involved with the project.

RESOLVED – (a) That the progress with the delivery of the Darlington Rail Heritage Quarter, as detailed in the submitted report, be agreed, and in doing so it be recommended to Council that:

- (i) £0.54m funded from grants and contributions from external bodies, be approved and released;
- (ii) £2.2m from the Indigenous Growth Fund, be approved and released, and the use of £4.6m from the Towns Fund, be noted;
- (iii) £5.11m of capital funding, to be financed through prudential borrowing from within the existing Medium Term Financial Plan resources allocated for the Head of Steam, be approved and released;
- (iv) £1.6m of capital funding from the National Lottery Heritage Fund (NLHF) and £0.3m from the Arts Council England (ACE), subject to successful applications, be approved and released, and that in the unlikely event the bids were not successful it be agreed to underwrite the £1.9m of funding; and
- (v) a further £1m be released and underwritten, if the current project costs could not be reduced further by value engineering.

(b) That officers be authorised to progress the compulsory purchase order should the negotiated transfer not be completed by the end of February 2022.

(c) That the Chief Executive be given delegated authority to agree terms of the lease and service level agreement for site partners.

(d) That a funding agreement, be entered into, with the Tees Valley Combined Authority under the current delegated approval by the Group Director of Operations.

REASONS – (a) To enable DRHQ to move forward to delivery, ensuring it is completed in time for the 2025 celebrations of 200 years of the Stockton and Darlington Railway.

(b) DRHQ has strong links to the Council vision contributing to the economic growth of the town, and Northgate in particular, and would be a key venue for the 2025 celebrations, which would put Darlington and the wider region on the world map being a place to be truly proud of, demonstrating the Council's commitment to valuing our heritage and culture.

(c) Cabinet do not have the delegated authority to approve capital expenditure over £0.5m in one financial year.

C99 LEVELLING UP DARLINGTON

The Cabinet Member with the Stronger Communities Portfolio introduced the report of the Chief Executive (previously circulated) requesting that consideration be given to the

development of a Levelling Up Darlington Plan, led by the Council with public partner agencies.

The submitted report stated that the Government was committed to 'levelling up' across the whole of the United Kingdom to ensure that no community was left behind, particularly as the Country recovered from the Covid-19 pandemic; the Levelling Up Darlington Plan aimed to maximise the benefit to Darlington and its residents of Government investment; and that it would particularly aim to support residents of the communities most in need in Darlington and those whose employment had been adversely affected by Covid-19 to access quality employment.

Particular references were made to the vision for levelling up Darlington; the priority areas for action; the consultation undertaken; and the outcome of that consultation.

References were made at the meeting of keeping Members informed of any proposals for their respective wards; the importance of addressing needs of people as well as the built environment; and to the funding available. The Leader and the Cabinet Member with the Stronger Communities Portfolio responded thereon.

RESOLVED – (a) That the Levelling Up Darlington Framework, as detailed in the submitted report, be agreed.

(b) That the areas for priority action, as detailed in the submitted report, be agreed

(c) That work with partner agencies be commenced to develop a programme and action plan.

(d) That a Levelling Up Darlington launch event be held.

REASONS – (a) The Levelling Up Darlington plan will help deliver the priorities of the Council Plan.

(b) The Plan will maximise the benefits to Darlington of Government investment.

C100 CALENDAR OF COUNCIL AND COMMITTEE MEETINGS 2022/23

The Leader introduced the report of the Group Director of Operations (previously circulated) requesting that consideration be given to the Calendar of Council and Committee Meetings for the 2022/23 Municipal Year (also previously circulated).

RESOLVED - That the Calendar of Council and Committee Meetings 2022/23, as appended to the submitted report, be approved, and the proposed dates for the meetings of Council be referred to the Annual Council meeting scheduled to be held on Thursday 19 May 2022, for approval.

REASON - To ensure that the calendar of meetings is approved for the forthcoming municipal year.

C101 MEDIUM TERM FINANCIAL PLAN - INVESTING IN AND DELIVERING SUCCESS FOR

DARLINGTON

Pursuant to Minute C79/Dec/21, the Leader introduced the report of the Chief Officers Executive (previously circulated) proposing a Medium Term Financial Plan (MTFP) 2022/23 to 2025/26 (also previously circulated), including setting a budget and council tax increase for 2022/23, to Council on 17 February 2022, for approval.

It was reported that current MTFP remained deliverable, but it was not without risk and challenges; the proposed MTFP included the Risk Reserve at the same level as 2021; the Council still had financial capacity to deliver a four year balanced MTFP based on a core offer service level with limited discretionary services which was reliant on the use of balances across the four year MTFP; the Covid-19 pandemic had impacted on the priorities of, and the way in which, the Council conducted its business; the financial pressure on the public sector as a whole, and the Council more specifically, had been significant over the last couple of years; there had been a decade of significant financial challenge following the economic downturn and the reductions in public sector spending; and that the Council had been successful in responding to those challenges.

It was reported that the Local Government Finance Settlement delivered on 16 December 2021 confirmed a one year settlement; a number of funding streams had been announced in the Autumn Statement; the 2022/23 Budget and MTFP aimed to ensure that the Council could continue to provide vital services in response to Covid-19, should it be required, and importantly continue to provide its core offer level of services to the residents of Darlington regardless of Covid-19; and that a healthy level of reserves had been maintained for medium term stability and that this was now a crucial component of the budget strategy which would allow time for the key ambition of economic growth to take effect.

Particular reference was made to the 'futures fund' which had been established in five areas that had great value to the community. Whilst the fund was initially established for a time limited period, the ongoing commitments contained within the fund were key to driving the Council's ambition of growing the economy and, as a result, it was proposed to mainstream those areas into the budget from 2025/26.

Details of the projected expenditure and income, budget pressures and savings, schedule of fees and charges, assumptions used to prepare estimates, projected Revenue Outturn 2021/22; proposed Capital Programme and Minutes from the Economy and Resources Scrutiny Committee, were also appended to the submitted report.

Reference was made at the meeting to the recent announcement made by the Government in respect of rebates and whether this had been taken into consideration in the proposed MTFP and to the anticipated reduction in business rates in 2024.25. The Cabinet Member with the Resources Portfolio and the Group Director of Operations responded thereon.

RESOLVED - That it be recommended to Council, at the special meeting scheduled to be held on 17 February 2022, that the Revenue Medium Term Financial Plan (MTFP) and the Capital Programme, as set out in Appendices 6 and 7 respectively of the submitted report, be approved, including:-

(a) a Council Tax increase of 1.99 per cent plus a one per cent Adult Social Care Precept to

help fund social care for 2022/23;

(b) the Schedule of Charges, as set out in Appendix 3 of the submitted report; and

(c) the mainstreaming of the ongoing services provided by the 'Futures Fund' into the budget from 2025/26, as set out in paragraph 71 of the submitted report.

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

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

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

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

C102 HOUSING REVENUE ACCOUNT - MEDIUM TERM FINANCIAL PLAN 2022/23 TO 2025/26

Pursuant to Minute C78/Dec/21, the Cabinet Member with the Health and Housing Portfolio introduced the report of the Group Director of Operations (previously circulated) requesting that consideration be given to the proposals for the revenue budget, capital programme, rent levels and service charges for the Council's Housing Revenue Account (HRA) for the financial year 2022/23, in the context of the HRA Medium Term Financial Plan (MTFP) to 2025/26 and the 30-year Business Plan.

The submitted report stated that the Council was the largest provider of social housing in the Borough, providing 5,275 homes to local residents; the homes were of a high standard of accommodation that met the Decent Homes Standard; and that as a result of the high quality of the homes and the services provided by the Council they were in high demand; to meet that demand the Council had an ambitious programme to build 1,000 new Council homes in Darlington over a ten year period, funded through capital receipts from the right to buy sales, grant funding and borrowing of £15M. The proposed revenue budget expenditure of £25,448M included £4,282M to fund responsive repairs and maintenance and £17.618M to the capital programme and the proposed capital programme of £32.98M included funding for work to current properties and £25.6M to deliver the new build Council housing programme.

It was reported that the key decision to be made regarding the HRA each year was the balance between setting rent and service charge levels that were affordable to the Council's tenants whilst ensuring that there was sufficient resources to invest in housing stock, tackle climate change and maintain services; Local Authorities had the discretion to increase rents by the Consumer Prices Index (CPI) plus one per cent, which meant that rents could be increased by up to 4.1 per cent; 70 per cent of tenants would have their rent and services charges covered by benefit payments; and that a number of options had been considered, taking into account the current economic pressures facing tenants and delivering ambitious capital and energy efficient programmes.

In presenting the report, the Cabinet Member with the Health and Housing Portfolio thanked all the staff for their hard work, particularly over the last twelve months.

Particular reference was made at the meeting to the adaptations made to new properties to ensure that they were accessible.

RESOLVED - That it be recommended to the special meeting of Council scheduled to be held on 17 February 2022 that :-

- (a) an average weekly rent increase of two per cent for 2022/23 be implemented giving an average social rent of £75.01 and affordable rent of £92.06;
- (b) garage rents and service charges be increased, as shown in Table 1 of the submitted report;
- (c) the revenue budget, as attached at Appendix 1 of the submitted report, be approved;
- (d) the Housing Business Plan, at attached at Appendix 2 of the submitted report, be agreed;
- (e) the capital programme, as attached at Appendix 3 of the submitted report, be agreed, and the funding be released if the programme is subsequently approved by Council; and
- (f) the Group Director of Operations be given delegated powers to proceed with new build schemes for affordable rent using the funding, as identified at paragraph 16 of the submitted report.

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

C103 PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT STRATEGY REPORT 2022/23

The Cabinet Member with the Resources Portfolio introduced the report of the Group Director of Operations (previously circulated) requesting consideration be given to reviewing the Prudential Indicators and Limits for 2022/23 to 2024/25 relating to capital expenditure and Treasury Management activity; a policy statement relating to the Minimum Revenue Provision; and the Treasury Management Strategy 2022/23, which includes the Annual Investment Strategy for 2023/23.

The submitted report outlined the Council's Prudential Indicators for 2022/23 to 2024/25 and set out the expected treasury operations for that period and reported that the expenditure plans, Treasury Management and Prudential Borrowing activities indicated that they were within the statutory framework and consistent with the relevant codes of practice, were prudent, affordable and sustainable and were an integral part of the Council's Revenue and Capital Medium Term Financial Plans.

RESOLVED - That it be recommended to the special meeting of Council scheduled to be held on 17 February 2020 that:-

- (a) the Prudential Indicators and limits for 2022/23 to 2024/25, as summarised in Tables 1

and 2 of the submitted report, be approved;

(b) the Minimum Revenue Provision (MRP) statement, as detailed in paragraphs 33 to 37 of the submitted report, be approved;

(c) the Treasury Management Strategy 2022/23 to 2024/25, as summarised in paragraphs 41 to 69 of the submitted report, be approved; and

(d) the Annual Investment Strategy 2022/23, as contained in paragraphs 70 to 107 of the submitted report, be approved.

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

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

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

C104 PROJECT POSITION STATEMENT AND CAPITAL PROGRAMME MONITORING - QUARTER 3

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

The submitted report stated that the projected outturn of the current Capital Programme was £274.173M against an approved programme of £274.463M; the investment was delivering a wide range of improvements to the Council's assets and more critically services; the programme, including commitments, remained affordable within the Medium Term Financial Plan (MTFP) for 2021/22 to 2024/25; the Council currently had 46 live projects, with an overall projected outturn value of £138.928M, the majority of which were running to time, cost and quality expectations, but were being monitored given the current pressures on resources in the construction sector nationally; and that the projects were managed either by the Council's in-house management team, a Framework Partner or by Consultants source via an open/OJEU tender process.

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

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

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

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

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

(c) To maintain effective management of resources.

C105 REVENUE BUDGET MONITORING - QUARTER 3

The Cabinet Member with the Resources Portfolio introduced the report of the Group Director of Operations (previously circulated) providing a forecast of the 2021/22 revenue budget outturn, as part of the Council's continuous financial management process.

The submitted report stated that it was the third revenue budget management report to Cabinet for 2021/22 and that the projected revenue reserve at the end of 2021/22 was £29.773M, an improvement of £4.847M on the planned balances in the 2021/25 Medium Term Financial Plan (MTFP). The improvement in reserves included £2.317M of additional balances brought forward following the 2020/21 outturn; £0.993M of resources returned to reserves, following the rebasing exercise; £0.196M of projected Group overspends; a £0.729M increase in corporate resources; and a net £1.004M required from the COVID-19 reserve.

It was reported that of the £29.733M projected reserves, there was a risk reserve balance of £5.350M and a commitment to use £15.838M to support years two to four of the current MTFP, which left £8.585 of unallocated reserves.

RESOLVED - (a) That the forecast revenue outturn for 2021/22, as detailed in the submitted report, be noted.

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

(c) That the carry forwards requested, as detailed in the submitted report, be agreed.

(d) That a 'ring fenced' reserve be created for a 2025 Rail Heritage Fund.

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

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

C106 MEMBERSHIP CHANGES - TO CONSIDER ANY MEMBERSHIP CHANGES TO OTHER BODIES TO WHICH CABINET APPOINTS.

There were no membership changes reported at the meeting.