

COUNCIL

Thursday, 17 February 2022

PRESENT – The Mayor, Councillors Ali, Allen, Bartch, Bell, Dr. Chou, Clarke, Cossins, Crudass, Crumbie, Mrs Culley, Curry, Donoghue, Dulston, Durham, Harker, Haszeldine, Holroyd, L Hughes, Johnson, B Jones, Mrs D Jones, Keir, Laing, Layton, Lee, Lucas, Marshall, McCollom, McEwan, Mills, Newall, K Nicholson, M Nicholson, Preston, Renton, A J Scott, Mrs H Scott, Snedker, Sowerby, Tait, Tostevin, Wallis, Willis and Wright.

APOLOGIES – Councillors Boddy, Heslop, Lister and Paley.

ABSENT – Councillors Baldwin.

57 **DECLARATIONS OF INTEREST.**

Councillor Crumbie declared a pecuniary interest in Minute 59 below, as a homeowner in the Whinfield Ward.

NOTE: The Assistant Director – Law and Governance advised that a dispensation under Section 33 of the Localism Act 2011 had been granted in relation to the consideration of the Local Plan as a matter of public interest, and as a matter about which all Members needed to be able to express a view and make decisions.

58 **QUESTIONS - TO ANSWER QUESTIONS (WHERE APPROPRIATE NOTICE HAS BEEN GIVEN FROM):-**

(1) **THE PUBLIC;**

There were four questions, with notice, from Members of the Public, who each received an answer thereon.

(2) **MEMBERS TO CABINET/CHAIRS.**

There were no questions from Members, where notice had been given, for the Mayor, Members of the Cabinet, or the Chairs of the Scrutiny Committees.

59 **ADOPTION OF DARLINGTON BOROUGH LOCAL PLAN 2016-2036**

The Chief Executive submitted a report (previously circulated) seeking the approval of the changes recommended during the examination process of the Borough of Darlington Local Plan 2016 – 2036 (Darlington Local Plan).

The submitted report stated that an up-to-date Local Plan was essential to meet the development needs of the Borough, and to enable the Council to shape and maintain control of development. The submitted report outlined that the Local Plan was a framework for growth and aimed to ensure that Darlington became an even more sustainable location in which people increasingly chose to live, work and visit. It was highlighted that in addition to delivering the economic strategy, the Local Plan also identified provision for new housing and infrastructure to meet the needs of the current and future population.

The submitted report highlighted that the Local Plan provided the Council with the required spatial guidance and direction to contribute to, and enable, the structured development of the Borough, whilst mitigating and adapting to climate change, protecting and enhancing the environment, heritage, and green infrastructure.

The independent inspector's report was appended to the submitted report, and identified that the Local Plan (subject to recommended Main Modifications) was sound, legally compliant and capable of adoption.

The submitted report also highlighted the statutory procedures for the adoption of the Local Plan, outlining that there would be a six-week period following adoption when it could be challenged in the High Court under Section 113 of the Planning and Compulsory Purchase Act 2004.

In accordance with Council Procedure Rules, a request was made by five Members for a named vote on the Motion. A named vote was taken of those Members present at the meeting and there appeared:-

For the Motion – Councillors Dr. Chou, Clarke, Crudass, Mrs. Culley, Donoghue, Dulston, Durham, Johnson, B. Jones, Mrs. D. Jones, Keir, Laing, Lee, Marshall, Mills, K. Nicholson, Preston, Renton, Mrs. H. Scott, Sowerby, Tait, Tostevin, Willis and Wright (24)

Against the Motion – The Mayor; Councillors Ali, Allen, Bartch, Cossins, Crumbie, Curry, Harker, Haszeldine, Holroyd, L. Hughes, Layton, Lucas, McCollom, McEwan, Newall, M. Nicholson, A. J. Scott, Snedker and Wallis (20)

Abstentions – Councillor Bell (1)

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

(b) That the Darlington Local Plan (including all modifications detailed in Appendices 1 and 2) attached at Appendix 3 and Policies Map at Appendix 4 be adopted (including modifications detailed in Appendix 5), be agreed.

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

(d) That it be noted that there is a six-week High Court challenge period should any aggrieved party wish to challenge how the plan has been prepared.

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).

60 MEDIUM TERM FINANCIAL PLAN INVESTING IN AND DELIVERING SUCCESS FOR DARLINGTON

The Chief Officers Executive submitted a report (previously circulated) to seek approval for a Medium Term Financial Plan (MTFP) for 2022/23 to 2025/26, including setting a budget and Council Tax increase for 2022/23, and also the approval of a 2022/23 to 2025/26 Capital Programme.

The submitted report stated that, whilst 2020/21 was undoubtedly the year of Covid, 2021/22 will be remembered as the year we started to live and adapt to the difficulties and opportunities it created. It was reported that the pandemic fundamentally impacted on the priorities of, and the way in which, the Council conducted its business, and that the financial pressure on the public sector as a whole and the Council more specifically have been significant over the last couple of years. This was on the back of a decade of significant financial challenge following the economic downturn and the reductions in public sector spending.

The submitted report stated that the Council had received its Local Government Finance Settlement on 16 December 2021, and which confirmed a one year settlement and a number of funding streams announced in the Autumn Statement including the £1.5bn additional funding stream which had been split between a specific grant for Social Care and an un-ringfenced Services Grant which was only guaranteed for 2022/23 whilst a review of Local Government funding takes place. It was reported that the MTFP was based on a one year funding basis, and therefore the 2022/23 Budget and MTFP had an eye to future years, but did not seek to presume what the future would look like. The proposed MTFP aimed to ensure that the Council could continue to provide vital services in response to Covid should it be required, and importantly continue to provide the core offer level of services to the residents of Darlington regardless of Covid.

It was reported that a healthy level of reserves had been maintained for medium term stability and this was now a crucial component of the budget strategy which would allow time for the key ambition of economic growth to take effect.

The submitted report stated that the core offer remained challenging with some significant pressures arising, however through tight financial management, innovative financial investments and increased income from economic growth successes, the Council was still in a position to deliver the agreed balanced plan, finance the MTFP to 2025/26 whilst retaining usable balances of £1.523m.

The following amendment to the Motion was moved by Councillor Harker, and seconded by Councillor Ali:

‘Delete the recommendation contained in paragraph 12 (a) (i) and replace with :-

12 (a) (i) Council Tax increase of 1% which is solely the Adult Social Care Precept to help fund social care for 2022/23.’

In accordance with Council Procedure Rules, a request was made by five Members for a named vote on the Amendment. A named vote was taken of those Members present at the

meeting and there appeared:-

For the Amendment – The Mayor; Councillors Ali, Cossins, Crumbie, Curry, Harker, Haszeldine, L. Hughes, Layton, Lucas, McCollom, McEwan, Newall, M. Nicholson, A. J. Scott and Wallis (16)

Against the Amendment – Councillors Allen, Bartch, Bell, Dr. Chou, Clarke, Crudass, Mrs. Culley, Donoghue, Dulston, Durham, Johnson, B. Jones, Mrs. D. Jones, Keir, Laing, Lee, Marshall, Mills, K. Nicholson, Preston, Renton, Mrs. H. Scott, Snedker, Sowerby, Tait, Tostevin, Willis and Wright (28)

Abstentions – Councillor Holroyd (1)

The Amendment was Lost.

In accordance with the requirements of the Budget and Policy Framework Rules a vote on the recommendation was taken of those Members present at the meeting and there appeared:-

For the Motion – The Mayor; Councillors Ali, Allen, Bartch, Bell, Dr. Chou, Clarke, Cossins, Crudass, Crumbie, Mrs. Culley, Curry, Donoghue, Dulston, Durham, Harker, Holroyd, L. Hughes, Johnson, B. Jones, Mrs. D. Jones, Keir, Laing, Layton, Lee, Lucas, Marshall, McCollom, McEwan, Mills, Newall, K. Nicholson, M. Nicholson, Preston, Renton, A. J. Scott, Mrs. H. Scott, Snedker, Sowerby, Tait, Tostevin, Wallis, Willis and Wright (44)

Against the Motion – (0)

Abstentions – Councillor Haszeldine (1)

Motion Carried.

RESOLVED – (a) That the Revenue MTFP as set out in Appendix 6 and the Capital Programme as set out in Appendix 7, including the following, be approved:

- (i) Council Tax increase of 1.99% plus a 1% Adult Social Care Precept to help fund social care for 2022/23.
 - (ii) The Schedule of Charges as set out in Appendix 3.
 - (iii) Mainstreaming the ongoing services provided by the futures fund into the budget from 2025/26 onwards as set out in paragraph 71.
- (b) That a delegation for Cabinet to vary the Revenue Budget for 2022/23 by up to £0.5m without further Council approval be approved.
- (c) That a delegation for Cabinet to vary the Capital Budget for 2022/23 by up to £0.5m without further Council approval, be approved.

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 our assets is maintained.

61 DARLINGTON CAPITAL STRATEGY 2022/23

The Group Director of Operations submitted a report (previously circulated) requesting that consideration be given to the Council's Capital Strategy for 2022/23.

The submitted report stated that the production of a Capital Strategy was a requirement for Councils following the publication of the revised Prudential Code for Capital Finance in Local Authorities 2017. It was reported that the Strategy provided an overview of how capital expenditure and financing plans are decided upon, and provided a framework for the development, management and monitoring of the Council's capital investment plans. The submitted report stated that the Strategy also highlighted the resource streams available in terms of funding to the Council and the risk management approach taken.

RESOLVED – That the Capital Strategy for 2022/23 – 2025/26, as appended at Appendix 1 of the submitted report, be approved.

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

(b) To ensure the Council adopts the Prudential Code for Capital Finance 2017.

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

62 HOUSING REVENUE ACCOUNT - MTFP 2022-23 TO 2025-26

The Group Director of Operations submitted a report (previously circulated) requesting that consideration be given to 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 to 2025/26, and the 30 year Investment Plan, following consultation with Council tenants.

The submitted report stated that the Council was the largest provider of social housing in the borough, providing 5,275 homes to local residents, and outlined the ambitious programme to build new Council houses in Darlington. It was reported that the new build Council housing programme was funded through capital receipts from right to buy sales, grant funding from Homes England and through estimated borrowing of £15m.

The submitted report set out the key decisions for the HRA for 2022-23, which included proposed revenue expenditure of £25.448m, and a proposed capital programme of £32.98m.

It was stated that Councils had the discretion to increase rents each year by the Consumer Price Index (CPI) plus 1%, which means for 2022-23 Members had the option to increase rents by up to 4.1%. Consideration was given to a 4.1% increase, a 2% increase, and a zero

increase, and taking into account the current economic pressures facing tenants and balancing this with the need to deliver the Council's ambitious capital and energy efficiency programmes, it was determined that an increase of 2% was to be recommended, or an average of £1.64 each week. It was also recommended to increase service charges by an appropriate inflationary amount.

RESOLVED - (a) That an average weekly rent increase of 2% for 2022-23 be implemented, giving an average social rent of £75.01 and affordable rent of £92.06.

(b) That garage rents and service charges are increased as shown in Table 1 of the submitted report.

(c) That the Revenue budget, as appended at Appendix 1 of the submitted report, be approved.

(d) That the Housing Business Plan, as appended at Appendix 2 of the submitted report, be agreed.

(e) That the capital programme, as appended at Appendix 3 of the submitted report, be approved and released.

(f) That the Group Director of Operations be given delegated powers to proceed with new build schemes using the funding, as identified at paragraphs 23-25 of the submitted report.

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

63 PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT STRATEGY REPORT 2022/23

The Group Director of Operations submitted a report (previously circulated) which requested that Council adopt 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 2022/23.

The submitted report outlined the Council's Prudential Indicators for 2022/23 – 2024/25, and set out the expected treasury operations for this period. It was stated that the report fulfilled key legislative and guidance requirements.

The information contained within the submitted report regarding the Council's capital expenditure plans, treasury management and prudential borrowing activities indicated that they were within the statutory framework and consistent with the relevant codes of practice, prudent, affordable and sustainable, and an integral part of the Council's Revenue and Capital Medium Term Financial Plans.

RESOLVED - (a) That the Prudential Indicators and limits for 2022/23 to 2024/25, as summarised in Tables 1 of the submitted report, be approved.

(b) That the Minimum Revenue Provision (MRP) statement (paragraphs 33 – 37 of the submitted report) be approved.

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

(d) That 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 & 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.

64 SETTING THE COUNCIL TAX FOR 2022/23

The Group Director of Operations submitted a report (previously circulated) requesting that consideration be given to setting this Council's Council Tax for 2022/2023, which was required to be set before 11th March 2022.

In accordance with the requirements of the Budget and Policy Framework Rules a vote on the recommendation was taken of those Members present at the meeting and there appeared:-

For the Motion – The Mayor; Councillors Ali, Allen, Bartch, Bell, Dr. Chou, Clarke, Cossins, Crudass, Crumbie, Mrs. Culley, Curry, Donoghue, Dulston, Durham, Harker, Holroyd, L. Hughes, Johnson, B. Jones, Mrs. D. Jones, Keir, Laing, Layton, Lee, Lucas, Marshall, McCollom, McEwan, Mills, Newall, K. Nicholson, M. Nicholson, Preston, Renton, A. J. Scott, Mrs. H. Scott, Snedker, Sowerby, Tait, Tostevin, Willis and Wright. (43)

Against the Motion – None (0)

Abstentions – None (0)

NOTE: At the time that the vote was taken Councillors Haszeldine and Wallis had left the meeting.

Motion Carried.

RESOLVED - (a) That the following amounts be calculated by the Council for 2022/23 in accordance with sections 31 to 36 of the Act and relevant regulations:-

- | | | |
|------|---|--------------|
| (i) | the aggregate of the amount which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils, which is its expenditure | £237,456,767 |
| (ii) | the aggregate of the amounts which the Council | |

	estimates for the items set out in Section 31A(3) of the Act, which is its income	£178,923,000
(iii)	the amount by which (i) exceeds (ii) calculated by the Council for the year in accordance with Section 31A(4) of the Act as its Council Tax Requirement	£58,533,767
(iv)	The amount at item 5(iii) above, divided by the council tax base in paragraph 13 below, calculated by the Council in accordance with Section 31B of the Act as the basic amount of its Council Tax for the year (including Parish Precepts)	£1,698.38
(v)	the aggregate of all special items (Parish Precepts) referred to in Section 34(1) of the Act as in the attached Appendix 1	£190,767
(vi)	the amount at 5(iv) above less the result given by dividing the amount at 5(v) above by the amount at paragraph 13 below, calculated by the Council in accordance with Section 34(2) of the Act as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish Precept relates	£1,692.84
(vii)	That the basic council tax for 2022/23 calculated for dwellings in those areas that have parish precepts be as set out in Appendix 1 , column 5	
(viii)	That the Council, in accordance with Sections 30 and 36 of the Act, hereby sets the aggregate amounts shown in Appendix 2 as the amount of Council Tax for 2022/23 for each part of its area and for each of the categories of dwellings	

(b) It be noted that for the year 2022/23 The Office of the Durham Police, Crime and Victims' Commissioner has stated the following amounts in the precept issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwellings shown :-

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Police Authority	160.16	186.85	213.55	240.24	293.63	347.01	400.40	480.48

(c) It be noted that for the year 2022/23 County Durham and Darlington Fire and Rescue Service has stated the following amounts in the precept issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwellings shown: -

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Fire Authority	73.12	85.31	97.50	109.69	134.06	158.44	182.82	219.38

- (d) The Council, in accordance with Section 30(2) of the Act hereby sets the amounts set out in **Appendix 3** as the amounts of council tax for 2022/23 for each of the categories of dwellings.

REASON - The recommendations are supported to set the Council Tax for the Council's area in accordance with statutory requirements.

65 PAY POLICY STATEMENT 2022/23

The Group Director of Operations submitted a report (previously circulated) requesting approval of the Pay Policy Statement for the financial year 2022/2023 in line with the requirements of the Localism Act 2011 and Local Government Transparency Code 2014.

The submitted report stated that the Localism Act 2011 required the Council to agree a written Pay Policy on an annual basis and publish specific information relating to the Council's highest and lowest paid employees.

RESOLVED – That the proposed Pay Policy 2022/23, as detailed at Appendix A of the submitted report, be approved, and arrangements be made to publish the Policy on the Council's intranet for public access.

REASON – To enable the Council to comply with the requirements of the Localism Act 2011.

66 APPOINTMENT OF EXTERNAL AUDITORS 2023/24 - 2027/28

The Group Director of Operations submitted a report (previously circulated) to inform Members of the procurement routes for the appointment of the Council's External Auditors for the period 2023/24 to 2027/28, and to request approval for the opting in of the national scheme.

The submitted report stated that the Council had previously opted into the 'appointing person' national auditor appointment arrangements established by Public Sector Audit Appointments (PSAA) for the period covering the accounts for 2018/19 to 2022/23, and that the PSAA was now undertaking procurement for the next accounting period covering the audits for 2023/24 to 2027/28.

The submitted report outlined several reasons why the sector-wide procurement conducted by PSAA would produce better outcomes and would be less burdensome for the Council than a procurement undertaken locally, highlighted the deadlines to opt into the scheme, and reported on the recommendation made by the Audit Committee at its meeting on 26 January 2022.

RESOLVED - That Darlington accepts the PSAA invitation to opt into the national scheme for the appointment of external auditors for the 5 years from 1 April 2023.

REASON - To ensure the Council has an appointed external auditor from 2023/24 onwards procured through the most efficient route.

67 DARLINGTON RAIL HERITAGE QUARTER

The Group Director of Services submitted a report (previously circulated) requesting that Council release funding to enable the delivery of Darlington Rail Heritage Quarter (DRHQ).

The submitted report stated that the DRHQ is a major project that would invest in our rail heritage ahead of the bicentennial anniversary in 2025, to create a national visitor destination in Darlington. It was reported that heritage and cultural regeneration were now recognised as key ingredients in economic growth and that the DRHQ would complement the economic growth ambition of the Borough.

The submitted report provided an update on the background and strategic case for the project, the project objectives, what is included in the project, an update on approvals, leases, and acquisitions to deliver the project, and the delivery timetable and financial strategy. Members were advised that the project was now at a position for Council to consider the approvals required for the delivery of the project.

RESOLVED - (a) That £0.54m funded from grants and contributions from external bodies be approved and released.

(b) That £2.2m from the Indigenous Growth Fund be approved and released, and that the use of £4.6m from the Towns Fund be noted.

(c) That £5.11m of capital funding that will be financed through prudential borrowing from within the existing MTFP resources allocated for the Head of Steam be approved and released.

(d) That £1.6m of capital funding from the National Lottery Heritage Fund (NLHF) & £0.3m from the Arts Council England (ACE), subject to successful applications, be approved and released. In the unlikely event that the bids are not successful then agree to underwrite the £1.9m of funding.

(e) That a further £1m, if the current project costs cannot be reduced further by value engineering, be released and underwritten.

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 will be a key venue for 2025 celebrations, which will 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.