

COUNCIL

Thursday, 19 February 2026

PRESENT – The Mayor, Councillors Allen, Anderson, Baker, Bartch, Beckett, Cossins, Crudass, Crumbie, Mrs Culley, Curry, Dillon, Donoghue, Dulston, Durham, Garner, Harker, Haszeldine, Henderson, Holroyd, Johnson, Keir, Lawley, Layton, Lee, Mahmud, Marshall, McCollom, McEwan, McGill, K Nicholson, M Nicholson, Pease, Porter, Ray, Renton, Roche, Mrs Scott, Snedker, Storr, Toms, Tostevin, Michael Walker, Wallis and Walters

APOLOGIES – Councillors Ali, Coe and Mammolotti

ABSENT – Councillors Laing and Robinson

85 ANNOUNCEMENTS.

Death in Service, Glenda Deighton – The Mayor announced the death in service of Glenda Deighton, and made reference to Glenda's 37 years' service as a Residential Childcare worker for the Council.

Members stood and observed a short silence in respect of Glenda Deighton.

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

87 THE PUBLIC;

There were two questions, received with notice, from Members of the Public. One Member of the Public attended the meeting to ask their question in person and received an answer thereon.

The Mayor requested that a written response be provided to the Member of the Public who did not attend to ask their question in person.

88 MEMBERS TO CABINET/CHAIRS;

There were seven questions, received with notice, submitted by Councillor Walker to Members of the Cabinet.

Councillor Walker attended the meeting to ask the submitted questions and received answers thereon from the relevant Cabinet Members.

89 MEDIUM TERM FINANCIAL PLAN (MTFP)

The Chief Officers Executive submitted a report (previously circulated) to seek approval for a Medium Term Financial Plan (MTFP) for 2026/27 to 2029/30, including setting a budget and Council Tax increase for 2026/27, and also to approve the 2026/27 to 2029/30 Capital Programme.

The submitted report stated that, following years of austerity, the Council's Medium Term Financial Plan remained in a fragile position. Members were reminded that reductions in public spending between 2010 and 2019 had resulted in a real-terms reduction of £46m to the Council's budget, and that the impact of significantly increased demand for services following the Covid pandemic, alongside an unstable economic climate with rising inflation, increased cost of living and rising poverty, continued to pose considerable challenges.

The submitted report stated that the Council was facing a spiralling increase in the cost and demand for Children's and Adults' Social Care, which together accounted for over two-thirds of total expenditure. Inflation, the national living wage and interest rate levels continued to directly affect the cost of adult care contracts, while demand for children's services had continued to rise since the pandemic, with significant increases in contacts, referrals and the number of children in care. These pressures, combined with the statutory responsibility to provide these services, impacted on the funding available for all other Council services, particularly discretionary areas which kept the town clean, vibrant and safe.

It was reported that Darlington was not alone in facing these pressures, with councils across the country experiencing similar difficulties and many reporting significant concerns regarding their ability to balance their budgets. The submitted report stated that the Council had previously met challenges through value for money service delivery, shared services, economic growth and strong financial management, utilising reserves to continue delivering vital services for residents.

The submitted report stated that the Government recognised the outdated nature of the local government funding model and the significant pressures facing public services. Members were informed that, following a comprehensive consultation on Local Government Fair Funding Reform (FFR2.0), the Government had published a draft three-year finance settlement on 17 December 2025, with the final settlement issued on 9 February 2026.

It was reported that Darlington had benefitted from the redistribution of funding through an increase in Core Spending Power (CSP) of 14.9% between 2025/26 and 2028/29. This included additional grant funding of £3.2m in 2026/27, a further £1.0m in 2027/28 and £0.7m in 2028/29. Members noted that the CSP assumed councils would increase Council Tax by 5% per annum, including the Adult Social Care precept. The MTFP therefore proposed a Council Tax increase of 2.99% and an Adult Social Care precept of 2%, generating £2.117m and £1.416m respectively. The submitted report stated that Adult Social Care remained the Council's largest budget area, with expenditure of £59.3m, and that the precept was crucial to meeting the pressures within this service. Despite the increased funding, the position remained challenging, with reserves required over the next two years to meet the sustainability gap.

The submitted report stated that, in addition to increased government funding, the Council continued to review its cost base to secure value for money. Transformation programmes identified in the 2025/26 MTFP were progressing well and delivering anticipated savings, and

further transformation programmes had been identified on a spend-to-save basis.

The submitted report outlined the Council Plan priorities and vision for Darlington, which focused on economic growth, housing, health and wellbeing, children and young people, communities, and the local environment. Members were informed that the MTFP had been shaped to support these priorities by directing available resources to areas where the most impact could be achieved. The report highlighted the importance of inclusive economic growth in addressing financial and health inequalities, and the progress already made in attracting government departments, securing business growth, investing in transport infrastructure and delivering new Council housing.

The submitted report stated that the Council operated a core offer based on statutory service provision, with limited discretionary services. Reserves had been maintained as a key component of medium-term stability and were proposed to be utilised to meet the funding gap across 2026/27 and 2027/28 while the effects of funding reforms took shape. This was described as a prudent approach to maintaining statutory services, protecting a proportion of discretionary services, and supporting preventative work that reduced future demand.

It was reported that, if the recommendations in the report were approved, the Council would deliver a 2026/27 budget allowing for net revenue investment of £149m and new capital investment of £84m, in addition to the existing £340m capital programme.

The following Amendment was moved by Councillor Dulston and seconded by Councillor Durham:

Introduction of a Lane Rental Scheme within the Borough of Darlington

This amendment proposes that Darlington Borough Council develop and bring forward a Lane Rental Scheme for consideration, with the following key objectives:

To minimise disruption for residents and reduce environmental impact by encouraging roadworks to be completed on time and right first time.

To improve public satisfaction with road conditions.

To generate additional income that can be reinvested into highway maintenance, congestion reduction initiatives and parking improvements.

Background

The mechanism for Lane Rental schemes was enabled under Section 74A of the New Roads and Street Works Act 1991. The first pilot schemes were introduced in 2012 and supported by the Street Works (Charges for Occupation of the Highway) (England) Regulations 2012. These regulations prescribe a maximum daily lane rental charge of £2,500. Under the regulations, any surplus generated by a Lane Rental scheme must be reinvested as follows: 50% of net surplus funds must be spent on highway maintenance. The remaining 50% must be used to reduce disruption and other adverse effects caused by street works.

Local Context

Data obtained through a Freedom of Information request shows that six of Darlington's major roads are subject to an average of approximately 4,500 days per annum of roadworks presence. Even assuming that 75% of those days relate to Darlington Borough Council's own works, and assuming a conservative 50% improvement in roadwork efficiency, a Lane Rental scheme charging £2,000 per day (below the £2,500 statutory maximum) could generate an estimated gross income of approximately £1.13 million per annum.

Rationale

Council recognises this is an innovative, "spend-to-save" proposal that has the potential to: Significantly reduce disruption for residents and businesses.

Improve journey reliability and satisfaction with the highway network.

Provide a meaningful and ringfenced income stream for highway improvements and congestion reduction measures.

Therefore, Council resolves to:

Instruct officers to allocate the necessary internal resources to develop a detailed Lane Rental Scheme proposal and implementation plan, to be brought forward to Council for consideration prior to any formal submission to the appropriate regulatory body for approval.

Agree that, while upfront costs are expected to be limited, provision of up to £10,000 be identified within the current MTFP as a marker to cover any necessary legal advice and preparatory work.

Agree that any further reasonable costs required to develop the proposal be approved in accordance with existing officer delegations.

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

For the Amendment – Councillors Bartch, Crudass, Mrs. Culley, Donoghue, Dulston, Durham, Henderson, Holroyd, Keir, Lawley, Lee, Marshall, K Nicholson, Pease, Renton, Mrs. Scott, Snedker, Tostevin, Walker, Walters (20)

Against the Amendment – The Mayor, Councillors Allen, Anderson, Baker, Beckett, Cossins, Crumbie, Curry, Dillon, Garner, Harker, Haszeldine, Johnson, Layton, Mahmud, McCollom, McEwan, McGill, M Nicholson, Porter, Ray, Roche, Storr, Toms, Wallis (25)

Amendment Lost.

Another Amendment was moved by Councillor Henderson, and seconded by Councillor Snedker:

Further to the increased position on reserves from what was presented to scrutiny I propose that the increase in Council Tax be changed to 4.49%. This brings Council tax down to an increase nearer inflation.

In accordance with the requirements of the Budget and Policy Framework Rules a vote on

the Amendment was taken of those Members present at the meeting and there appeared:-

For the Amendment – Councillors Bartch, Crudass, Mrs. Culley, Donoghue, Dulston, Durham, Henderson, Holroyd, Keir, Lawley, Lee, Marshall, K Nicholson, Pease, Renton, Mrs. Scott, Snedker, Tons, Tostevin, Walker, Walters (21)

Against the Amendment – The Mayor, Councillors Allen, Anderson, Baker, Beckett, Cossins, Crumbie, Curry, Dillon, Garner, Harker, Haszeldine, Johnson, Layton, Mahmud, McCollom, McEwan, McGill, M Nicholson, Porter, Ray, Roche, Storr, Wallis (24)

Amendment Lost.

The Substantive Motion was then put to the meeting. 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 Allen, Anderson, Baker, Beckett, Cossins, Crumbie, Dillon, Garner, Harker, Haszeldine, Johnson, Layton, Mahmud, McCollom, McEwan, McGill, M Nicholson, Porter, Ray, Roche, Storr, Toms, Wallis (25)

Against the Motion – Bartch, Crudass, Mrs. Culley, Donoghue, Dulston, Durham, Henderson, Keir, Lawley, Lee, Marshall, K Nicholson, Pease, Renton, Mrs. Scott, Snedker, Tostevin, Walker, Walters (19)

Abstentions – Councillor Holroyd (1)

Motion Carried.

RESOLVED –

(a) That the response and comments received to the consultation be noted.

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

(i) A Council Tax increase of 2.99% plus a 2% Adult Social Care Precept for 2026/27;

(ii) The Schedule of Charges as set out in Appendix 3.

(c) That a delegation be approved for Cabinet to vary the Revenue budget for 2026/27 by up to £0.5m without further Council approval.

(d) That a delegation be approved for Cabinet to vary the Capital budget for 2026/27 by up to £0.5m without further Council approval.

Reasons – The recommendations are supported by the following reasons:

(a) The Council must set a budget for the forthcoming financial year.

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

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

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

90 SETTING THE COUNCIL TAX FOR 2026/27

The Executive Director of Resources and Governance submitted a report (previously circulated) requesting that consideration be given to setting this Council's Council Tax for 2026/2027, which was required to be set before 11th March 2026.

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 Allen, Anderson, Baker, Beckett, Cossins, Crumbie, Curry, Dillon, Garner, Harker, Haszeldine, Henderson, Holroyd, Johnson, Lawley, Layton, Mahmud, McCollom, McEwan, McGill, M Nicholson, Porter, Ray, Roche, Snedker, Storr, Toms, Wallis (29)

Against the Motion - Councillors Bartch, Crudass, Mrs. Culley, Donoghue, Dulston, Durham, Keir, Lee, Marshall, K. Nicholson, Pease, Renton, Mrs. Scott, Tostevin, Walker, Walters (16)

Motion Carried.

RESOLVED –

(a) That the following amounts be calculated by the Council for 2026/27 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 and the relevant regulations:

(i) £304,455,736 being the aggregate of the amounts which the Council estimated for the items set out in Section 31A(2) of the Act, taking into account all precepts issued by Parish Councils, as its expenditure.

(ii) £229,824,530 being the aggregate of the amounts which the Council estimated for the items set out in Section 31A(3) of the Act, as its income.

(iii) £74,631,206 being the amount by which the amount at (i) above exceeded the amount at (ii) above, calculated by the Council in accordance with Section 31A(4) of the Act, as its Council Tax Requirement for the year.

(iv) £2,064.97 being the amount at (iii) above, divided by the Council Tax base calculated in paragraph 13 of the report, in accordance with Section 31B of the Act, as the basic amount of Council Tax for 2026/27 (including Parish Precepts).

(v) £292,736 being the aggregate amount of all special items (Parish Precepts) referred to in Section 34(1) of the Act, as set out in Appendix 1.

(vi) £2,056.87 being the amount at (iv) above, less the result of dividing the amount at (v) above by the Council Tax base, calculated by the Council in accordance with Section 34(2) of the Act as the basic amount of Council Tax for dwellings in those

- parts of its area to which no Parish Precept related.
- (vii) That the basic Council Tax for 2026/27 for dwellings in those areas where Parish Precepts applied be as set out in Appendix 1, column 5.
- (viii) That the Council, in accordance with Sections 30 and 36 of the Act, set the aggregate amounts shown in Appendix 2 as the amounts of Council Tax for 2026/27 for each part of its area and for each category of dwelling.

(b) That it be noted that, for 2026/27, the Office of the Durham Police and Crime Commissioner had issued a precept to the Council in accordance with Section 40 of the Act, stating the following amounts for each category of dwelling:



(c) That it be noted that, for 2026/27, the County Durham and Darlington Fire and Rescue Service had issued a precept to the Council in accordance with Section 40 of the Act, stating the following amounts for each category of dwelling:



(d) That the Council, in accordance with Section 30(2) of the Act, set the amounts set out in Appendix 3 as the amounts of Council Tax for 2026/27 for each category of dwelling.

Reasons –
To set the Council Tax for the Council’s area for 2026/27 in accordance with statutory requirements.

91 DARLINGTON CAPITAL STRATEGY 2026/27

The Executive Director of Resources and Governance submitted a report (previously circulated) to seek approval of the Council’s Capital Strategy for 2026/27.

The submitted report stated that the revised Prudential Code for Capital Finance in Local Authorities 2024 required every Council to publish a Capital Strategy and review it annually. Members were reminded that, in accordance with these regulations, the Council had published its first Capital Strategy in 2019/20 and that the 2026/27 update was attached at Appendix 1.

It was reported that the revised Code placed greater emphasis on ensuring capital expenditure was prudent, proportional, affordable and sustainable, with an increased focus on the long-term implications of capital spending for the revenue budget and for the delivery of the Council’s policy objectives.

The submitted report stated that the Strategy provided an overview of how capital expenditure and financing decisions were taken, and set out the framework for the

development, management and monitoring of the Council's capital investment plans. Members were informed that the Strategy focused on the core principles underpinning the Council's four-year capital programme and the governance framework supporting it.

It was noted that the Strategy highlighted the resource streams available to the Council for capital financing and outlined the approach taken to risk management. Members were advised that the Strategy maintained strong alignment with the Council's wider priorities and key strategic documents, including the Treasury Management Strategy, the Medium-Term Financial Plan and the Council Plan.

RESOLVED – That the Capital Strategy for 2026/27, as set out in Appendix 1 of the submitted report, be approved.

Reasons –

- (a) To provide a framework for capital investments.
- (b) To ensure the Council adopted the Prudential Code for Capital Finance 2024.
- (c) To enable the Council to invest in its assets.

92 HOUSING REVENUE ACCOUNT - MTFP FOR 2026-27 TO 2029-30

The Executive Director of Resources and Governance submitted a report (previously circulated) to enable Members to consider and approve proposals for the revenue budget, capital programme, rent levels and service charges for the Housing Revenue Account (HRA) for 2026–27, within the context of the HRA Medium Term Financial Plan to 2029–30 and the 30-year Business Plan, following consultation with Council tenants.

It was reported that Darlington Borough Council remained the largest provider of social housing in the Borough, managing 5,266 homes which continued to meet the Decent Homes Standard. Members were informed that a range of high-quality services were provided to tenants, including a responsive repairs and maintenance service, lifeline support and an emergency call-out provision. In addition to day-to-day maintenance, significant annual investment was made in the housing stock to maintain standards, improve energy efficiency, support tenants in reducing their energy bills, meet Government targets and progress the Council's ambitious new-build programme. Demand for Council housing remained strong, and Members noted that the new-build programme was funded through right-to-buy receipts, Homes England grant funding and estimated borrowing of £8.2m.

It was also noted that the HRA funded a Tenancy Sustainment Service to provide tenants with advice and practical support, including assistance with welfare benefits, Universal Credit transition, budgeting, access to reduced-tariff utilities, and referrals for independent financial advice, food parcels and recycled furniture.

Members were advised of the key financial decisions for 2026–27, including proposed revenue expenditure of £31.986m, incorporating £7.455m for responsive repairs and maintenance and £12.261m to support the capital programme. The proposed capital programme totalled £22.119m and included heating replacements, adaptations, structural

and external works, window and door replacements, kitchen and bathroom renewals, energy-efficiency measures, and schemes previously approved as well as the continuation of the new-build programme.

It was highlighted that the central decision each year was the balance between affordable rents and the need to invest in the housing stock, meet climate and regulatory obligations, and maintain services. Councils could increase rents by CPI plus 1%, and with CPI at 3.8% for September 2025, Members considered an increase of up to 4.8%. Members were reminded that a 2.7% increase had been applied in 2025–26, which was the maximum permitted that year and in line with other social landlords nationally.

It was noted that pressures arising from increased building materials and contractor costs had significantly impacted repairs, maintenance and new build programmes, with repairs rising by 50% between 2021–22 and 2024–25. In addition, substantial investment would be required to meet Government energy-efficiency targets, with approximately 2,350 properties below EPC rating C and estimated to require £32m of works by 2030. The Council had successfully secured £3.5m through the Warm Homes: Social Housing Fund Wave 3, enabling upgrades to around 1,000 homes over the next three years, although further investment would still be required.

Members were informed of further pressures arising from forthcoming Decent Homes Standards, new Consumer Standards introduced in April 2024, the requirements of Awaab's Law regarding damp and mould, and Fire Safety regulations requiring replacement of doors in blocks of flats and communal housing schemes. Taking into account both the financial pressures and the need to maintain affordability for tenants, an increase of 4.8% for 2026–27 was recommended, alongside service charge increases aligned with expected costs. Cabinet had considered and endorsed the proposals on 3 February 2026.

RESOLVED – That Council be recommended to approve:

- (a) that an average weekly rent increase of 4.8% for 2026–27 be implemented, giving an average social rent of £89.92 and affordable rent of £101.95;
- (b) that garage rents and service charges be increased as set out in Table 3;
- (c) that the revenue budget at Appendix 1 be approved;
- (d) that the Housing Business Plan at Appendix 2 be agreed;
- (e) that the capital programme at Appendix 3 be approved and released; and
- (f) that the Executive Director of Resources and Governance be given delegated powers to proceed with new build schemes and property acquisitions using the funding identified at paragraph 22 of the report.

REASONS –

- (a) To enable the Council to deliver an appropriate level of housing services to tenants.

(b) To ensure housing need in the Borough continued to be met.

(c) To support the economic growth of the Borough through the development of new Council housing.

93 PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT STRATEGY REPORT 2026/27

The Executive Director of Resources and Governance submitted a report (previously circulated) requesting that Members review and approve the Prudential Indicators and Limits for 2026/27 to 2028/29, the Council's Minimum Revenue Provision Policy Statement, the Treasury Management Strategy for 2026/27, and the Annual Investment Strategy for 2026/27.

It was reported that the document set out the Council's prudential indicators for the forthcoming three-year period and the expected treasury operations to support the delivery of the capital programme. Members were advised that the report fulfilled key legislative and professional requirements, including the duty to publish prudential indicators in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice, the requirement to set out the Council's policy on Minimum Revenue Provision, and the duty to agree a Treasury Management Strategy and Annual Investment Strategy each financial year.

Members noted that the prudential indicators detailed the expected capital expenditure and the associated borrowing needs, together with treasury management indicators intended to provide assurance that treasury activity would be affordable, prudent and sustainable.

Particular reference was made to the authorised limit, which represented the maximum level of borrowing that the Council could afford in the short term, although this level would not be sustainable over the longer term. The investment strategy set out the criteria for selecting counterparties for investments and the controls in place to limit exposure to the risk of loss.

It was reported that the Council's expenditure plans, treasury management activities and prudential borrowing proposals were all within the statutory framework, consistent with the relevant professional codes of practice, and formed an integral part of both the Revenue and Capital Medium Term Financial Plans.

During consideration of the report, the relevant Portfolio Holder proposed an amendment to paragraph 81 of the Treasury Management Strategy. The Portfolio Holder advised that, in order to ensure the Council did not miss out on potential opportunities that could benefit the authority, a further borrowing option should be added to the list of approved sources. It was therefore proposed that a fourth option be inserted at paragraph 81(d) to read: *"Community Municipal Investment (bond or loan) with the lender being citizens."*

Members were informed that, as with all borrowing sources, this option would only be used if it provided the best value for the Council at the time of borrowing.

RESOLVED – That Council be recommended to approve:

(a) the Prudential Indicators and limits for 2026/27 to 2028/29 as summarised in

Tables 1 and 2;

(b) the Minimum Revenue Provision Statement set out in paragraphs 39 to 48;

(c) the Treasury Management Strategy 2026/27 to 2028/29 as summarised in paragraphs 52 to 82, including the amendment at paragraph 81 to insert a further borrowing option relating to Community Municipal Investments; and

(d) the Annual Investment Strategy 2026/27 contained in paragraphs 83 to 115.

REASONS –

(a) To comply with the Prudential Code for Capital Finance in Local Authorities and statutory guidance on investments and Minimum Revenue Provision.

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

(c) To approve a framework within which officers could operate when undertaking treasury management and investment activity.

94 PAY POLICY STATEMENT 2026/27

The Executive Director of Resources and Governance submitted a report (previously circulated) presenting the Council's Pay Policy Statement for the financial year 2026/2027, in accordance with the statutory requirements of the Localism Act 2011 and the Local Government Transparency Code 2014, and requesting approval of the Policy.

It was reported that the Localism Act required the Council to agree a written Pay Policy Statement on an annual basis and to publish specific information relating to the remuneration of the Council's highest- and lowest-paid employees.

Members were informed that the proposed Pay Policy for 2026/2027, attached at Appendix A, met all legislative requirements and associated guidance, and would be published on the Council's website to ensure full transparency once approved.

RESOLVED – That Council be recommended to agree and approve the Pay Policy 2026/2027 (Appendix A), and that arrangements be made for the Policy to be published on the Council's website for public access.

REASONS –

(a) To enable the Council to comply with the requirements of the Localism Act 2011.

(b) To ensure openness and transparency in relation to the Council's approach to pay.