

**DECISIONS SHOULD NOT BE IMPLEMENTED BEFORE
MONDAY 16 DECEMBER 2019**

CABINET

Tuesday, 3 December 2019

PRESENT – Councillors Mrs H Scott (Chair), Dulston, Johnson, Marshall and Tostevin

INVITEES – Councillors Curry, Harker, K Nicholson and Snedker

APOLOGIES – Councillors Crudass and Mills

ALSO IN ATTENDANCE – Councillors Clarke, Donoghue, Durham and Keir

C75 DECLARATIONS OF INTEREST.

In respect of Minute C81(1) below, the Leader declared a non-pecuniary interest as she was a Governor of Beaumont Hill Academy.

C76 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.

C77 TO APPROVE THE MINUTES OF THE MEETING OF THIS CABINET HELD ON 5 NOVEMBER 2019.

Submitted - The Minutes (previously circulated) of the meeting of this Cabinet held on 5 November 2019.

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

REASON – They represent an accurate record of the meeting.

C78 MATTERS REFERRED TO CABINET

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

C79 ISSUES ARISING FROM SCRUTINY COMMITTEE

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

C80 ANNUAL AUDIT LETTER

The Cabinet Member with the Resources Portfolio introduced the report of the Managing Director (previously circulated) presenting the Annual Audit Letter for 2018/19 (also previously circulated).

The Annual Audit Letter provided a high level summary of the results from the 2018/19 audit work undertaken by Ernst and Young LLP (EY), the Council's external auditors; confirmed that the Council's accounts gave a true and fair view for the year ending 31 March 2019; and that the Council had put in place proper arrangements to secure value for money in use of its resources.

A representative from Ernst and Young LLP (EY), presented the main findings from the Annual Audit Letter 2015/16 and stated that, the Council had been issued with an unqualified audit opinion.

RESOLVED - That the Annual Audit Letter, as appended to the submitted report, be noted.

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

C81 KEY DECISIONS:-

(1) HAUGHTON CHILDREN'S CENTRE

The Leader introduced the report of the Director of Children and Adults Services (previously circulated) seeking approval for the Education Village Academy Trust (EVAT) to take over the site of the Haughton Children's Centre, subject to a lease under the Academies Act 2010 to provide Special Educational Needs and Disabilities (SEND) placements at Beaumont Hill Academy (BHA).

The submitted report stated that the use of the site would support Darlington's strategic aim to educate more pupils with SEND in the Borough; Darlington had faced an increasing demand for specialist placements for pupils with SEND; Darlington's Local Area SEND Strategy aimed to retain more pupils in the Borough rather than at high cost out of the area specialist placements; an opportunity had arisen to use the Haughton Children's Centre site to increase capacity at Beaumont Hill Academy; and that the lease of the building to EVAT would involve a £400,000 risk of financial clawback, from the Department for Education.

Discussion ensued on the potential 'clawback' by the Department for Education and whether there were any other 'clawbacks' that would require, to be paid.

RESOLVED - (a) That the take-over of the site of Haughton Children's Centre, by the Education Village Academy Trust (EVAT) be approved, on standard lease terms under the Academies Act 2010, as set out in the submitted report.

(b) That £400,000 be earmarked from General Fund Reserves in case the Department for Education clawback is enacted.

(c) That the Assistant Director Law and Governance be authorised to complete legal documents accordingly.

REASON - (a) It supports the aims of Darlington's Local Area SEND strategy to building capacity in mainstream and specialist settings to support children and young people to be educated in their local community and to reduce reliance on out of area

placements 0-25 by providing additional capacity to BHA.

(b) It reduces the need for high cost out of area placements for pupils with SEND.

(2) WARM HOMES PROJECT

The Cabinet Member with the Stronger Communities Portfolio introduced the report of the Director of Economic Growth and Neighbourhood Services (previously circulated) providing an update on the previous Cabinet report of 9 January 2018 (Minute C98/Jan/18 refers), in relation to approval to participate in a Tees Valley Partnership to deliver Warm Homes Fund Project (WHF) and to agree to share financial risk with four Local Authority partners.

The submitted report stated that in July 2017, the National Grid and Community Interest Company, Affordable Warmth Solution (AWS) established a £150M Warm Homes Fund; a consortium, led bid by Northumberland County Council, of seven local authorities, including Darlington, registered housing providers and community partners had made a successful joint bid for Year 1 funding of £1.8M; that whilst the bid was successful, the number of measures delivered were much higher in Northumberland than any of the other partners; a further bid for funding in Year 2 was unsuccessful; a Round 3 bid for funding was submitted by a consortium of the Tees Valley Affordable Warmth Partnership, led by Stockton Borough Council, which approved but was later rejected; and that a Round 4 bid had been submitted to AWS, by the Tees Valley Affordable Warmth Partnership, for £4,065,284

Particular reference was made to the number of eligible properties; the importance of identifying those properties that were most in need; the sharing of the risks of the project with the other Local Authorities; the implications on the social landlords; and to the work that was being undertaken to ensure landlords had appropriate measures in place.

RESOLVED - (a) That, subject to the successful award and acceptance of grant by Stockton Borough Council, participation in the Warm Homes Fund Partnership be continued to deliver energy efficiency measures across the Borough.

(b) That the potential clawback, as detailed in paragraph 36 of the submitted report, be underwritten by the Council.

(c) That the underspend on the Housing Investment Programme Capital Grant (SHIP3) be allocated to the Warm Homes Project, to mitigate the potential clawback risk.

REASONS - (a) Participation in the project will deliver energy efficiency improvements for qualifying residents in the Borough. Funding availability elsewhere is now greatly reduced compared to previous years.

(b) Fuel poverty levels in the Borough will be reduced and associated problems will be reduced.

(3) DELIVERY OF NEW HOMES PROGRAMME - JOINT VENTURE PROPOSAL

The Cabinet Member with the Resources Portfolio introduced the report of the Managing Director (previously circulated) requesting that consideration be given to the establishment of a Joint Venture Company, to provide the infrastructure build and sale of homes under an investment programme within the North East under the company name Esh DBC JV Limited; the Council investing in the company; and acquiring land for schemes meeting qualifying investment criteria for residential development, through the Council's Joint Venture arrangements.

The submitted report stated that to date four Joint Venture schemes had been arranged under separate joint venture companies which brought forward a number of developments and that the schemes were projected to provide 388 new homes; estimated new homes bonus of £2.1m; a post-tax profit of over £3m; and on loan interest payments of £1.1m from a maximum engaged investment of £24.3m.

RESOLVED - (a) That the establishment of the Joint Venture Company to acquire land, as detailed in the submitted report, be approved.

(b) That £9.5m from the Investment Fund, to fund the Joint Venture Company financed by prudential borrowing subject to a first Legal Charge in favour of the Council over the Land acquired by the Joint Venture Company together with a Guarantee from the Joint Venture Partner in respect of 50 per cent of the Senior Loan sum, be approved.

(c) That the Joint Venture Agreement, be approved, and delegated authority be given to the Assistant Director – Resources (Chief Finance Officer) to finalise the establishment of the Joint Venture Company in line with the terms as detailed in the submitted report.

(d) That the Assistant Director – Resources (CFO), the Assistant Director Housing and Building Services and the Assistant Director - Law and Governance be appointed to act as directors in the Joint Venture Company as part of its Executive Board and approval be delegated to agree the acquisitions of land and development of sites on behalf of the Council as Shareholder.

(e) That the Joint Venture be funded from prudential borrowing from the Capital Investment Fund established by the report to Council dated November 2016.

REASONS - (a) To assist in the delivery of the Economic Strategy by speeding up the building of new homes.

(b) To deliver income for the Council.

C82 DOLPHIN CENTRE TEN PIN BOWLING

The Cabinet Member with the Health and Housing Portfolio introduced the report of the Director of Economic Growth and Neighbourhood Services (previously circulated) requesting that consideration be given to the release of funding for the Dolphin Centre to install a five-lane ten pin bowling alley and extension to the existing soft play facility.

The submitted report stated that following the decision by Cabinet not to relocate the

Library to the Dolphin Centre, work had been ongoing to develop proposals to introduce a range of facilities that improved the family and teen offer of the building; the proposal was to develop a five-lane Ten Pin Bowling Alley and extend the Soft Play together with a number of facilities for young people/teenagers; the Town Centre Strategy received a number of comments supporting the development of a Ten Pin Bowling facility in Darlington; outlined the financial, legal and HR implications; and the outcome of the consultation.

Particular concerns were raised at the meeting to the implications for squash players who didn't drive, to access alternative venues should they wish to play squash; the viability of introducing bowling in the Dolphin Centre; the management of the bowling and other facilities for young people; and the importance of offering the right experience to ensure that the facilities were used. The Director of Economic Growth and Neighbourhood Services responded thereon.

RESOLVED – That the alterations to the Dolphin Centre, with the introduction of new facilities and the release of £1million, to be funded from additional revenue, be approved.

REASON - To enable the alterations to the Dolphin Centre with the introduction of Ten Pin Bowling and extensions to Soft Play alongside additional offer for young people/teenagers.

C83 THE NORTHGATE INITIATIVE

The Cabinet Member with the Stronger Communities Portfolio introduced the report of the Managing Director (previously circulated) requesting that consideration be given to the introduction of an initiative in the Northgate Ward, aiming to work with partner agencies to address a broad range of issues including environment, education, health, employment, safety and social relationships.

The submitted report stated that the initiative would comprise a multi-agency programme to pilot a range of interventions, from support to advice to enforcement activities where required in order to improve outcomes for local residents in all areas of wellbeing, including economy, education and childhood, health, environment and social relationships; the work would focus on the area of the Northgate Ward to the west of North Road; outlined the terms of reference of the initiative; next steps; governance arrangements; financial, legal and HR implications; and equalities considerations.

Discussion ensued on the funding of the initiative; the provision of an additional post; involvement of the Ward Councillors in the initiative; the sustainability of the project; the importance of receiving feedback on the project; and the implications for those living in poverty, particularly children.

RESOLVED - (a) That the Northgate Initiative, as detailed in the submitted report, be approved.

(b) That the proposal to earmark £100,000 from the Futures Fund for the project initiation, be noted.

REASONS - (a) Northgate ward has one of the highest concentrations of private rented property in the borough.

(b) There is also a relatively high number of younger deprived families living in the area, suffering from a range of interrelated issues of deprivation including child poverty, fuel poverty, high incidences of crime and antisocial behaviour and poor health outcomes.

(c) To allocate funding to the initiative.

C84 PROPOSED WAITING RESTRICTIONS MCMULLEN ROAD ROUNDABOUT - OBJECTIONS

The Leader introduced the report of the Director of Economic Growth and Neighbourhood Services (previously circulated) advising Members of an objection received to a proposal for waiting restrictions at McMullen Road/Yarm Road roundabout and requesting that consideration be given to a decision on whether to proceed with the proposal.

The submitted report outlined the background to the proposals and stated that an objection had been received from a resident who owned one of the affected properties.

The Leader reported at the meeting that although the Ward Councillors hadn't been consulted prior to the report being circulated, they had since been consulted, and were in favour of the proposals

RESOLVED - That the objection, as detailed in the submitted report, be set aside for reasons as outlined in the submitted report and officers be authorised to proceed with the proposal to introduce and no waiting at any time and no waiting 8.00am to 6.00pm.

REASON - To improve the traffic flow and road safety of the roundabout.

C85 REVIEW OF OUTCOME OF COMPLAINTS MADE TO OMBUDSMAN

The Cabinet Member with Resources Portfolio introduced the report of the Managing Director, the Director of Children and Adults Services and the Director of Economic Growth and Neighbourhood Services providing Members with an update of the outcome of cases which had been determined by the Local Government and Social Care Ombudsman (LGSCO) and Housing Ombudsman (HO) since the preparation of the report to Cabinet on 10 September 2019.

The submitted report stated that between 1 April and 30 September 2019 eleven cases were the subject of a decision by the LGSCO and none subject to a decision by the HO; the Council received four upheld maladministration injustice decisions for the LGSCO, three relating to adult social care services and the other highways; that there were no identifiable themes running through the complaints; and that the actions identified to remedy the complaints should ensure there was no re-occurrence.

The Cabinet Member with the Resources Portfolio, in presenting the report, stated that the report would move to annual update.

RESOLVED - That the contents of the report be noted.

REASONS - (a) It is important that Members are aware of the outcome of complaints made to the LGSCO and the HO in respect of the Council's activities.

(b) The contents of this report do not suggest that further action, other than detailed in the report, is required.

C86 MID-YEAR PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT 2019/20

The Cabinet Member with the Resources Portfolio introduced the report of the Managing Director (previously circulated) seeking approval of the revised Treasury Management Strategy, Prudential Indicators and providing a half-yearly review of the Council's borrowing and investment activities.

It was reported that the mandatory Prudential Code, which governs Council's borrowing, required Council approval of controls, called Prudential Indicators, which related to capital spending and borrowing. The indicators were set out in three statutory annual reports and the key objectives of those reports were set out in the submitted report, together with the key proposed revisions to the indicators which related to a reduction in the Operational Boundary and the Authorised Limit to allow for any additional cashflow requirements.

Particular references were made to the removal of the facility to lend to Registered Social Landlords and to investments of £30m in property funds, which were expected to increase the net return on investment by around £0.700m in future years.

It was reported that the Audit Committee had considered the report and were satisfied with the Council's borrowing and investment activities, reported indicators and revised borrowing limits.

RESOLVED - (a) That the revised prudential indicators and limits, as detailed in Tables 1 to 6, 8 and 15 to 18 in the submitted report, be examined.

(b) That the over-spend in the Treasury Management Budget (Financing Costs) of £0.033m, as shown in Table 12 of the submitted report, be noted.

(c) That the report be forwarded to Council in order for the updated prudential indicators to be approved.

REASONS - (a) In order to comply with the Prudential Code for Capital Finance in Local Authorities.

(b) To inform Members of the performance of the Treasury Management function.

(c) To comply with the Local Government Act 2003.

(d) To enable further improvements to be made in the Council's Treasury Management function.

C87 MEMBERSHIP CHANGES - TO CONSIDER ANY MEMBERSHIP CHANGES TO OTHER BODIES TO WHICH CABINET APPOINTS.

There were no membership changes reported at the meeting.

C88 TO CONSIDER THE EXCLUSION OF THE PUBLIC AND PRESS :-

EXCLUSION OF THE PUBLIC - 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 item on the grounds that it involves the likely disclosure of exempt information as defined in exclusion paragraph 3 of Part I of Schedule 12A to the Act.

**DECISIONS DATED –
FRIDAY 6 DECEMBER 2019**