

13 April 2016

Report from the Cabinet



Purpose of the Report

To provide information to the Council on issues considered by the Cabinet on 16 and 23 March 2016 to enable Members to ask related questions.

Members are asked to table any questions on items in this report by 2 pm on 12 April 2016 in order for them to be displayed on the screens in the Council Chamber.

Contents

16 March

- Item 1 Council Plan and Service Plans 2016-2019
Key Decision: CORP/A/03/16/1

- Item 2 Proposal to change the Age Range of Crook Primary School from 4-11 to 3-11 from 1 September 2016 and to close Crook Nursery School as a separate school on 31 August 2016
Key Decision CAS/07/15

- Item 3 Review of Home to School / College Transport Policy
Key Decision: CAS/04/15

- Item 4 Proposal to change the Age Range of Trimdon Grange Infant and Nursery School from 3-7 to 3-11 from 1 September 2016 and to close Trimdon Village Community Infant and Trimdon Junior School as separate schools on 31 August 2016
Key Decision: CAS/08/15

- Item 5 Houses in Multiple Occupation Article 4 and Interim Student Accommodation Policy
Key Decision R&ED/06/16

- Item 6 Quarter Three 2015/16 Performance Management Report

- Item 7 Forecast of Revenue and Capital Outturn 2015/16 for General Fund and Housing Revenue Account – Period to 31 December 2015

- Item 8 Proposal for Changes to the Charging Policy for Non-Residential Social Care Services in Receipt of Severe Disability Premium Entitlement
- Item 9 Care Connect Consultation and Proposed New Charging Policy

23 March

- Item 10 North East Combined Authority: Devolution Decision

1. Council Plan and Service Plans 2016-2019
Key Decision: CORP/A/03/16/1
Leader of the Council – Councillor Simon Henig
Contact – Tom Gorman 03000 268027

We have considered a report of the Assistant Chief Executive which provided a draft of the Council Plan for 2016-19 for consideration and comment before being submitted for approval by Council on 13 April 2016.

The Council Plan is the overarching high level plan for the County Council and details Durham County Council's contribution towards achieving the objectives set out in the Sustainable Community Strategy (SCS) together with its own change agenda. It aims to provide a summary for members, partners and the public of the Council's priorities for the county over the coming three years.

This year, as agreed in principle by Cabinet in November 2015, it is proposed that the existing three year Council Plan is updated and rolled forward a year, with a more fundamental review to take place next year, in line with a refresh of the Sustainable Community Strategy. The five key altogether better themes remain unchanged in line with the review of the Altogether Better Durham vision by the County Durham Partnership.

Both the Sustainable Community Strategy and Council Plan are structured around the five priority themes for Durham which are; Altogether wealthier, Altogether better for children and young people, Altogether healthier, Altogether greener and Altogether safer. An additional theme of an Altogether Better Council has been developed for the Council Plan to capture the corporate initiatives that the council has identified that it wants to undertake in order to enable achievement against the five priority themes.

A set of draft objectives and outcomes around which the Council Plan is structured was agreed at Cabinet on 18 November 2015. A small number of additional changes brought forward by services and partnerships were included in the final framework which was included as Appendix 2 of the report.

With regard to the Altogether Healthier priority theme, it was proposed that an extra outcome be added under objective 4 'Improved mental health for the population of County Durham'. This was highlighted as a priority through the consultation process on the Joint Health and Wellbeing Strategy.

With regard to the Altogether Safer priority theme, it was proposed that another outcome be added under objective 5 'Improved Safety in the home'. This was highlighted at Safer and Stronger Overview and Scrutiny Committee as a priority for the Safe Durham Partnership. Actions have been identified which support its inclusion in the Council Plan.

Each service grouping has developed their own service plan to cover the forthcoming three years which have been considered collectively to reduce overlap. Following the Council Plan being approved by Council, both the Council Plan and Service Plans will be published on the Council's website.

Decision

We have:

- I. Agreed the content of the draft Council Plan and recommended it for approval by full Council on 13th April, subject to any final minor amendments by the Assistant Chief Executive.
 - II. Approved the content of the draft service plans, subject to any final minor amendments by the relevant Director and Portfolio Holder.
- 2. Proposal to change the Age Range of Crook Primary School from 4-11 to 3-11 from 1 September 2016 and to close Crook Nursery School as a separate school on 31 August 2016 [Key Decision CAS/07/15]
Cabinet Portfolio Holder – Councillor Ossie Johnson
Contact – Sheila Palmerley 03000 265731**

We have considered a report of the Corporate Director, Children and Adults Services which sought approval to change the age range of Crook Primary School from 4-11 to 3-11 from 1 September 2016 and to close Crook Nursery School as a separate school on 31 August 2016, taking account of the Local Authority's duties as prescribed in the Education and Inspections Act 2006 to secure sufficient places, and to secure good outcomes for all children and young people in their local area.

The Council is moving where possible towards a model of all through Primary Schools instead of having separate Nursery, Infant and Junior Schools. Officers within the Education Service believe that children and their families will benefit from continuity of education provision from age 3 to 11 in a single school, rather than two separate schools. Crook Primary School and Crook Nursery School are approximately 50 yards from each other and are located on the same site.

The Corporate Director, Children and Adults Services approved the commencement of consultation on the proposal to change the age range of Crook Primary School from 4-11 to 3-11 from 1 September 2016 and to close Crook Nursery School as a separate school on 31 August 2016. Meetings were held with Governors and staff on 12 October 2015 and a public consultation was undertaken between 2 November 2015 and 11 December 2015. A full summary of the consultation responses was included in the delegated decision report attached as Appendix 2.

After full consideration of all the responses to the consultation, the Corporate Director, Children and Adults Services used delegated powers to agree to publish proposals to change the age range of Crook Primary School from 4-11 to 3-11 from 1 September 2016 and to close Crook Nursery School as a separate school on 31 August 2016. A statutory notice was therefore published on 7 January 2016. A statutory 4 week representation period followed. No responses were received by the end of the 4-week statutory notice period. Once the representation period has closed a decision on the proposal must be made within 2 months i.e. by 4 April 2016.

The most recent Ofsted reports judged Crook Primary School and Crook Nursery School as 'good'. Both schools already work closely together for the benefit of all pupils. The report proposed that the amalgamated school will be on the site of the current Crook Primary School and Crook Nursery School. The current capacity of Crook Primary School is for 406 pupils. The maximum numbers of pupils anticipated to be at the school (Reception - Year 6) is not expected to be more than 380, therefore no pupils would be displaced by the proposal. Capital funding in the region of £25,000 will be required to upgrade the ICT provision and provide appropriate signage. This would be funded from a DfE grant allocated to the Local Authority.

Officers believe that amalgamating the two schools will have no negative impact on the standard of education provided to children in these schools, and that proceeding with the proposal would preserve and enhance education provision in Crook and would bring about wider educational benefits for pupils, parents and staff.

Decision

We have agreed:

- (i) that the age range of Crook Primary School should be changed from 4-11 to 3-11 from 1 September 2016, and
- (ii) that Crook Nursery School should close as a separate school on 31 August 2016

3. Review of Home to School / College Transport Policy **Key Decision: CAS/04/15** **Cabinet Portfolio Holder – Councillor Ossie Johnson** **Contact – Sheila Palmerley 03000 265731**

We have considered a report of the Corporate Director, Children and Adults Services which provided details of the recent consultation on possible changes to the Council's Home to School/College Transport Policy. It provided an analysis of the responses and made recommendations for changes to the existing policy which would apply from 1 September 2016.

At its meeting on 16 September 2015, Cabinet agreed to undertake consultation on proposed changes to the Home to School Transport Policy with regard to:

- Year 10 and 11 pupils whose families move house during exam years
- Post 16 students with no access to a viable public transport system

- Post 16 students who cannot travel independently due to a medical condition / disability.

The proposed changes would affect three specific areas of discretionary provision within the Council's Home to School Transport Policy:

- a) Free transport for students in Years 10 and 11 who move house during these important exam years (there are currently 70 pupils who benefit from this);
- b) Free transport for Post 16 students who have no access to a viable public transport system (there are currently 24 students who benefit from this);
- c) Free transport for Post 16 students who cannot travel independently due to a medical condition / disability (there are currently 240 students who benefit from this).

The proposals are to remove the automatic entitlement to free transport for these groups of students, except where there are exceptional circumstances. The proposals would be applied to new applicants only with effect from September 2016 and therefore the impact would be over a number of years. No current recipients would lose their entitlement. The proposals to remove these discretionary elements have been the subject of a consultation exercise carried out from 30 September 2015 to 11 November 2015. Specific groups who were likely to be affected by the proposals were targeted

A summary of responses received during the consultation was included in the report. A total of 146 individual responses were received. The number of people currently qualifying for support being more than twice that amount (334). The report provided detail on the responses received. In addition to the responses that were received on-line / via e-mail, the County Council's Children and Young People's Overview and Scrutiny advised of the importance of monitoring the process to ensure that no person 'fell through the net' and that the changes would not be a barrier to any young person accessing post-16 education. The Teesdale Area Action Partnership submitted a response. The Partnership felt that the proposal to remove automatic entitlement to free travel for Post 16 students with no access to a viable public transport system affected the Teesdale area disproportionately and, owing to the rural nature of the area, it was the view of the Partnership that Teesdale should be considered differently, under this proposal.

The report provided information regarding the application of the proposal and mitigating actions. In respect of Year 10/11 Pupils affected by the removal of the automatic award of free travel, the proposal would not affect those families where the house move has been the result of exceptional circumstances and cases would be considered on an individual basis. In addition, where the Council operates transport to a school, concessionary seats may be purchased at a subsidised cost of £1.50 per day, if there are spare seats on the transport.

For those post 16 pupils/students with no access to a viable public transport system who could be affected by the removal of the automatic award of free link taxi arrangements, the Council would seek to provide support to help meet travel costs

for those who live in low income households. Under this proposal, students who apply in future would be expected to attend their nearest school or college that offers the course that they wish to follow, whilst having reasonable opportunities to choose between different establishments at which education and training is provided, with requests being considered on a case by case basis. In addition, where the Council operates transport to a school for statutory school aged pupils, concessionary seats may be available for post-16 students, at a subsidised cost of £1.50 per day.

For those post 16 pupils/students with a medical condition/disability who could be affected by the removal of the automatic free award of taxi arrangements to school/college, the Council would seek to provide support to help meet travel costs for those who live in low income households, and where mobility support/assistance is not already given. Where students receive mobility support/assistance already this should be used to contribute to the costs of transport. Under this proposal, students who apply in future would be expected to attend their nearest school or college that offers the course that they wish to follow, whilst having reasonable opportunities to choose between different establishments at which education and training is provided, with requests being considered on a case by case basis. Students with special educational needs or disability (SEND) would be considered on an individual basis.

Decision

We have agreed:

(a) To amend the Council's Home to School/College Policy to:

- Remove the automatic award of free travel for students Year 10/11 pupils whose families move house during these important exam years;
- Remove the automatic award of free travel (link taxi transport) for post 16 students with no access to a viable public transport system; and
- Remove the automatic award of free travel for post 16 students who cannot travel independently due to a medical condition / disability.

(b) To agree that families in exceptional circumstances will continue to be supported by the council to seek access to financial support from a range of sources, where appropriate, to help cover the costs of school / college transport.

(c) To agree that the changes will only apply to new applicants from September 2016.

(d) To agree the mitigating actions and application of the proposals included in the report.

4. Proposal to change the Age Range of Trimdon Grange Infant and Nursery School from 3-7 to 3-11 from 1 September 2016 and to close Trimdon Village Community Infant and Trimdon Junior School as separate schools on 31 August 2016

Key Decision: CAS/08/15

Cabinet Portfolio Holder – Councillor Ossie Johnson

Contact – Sheila Palmerley 03000 265731

We have considered a report of the Corporate Director, Children and Adults Services which approved to change the age range of Trimdon Grange Infant and Nursery School from 3-7 to 3-11 from 1 September 2016 and to close Trimdon Village Community Infant and Trimdon Junior School as separate schools on 31 August 2016, taking account of the Local Authority's duties as prescribed in the Education and Inspections Act 2006 to secure sufficient places, and to secure good outcomes for all children and young people in their local area.

The Council is moving where possible towards a model of all through Primary Schools instead of having separate Infant and Junior Schools. Officers within the Education Service believe that children and their families will benefit from continuity of education provision from age 3 to 11 in a single school, rather than three separate schools. This will result in a larger, more sustainable school to deliver primary education for the long term.

The areas of Trimdon Grange and Trimdon Village are served by Trimdon Grange Infant and Nursery School, Trimdon Village Community Infant School and Trimdon Junior School. The latter two schools are approximately 400 yards apart. The Corporate Director, Children and Adults Services approved the commencement of consultation on the proposal to change the age range of Trimdon Grange Infant and Nursery School from 3-7 to 3-11 from 1 September 2016 and to close Trimdon Village Community Infant and Trimdon Junior Schools as separate schools on 31 August 2016.

Meetings were held with Governors and staff between 19-21 October 2015 and a public consultation was undertaken between 9 November 2015 and 18 December 2015. 54 responses were in favour of the proposal. 189 responses were not in support of the proposal together with an online petition comprising 560 signatures. The respondents broadly supported the principle of an amalgamation of schools in the area as it was recognised that the future viability of small schools is uncertain due to the intended changes to school funding that the Government will be making from 2017/18. However, there were different views expressed about how the schools should be amalgamated including a request that consideration should be given to amalgamating the three schools into two primary schools instead of one. Appendix 2 of the report provided full details of the responses received during the consultation period.

After full consideration of all the responses to the consultation, the Chief Executive, used delegated powers to agree to publish proposals to change the age range of Trimdon Grange Infant and Nursery School from 3-7 to 3-11. from 1 September 2016 and to close Trimdon Village Community Infant and Trimdon Junior Schools as separate schools on 31 August 2016. A statutory notice was therefore published on

14 January 2016 and a statutory 4 week representation period followed. The Statutory Notice expired on 11 February 2016. Once the representation period closed a decision on the proposal must be made within 2 months i.e. by 11 April 2016.

237 responses were received by the end of the 4 week statutory notice period. In addition, a petition not in support of the proposal, comprising of 1,522 signatures was received. The Local Authority was made aware that a pre-printed letter had been distributed within the Trimdon Village Community for interested parties to sign. The letter highlighted concerns about how the Governing Body of the proposed single primary school would be established to ensure there was fair representation from both the Trimdon Village and Trimdon Grange communities. No other reasons for not supporting the proposal were cited in these responses. A Working Party has been formed comprising two Governors from each of the three schools to consider a number of issues in relation to establishing the proposed Primary School including the forming of a Governing Body. Stakeholders representing the Trimdon Grange community have consistently expressed a desire to have their own primary school as well as establishing a second primary school in Trimdon Village. This alternative proposal would have resulted in two relatively small Primary Schools to serve the area of Trimdon, in addition to the existing Community Primary School and a Roman Catholic Primary School. The size of the area does not require four primary schools and the Local Authority's aim is to reduce the number of small schools in order for the remaining larger schools to be used to provide the best education have long-term sustainability.

Officers believe that educationally the proposal to change the age range of Trimdon Grange Infant and Nursery School from 3-7 to 3-11 and to close Trimdon Village Community Infant and Trimdon Junior Schools as separate schools is in the best interest of pupils and their families. Two of the schools are small schools with fewer than 75 pupils on roll. If action is not taken to address the low pupil numbers the two schools could become unviable. The proposed amalgamated school will be on the site of the current Trimdon Grange Infant and Nursery School and Trimdon Junior School with a capacity for 420 pupils. A school of this size would be large enough to accommodate the current and future pupils expected to attend the proposed Primary School. The maximum number of pupils anticipated to be at the school up to 2025 is 310 therefore no pupils will be displaced by this proposal.

Capital funding in the region of £1.4 million will be required to remodel the current Trimdon Junior School building and to upgrade the ICT provision and provide appropriate signage. This will be funded from a DfE grant allocated to the Local Authority.

There would be no financial adjustment to the total funding for the three schools in 2016-17; the unspent balance of which would be available to the proposed Primary School. The surplus balances carried forward by the schools on 1 April 2016 would also be available to the proposed Primary School.

Officers believe that proceeding with the proposal will preserve and enhance education provision in Trimdon Grange and Trimdon Village and will bring about wider educational benefits for pupils, parents and staff.

Decision

We have agreed:

- (i) that the age range of Trimdon Grange Infant and Nursery School should be changed from 3-7 to 3-11 from 1 September 2016;
- (ii) that Trimdon Village Community Infant and Trimdon Junior School should close as separate schools on 31 August 2016.

**5. Houses in Multiple Occupation Article 4 and Interim Student Accommodation Policy Key Decision R&ED/06/16
Cabinet Portfolio Holder – Councillor Neil Foster
Contact – Mike Allum 03000 261906**

We have considered a report of the Corporate Director, Regeneration and Economic Development which requested Cabinet to:

- Note and endorse the Article 4 Direction for Durham City that was made on 17 September 2015 has been confirmed through delegated powers;
- Note and endorse the making of a new Article 4 Direction to cover Framwellgate Moor, Pity Me and Newton Hall; and
- Recommend that full Council adopt the Interim Policy on Student Accommodation.

On 15 July 2015 Cabinet agreed that a proposed Interim Policy on Student accommodation and a proposed Article 4 Direction should be subject to public consultation. Consultation began on 17 September and ended on 30 October 2015.

An Article 4 Direction allows local planning authorities to withdraw the 'permitted development' rights that would otherwise apply. Permitted development is development that can be undertaken without requiring planning consent. An Article 4 Direction does not prevent the development to which it applies, but instead requires that planning permission is first obtained from the local planning authority for that development which in this case would be the conversion of a dwelling to an HMO. As part of the consultation, eight drop-in events were held across the City and were well attended.

There was overwhelming support for the proposed Article 4 Direction and the Direction was confirmed by Delegated Decision. Some representations received as part of the consultation on the Article 4 Direction argued that the Direction should cover a wider geographical area. Having taken the comments into account, it was felt there was evidence to support the making of an Article 4 Direction to cover the Framwellgate Moor, Pity Me and Newton Hall areas. Under the Delegated Powers in the Council's Constitution, the Head of Planning and Assets, authorised the making of an Article 4 Direction for Framwellgate Moor, Pity Me and Newton Hall, on 24 February 2016.

Appendix 2 breaks down the Interim Policy into sections and sets out the main issues raised by respondents together with responses to the main issues. Appendix

3 includes tracked changes of the Interim Policy which set out the draft changes to the consultation draft. Appendix 4 is a version with the changes accepted for clarity and is the proposed final version of the Interim Policy. Once the Interim Policy has been approved, it can be used in the assessment of planning applications as a material consideration.

Decision

We have:

- Noted and endorsed the decision that has been taken to confirm the Durham City Article 4 Direction by Delegated Report;
- Noted and endorsed the making of an Article 4 Direction under Article 4(1) of the Town and Country Planning (General Permitted Development) Order 1995 (as amended) to remove permitted development rights in relation to changes of use from Use Class C3 to Use Class C4 (as defined in the Town and Country Planning [Use Classes] Order 1987, as amended). Twelve months advance notice of the Direction taking effect shall be given and representations will be invited for a period of 21 days. The Direction shall apply to the area shown on the map at Appendix 5 of the report; and
- Agreed to recommend to full Council that it adopt the Interim Policy on Student Accommodation as set out in Appendix 4 of the report which included the changes made following the period of consultation.

6. Quarter Three 2015/16 Performance Management Report Leader of the Council – Councillor Simon Henig Contact – Jenny Haworth 03000 268071

We have considered a report of the Assistant Chief Executive which reported on the present progress against the council's corporate basket of performance indicators (PIs), Council Plan and service plan actions and provided details on other performance issues for the third quarter of the 2015/16 financial year, covering the period October to December 2015.

This quarter there was a further decline in employment rate which remains below national and North East average levels. Good progress has continued this quarter in a number of key areas. Housing development has improved with significant increases in net homes completed with the number of affordable homes completed and empty properties improved already achieving the 2015/16 annual targets set. This quarter reported significant improvements in processing overall and major planning applications after a period of underperformance. Cancer screening rates are better than national and regional rates. Crime levels are the lowest in the comparator group with anti-social behaviour levels decreasing and first time entrants to the youth justice system continuing to reduce. Good levels of street and environmental cleanliness continue with fewer incidents of fly-tipping reported.

Challenges continue in the level of employment which has declined this quarter. There are ongoing challenges in relation to health particularly in child obesity which remains a significant problem. People receiving a NHS check remains below target and the suicide rate remains worse than national and regional averages. Smoking prevalence improved but is worse than national and regional levels and alcohol and opiate drug treatment continue to miss target. Sickness levels remain higher than acceptable and the employee appraisal rate has fallen and is now outside this quarter's increased target. Demand has reduced in some key areas. There is reduced demand in children in need referrals and fly-tipping incidents. New benefits claims are lower than last year as are the number of customers seen at customer access points. However, looked after children cases have increased compared to last year as have Freedom of Information and Environmental Information Regulations requests and benefit change of circumstances.

Decision

We have:

- a. Noted the performance of the council at quarter three and the actions to remedy under performance.
- b. Agreed all changes to the Council Plan as outlined below:

Amendments

Altogether Wealthier

- i. Support the development of a Heritage Lottery application to secure funding to fully restore the historic quay in Seaham and improve public access to facilities - January 2016. Revised date: April 2016.
- ii. Work with the land owner to agree a programme of works for Festival Walk at Spennymoor - December 2015. Revised date: April 2016.
- iii. Restore the former Boys Grammar School in Bishop Auckland for economic use – May 2018. Revised date: December 2019.
- iv. Carry out a feasibility study into the vision and purpose of Bishop Auckland Town Hall and its links to Auckland Castle – November 2015. Revised date March 2016.
- v. Develop a £12 million EU funded programme of activity to deliver access to finance support targeted at County Durham businesses - March 2016. Revised date: March 2017.

Altogether Healthier

- i. Review the culture and sport offer within Bishop Auckland in response to both Auckland Castle development and educational sector sports provision ambitions – Oct 2015. Revised target: March 2016.

Altogether Greener

- i. Delivery of the Thornley Waste Transfer Station as part of the Capital Improvement Programme – March 2016. Revised date: November 2016.
- ii. Develop a countywide allotment forum to embed a holistic approach to the management of allotments, increase community engagement and share best practice - December 2015. Revised date: March 2018.
- iii. Develop and improve the strategic cycle route network across County Durham - October 2016. Revised date: March 2017.

Altogether Better Council

- i. Develop a community led support network for community- November 2015. Revised date: April 2016.
- ii. Improve information governance: Develop SIRO and information asset owner roles - November 2015. Revised date: April 2016.
- iii. Map our information assets to identify asset owners and the risk associated with those assets – October 2015. Revised date: May 2016.

Deletions

- i. Improving customer services - embedding the new HR Service structure through developing work-stream action plans in relation to accommodation
- ii. Talent Management Framework (Durham Manager Programme) - Identify opportunities to create a Talent Management Framework for the Council in order to identify high potential individuals utilising in-house development and project based learning to develop a skills and succession framework for the council.

7. Forecast of Revenue and Capital Outturn 2015/16 for General Fund and Housing Revenue Account – Period to 31 December 2015 Deputy Leader of the Council – Councillor Alan Napier Contact – Jeff Garfoot 03000 261946

We have considered a report of the Corporate Director, Resources which provided Cabinet with an updated forecast of 2015/16 revenue and capital outturn, based on the period to 31 December 2015 for the Council's General Fund and Housing Revenue Account. The report also included the updated forecasts for the Council Tax Collection Fund and Business Rates Collection Fund.

This report updated the position presented to Cabinet on 18 November 2015 that showed the forecasted revenue and capital outturn based on expenditure and income up to 30 September 2015 and incorporated the recommended changes to

cash limits within Service Groupings agreed at that time, providing updates to these forecasts and revised forecast balances on general and earmarked reserves at 31 March 2016.

Revenue

The following adjustments have been made to the Original Budget that was agreed by Full Council in February 2015:

- (i) agreed budget transfers between Service Groupings;
- (ii) additions to budget for items outside the cash limit (for Cabinet consideration and recommended approval);
- (iii) planned use of or contribution to Earmarked Reserves (as referred to in Appendix 4 of the report).

Housing Revenue Account

On 13 April 2015, the Council transferred its housing stock of 18,500 dwellings to the County Durham Housing Group Ltd. Consent was received from the Secretary of State to close down the HRA any time from 30 April 2015 onwards as the Council is no longer a social housing landlord and not required to maintain a ring-fenced HRA. There were some residual transactions still taking place reflecting the relatively short period of activity in 2015/16 and also costs associated with delivering stock transfer in April which have been met from available income and reserves. All transactions are now complete and the HRA will be formally closed as part of the 2015/16 final accounts process.

Capital

The General Fund (GF) capital budget for 2015/16 was set at £148.480 million by Council on 25 February 2015. Reprofiling from the 2014/15 capital programme outturn into 2015/16, amounting to £18.736 million was approved by Cabinet on 15 July 2015 and was included in the Quarter 1 Forecast of Revenue and Capital Outturn Report to Cabinet on 16 September 2015. The Council's Member Officer Working Group (MOWG) that closely monitors the capital programme has since recommended approval to Cabinet of further revisions to the capital programme, taking into account additional resources received by the authority and further requests for reprofiling as Service Management Teams continue to monitor and review their capital schemes.

Decision

We have:

- Noted the projected change in the Council's overall financial position for 2015/16.
- Agreed the proposed 'sums outside the cash limit' for approval.
- Agreed the revenue and capital budget adjustments.
- Noted the forecast use of Earmarked Reserves.

- Noted the forecast end of year position for the Cash Limit and General Reserves.
- Noted the position on the Capital Programme and the Collection Funds in respect of Council Tax and Business Rates.

8. Proposal for Changes to the Charging Policy for Non-Residential Social Care Services
Cabinet Portfolio Holders – Councillors Alan Napier and Lucy Hovvels
Contact – Paul Darby 03000 261930

We have considered a joint report of the Corporate Director, Resources and the Corporate Director, Children and Adults Services which sought approval to begin consultation on proposed changes to the non-residential charging policy for people with disabilities who receive social care services. The proposed changes would apply to 'Disability Related Expenditure' disregards that are taken into account in calculating what is charged where clients are in receipt of 'Severe Disability Premium' payments and would bring the treatment of these clients in line with other local authorities. Subject to consultation, the proposed changes would be implemented for all new financial assessments processed after 1 October 2016, delivering approximately £1 million of savings as part of the Council's Medium Term Financial Plan (MTFP) across the period 2016/17 to 2019/20.

The Council's Non-Residential charging policy was reviewed in 2011 and again in 2013 when the following changes were implemented:

- Charges for day care services were introduced in 2011/12.
- Service users with savings over £23,250 were required to meet the full cost of their non-residential care services from November 2013.

The combined impact of these changes resulted in savings of £1.7m realised across the period 2011/12 and 2013/14.

This report set out proposals to amend the Council's non-residential charging policy for social care services in respect of the allowances made for Disability Related Expenditure disregards where people are in receipt of Severe Disability Premium.

Severe Disability Premium is paid to people living alone who claim the care component of Disability Living Allowance or Personal Independence Payment at the middle or highest rate or Attendance Allowance, providing no-one claims Carer's Allowance for them. Couples can each receive SDP providing both receive one of the benefits above. In these cases, where both receive social care services, then both will currently receive the £30.93 (50%) SDP disregard. SDP is intended as a contribution towards the cost associated with obtaining care in the home where there is no one else in the house who could reasonably provide that care.

The proposal is to cease the Council's policy of automatically disregarding £30.93 (50%) of the weekly SDP for non-residential financial assessments for all new clients seeking to receive non-residential social care services and instead offer an individual assessment of DRE, as is done for all other non SDP service users. This will bring the Council's treatment of this element of income in line with the majority of other

local authorities in the region. Durham is the only authority to automatically disregard 50% of SDP in the financial assessment.

For people already receiving the SDP disregard, it is proposed that there is no revision to their financial assessment.

Whilst the disability related expenditure being awarded in the financial assessment of current service users who are not in receipt of SDP is only based on the actual expenditure they incur, it is suggested that we do not remove the £30.93 (50%) SDP automatic disregard from those cases who already receiving the benefit of this disregard.

Analysis of caseload data shows that on average the service users in receipt of SDP receive services for approximately three years and therefore, applying this policy change to new service users only will mean that after a three year period it is likely that all cases will be based on an actual assessment of DRE rather than an automatic £30.93 (50%) SDP disregard for service users in receipt of SDP.

If implemented, the proposals set out in this report are estimated to deliver savings of approximately £1 million across the period 2016/17 and 2019/20.

Decision

We have:

- Recommended that the Council undertakes consultation on the proposal to end automatically disregarding £30.93 (50%) of the weekly severe disability premium in non-residential financial assessments for all new clients seeking to receive non-residential social care services, and offer an individual assessment of disability related expenditure as the Council does for all other service users who are not entitled to severe disability premium payments. This would bring the Council in-line with the majority of other authorities in the region.
- Recommended that the Council does not revise the financial assessment for people already receiving this disregard.

9. Care Connect Consultation and Proposed New Charging Policy Cabinet Portfolio Holder – Councillor Eddie Tomlinson Contact – Adrian White 03000 267455

We have considered a report of the Corporate Director, Regeneration and Economic Development which advised Cabinet of the outcomes of the consultation with Care Connect customers and recommended the introduction of a contributory charge to those who currently receive a free service and to increase the current charge to those who self-pay for the service.

Care Connect is the council's community alarm and telecare provider. It provides a range of additional preventative services to a variety of people many of whom are

older people and some who also receive a social care service. The community alarm service is non-statutory, but is a key element in assisting users to live independently in their own home.

Historically, customers in receipt of Guaranteed Pension Credit, Council Tax Benefit or Housing Benefit qualified for a free community alarm service. This qualification was removed for new customers from April 2014, as part of previous MTFP savings measures. However, Cabinet agreed to protect those customers already receiving a free service for a period of at least two years. The two year period will end on 31 March 2016.

There are currently around 15,000 households receiving the community alarm monitoring and response service. This comprises approximately:

- 8,000 households who receive the service free due to being in receipt of means tested benefits;
- 4,786 'self-funding' households (who currently pay £4.60 per week)
- 2,134 households in receipt of Telecare equipment and monitoring which includes the community alarm service as part of an assessed care package. (Note: the proposed changes do not apply to Telecare customers).

A report was considered by Cabinet in September 2015 giving agreement to begin a consultation on proposals to:

- (i) Introduce a contributory charge of £2.80 per week (excluding VAT)* for customers currently receiving a free community alarm service.
- (ii) Increase the current charge of £4.60 per week to £4.80 per week (excluding VAT)* for self-pay customers.

[* Note the majority of Care Connect customers are not subject to VAT as they have signed a self-declaration form which means VAT is not applied due to a medical condition or disability.]

The consultation commenced on 7 October 2015 and ended on the 30 November 2015. The consultation from those customers receiving a free service resulted in a very high return rate of 53%. Of those who responded, 55.4% either agreed or were not concerned about the introduction of the contributory charge. 28.3% of respondents said they would no longer use the service, with a further 14.3% undecided. In terms of ability to pay £2.80 per week, 10% of respondents said that the charge would be unaffordable.

The proposed charge of £2.80 per week represents a subsidy by the council of £2.00 per week (£104 per year). This recognises that customers in receipt of a free service qualified on the basis that they were in receipt of certain income benefits.

Those customers who are unable to afford the charge but consider themselves to be at risk due to their vulnerability will be directed to Social Care Direct for an assessment of their needs. This will ensure that the council can offer appropriate

support to those who are in greatest need through drawing up a care and support plan detailing how these needs will be met.

The consultation returns from those currently paying for the service was low at 10% return. However, 80% of respondents agreed with the increase and commented that the service provided value for money and that they relied on the service. The proposed charges in County Durham appear to compare favourably with other local authorities.

Decision

We have:

- (i) Agreed to the introduction of a contributory charge of £2.80 (excluding VAT) per week for customers currently receiving a free community alarm service from April 2016
- (ii) Agreed an increase in the current charge of £4.60 per week to £4.80 per week (excluding VAT) self-pay customers from April 2016

10. North East Combined Authority: Devolution Decision Leader of the Council – Councillor Simon Henig Contact – Lorraine O'Donnell 03000 269060

We have considered a report of the Chief Executive which updated on the proposed devolution agreement and invited Cabinet to consider next steps.

A report to County Council on 24 February 2016 provided an update on the proposed devolution agreement, including the results of the County Durham poll. It also provided an update on the legislative position, financial issues and highlighted the continuing key issues for County Durham. The Council agreed to:

- a) note the information on the proposed deal provided in the report
- b) note the conditions on which the proposed deal is to be decided namely:
 - i. The outcome of the spending review on 25 November 2015;
 - ii. The legislative process;
 - iii. Further public consultations (which for Durham includes the results of the poll of all electors);
 - iv. Agreement by constituent Councils; and
 - v. Formal endorsement by the Leadership Board and Ministers.
- c) note the update on the degree to which these have been met, namely:

- i. That negotiations on funding to the North East are continuing following the outcome of the settlement of 16/17;
 - ii. Consultation outcomes, including those of the poll, support the devolution of funding and resources to the North East but are cautious as to the degree to which devolution should go beyond the current proposed deal and would wish to see a mayor with more limited powers;
 - iii. That the legislation to enable devolution through mayoral combined authorities has received Royal Assent and that further detail is under development;
 - iv. That each constituent Council will consider the proposed deal, making decisions through Cabinets; and
 - v. The North East Combined Authority (NECA) Leadership Board will make a final decision when the position of all constituent councils is known.
- d) Note and confirm that the following Durham specific conditions have been accommodated within the Combined Authority development and proposed devolution deal to date and must continue to be so in the final decision making:-
- i. There will be no change to the transport levy in a way as to disadvantage Durham;
 - ii. Integrated transport arrangements will not mean more cost or disadvantage to Durham;
 - iii. That absorption of the role of the Durham PCC is currently not part of the devolution deal and that any future devolution will not be to the detriment of Durham's Police and Fire Services; and
 - iv. That any future interpretation of health and social care takes account of the significantly different patient flows in County Durham and is not to the detriment of health services.

The report to Council described the negotiations with Government that were continuing at that time. The report to Cabinet summarised the progress made to date and the issues that were still outstanding as below:-

Extent to which conditions have been met

Of the conditions listed in paragraph (b), only the outcome of public consultation remains at the same position as described in the February Council report which presented detailed findings of the poll and the other consultations undertaken in County Durham and across the NECA area. No further consultations were planned given the comprehensive nature of that conducted to date.

Progress has been made on the legislative process with more detailed understanding emerging of the decision-making process including the timetable for the development of orders required to enable a Mayoral Combined Authority to

function, although there are a number of issues that remain to be resolved. There has also been greater assurance provided of the legislative issues affecting County Durham, which are described in the next section.

Whilst progress has been made to clarify aspects of the financial benefits of the proposed agreement, negotiations are still continuing to clarify the issue of 'fair funding'. These include issues such as: the principle of a single five year programme of allocation of local growth funding to form part of the North East Investment Fund; more detail on the Government's five year gateway tests on the £30 million a year investment fund which as things stand could put the commitment to ongoing funding at risk; the devolution of sustainable travel funding; comparison with the fiscal freedoms granted to Scotland and consideration of protecting Newcastle Airport from the impacts of the proposed reduction in Air Passenger Duty to Scotland in 2018. Clarity is still required at this stage on the power for the elected mayor to levy a council tax precept for the running of the mayor's office and support functions plus the election costs for the mayor which will be incurred every four years from 2017. The Council report made clear that a decision to agree to the proposed devolution agreement is an executive function. Cabinet meetings have been scheduled by the seven NECA constituent authorities for the period 21-24 March. At the time of writing it is understood that two authorities (Newcastle and North Tyneside) have agreed to the proposed agreement.

A meeting of the NECA Leadership Board was been scheduled for 24 March, after all seven cabinets have considered their position.

County Durham Issues

Previous reports on the combined authority and devolution have highlighted that Durham has significant issues, some of which are unique within the combined authority area. These are:

- a) **Transport:** Durham and Northumberland were never part of the Tyne and Wear Integrated Transport Authority (ITA) and have rural transport issues that are unique to largely rural counties;
- b) **Health:** the footprint for health services for County Durham residents involves significant patient flows to Tees Valley. The council is part of an NHS unit of planning which comprises Durham, Darlington and Tees and has been involved for some time in an NHS sub-regional project to consider hospital and out of hospital care from the Tees Valley and County Durham known as the 'Better Health Programme'.
- c) **Police and fire:** whilst police arrangements for six of the seven constituent councils are shared, Durham's police authority is separate and covers both County Durham and Darlington. Darlington is part of the Tees Valley combined authority. Durham's fire authority covers the same footprint as the police and therefore again straddles two combined authority areas.

In the weeks since the council report, there has been significant progress in addressing the issues that are specific to County Durham, with an acceleration of pace in the last week or so.

On transport, there has been written assurance that solutions will be found to avoid any material redistribution of costs between the three areas by any new council tax precepting arrangements. A commitment has been given by Government to retain the current three council tax levy arrangement for County Durham, Northumberland and the five authorities in Tyne & Wear to fund transport costs in these three areas.

On health, police and fire arrangements, there is recognition, and the proposed legislation reflects this, that any further devolution proposals in any of these areas, or indeed any other, will require the explicit agreement of Durham County Council. In other words, such future devolution proposals would be supported by the inclusion of appropriate safeguards in decision-making to protect the interests of DCC or other constituent authorities in a minority voting position.

Conclusion

The Council supports the principle of devolution, noting that almost 60% of respondents to the recent consultation agreed that the region could benefit from devolved powers. It is clear that progress has been made on the issues identified in the County Council report of 24 February, including on the conditions attached to consideration of the proposed agreement and those specific to County Durham.

However, there remain outstanding issues to be addressed, particularly on fair funding and governance. At the time of writing, more information is required on the mayoral precept.

Decision

We have:

- a) noted the progress made since the Council report on 24 February 2016;
- b) noted the conditions that were set out in the proposed agreement and described in the Council report;
- c) noted in particular that the condition regarding fair funding has not been fully met;
- d) noted that further clarification and commitment from Government on outstanding issues (including governance) is being requested through NECA;
- e) deferred making a final decision on the proposed devolution agreement until the outstanding issues are resolved.

**Councillor S Henig
Leader of the County Council**

5 April 2016