



Local Government Act 1972

I Hereby Give You Notice that an **Ordinary Meeting** of the **Durham County Council** will be held in the **Council Chamber - County Hall, Durham** on **Wednesday 31 October 2018 at 10.00 am** to transact the following business:-

1. To confirm the minutes of the meeting held on 19 September 2018 (Pages 3 - 10)
2. To receive any declarations of interest from Members
3. Chairman's Announcements
4. Leader's Report
5. Questions from Area Action Partnerships
6. Questions from the Public
7. Petitions
8. Report from the Cabinet (Pages 11 - 20)
9. Modern Slavery Charter - Report of Corporate Director of Adult and Health Services (Pages 21 - 24)
10. Co-opted Members to the Audit Committee - Report of Corporate Director of Resources (Pages 25 - 28)
11. Local Council Tax Reduction Scheme 2019/20 - Corporate Director of Resources (Pages 29 - 40)
12. Annual Report of the Standards Committee 2017/2018 - Report of Head of Legal and Democratic Services (Pages 41 - 48)

13. Motions on Notice

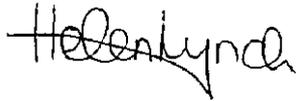
Councillor M Wilkes to Move

This Council confirms its absolute opposition to the closure of Ward 6 of Bishop Auckland Hospital, and calls upon the Secretary of State to intervene and halt County Durham and Darlington NHS Foundation Trust's plan.

14. Questions from Members

And pursuant to the provisions of the above-named act, **I Hereby Summon You** to attend the said meeting

Dated this 23rd day of October 2018

A handwritten signature in black ink that reads "Helen Lynch". The signature is written in a cursive style with a large initial 'H' and a long, sweeping underline.

Helen Lynch
Head of Legal and Democratic Services

To: All Members of the County Council

DURHAM COUNTY COUNCIL

At an Ordinary Meeting of the County Council held in the Council Chamber - County Hall, Durham on **Wednesday 19 September 2018 at 10.00 a.m.**

Present:

Councillor J Lethbridge in the Chair

Councillors J Allen, J Atkinson, P Atkinson, B Avery, A Bainbridge, B Bainbridge, A Batey, A Bell, D Bell, E Bell, R Bell, G Bleasdale, D Boyes, P Brookes, D Brown, J Brown, L Brown, C Carr, J Carr, J Chaplow, J Charlton, J Clare, J Clark, M Clarke, J Considine, K Corrigan (Vice-Chairman), P Crathorne, R Crute, G Darkes, M Davinson, S Dunn, J Grant, N Grayson, O Gunn, D Hall, C Hampson, T Henderson, A Hopgood, K Hopper, L Hovvels, P Howell, S Hugill, E Huntington, S Iveson, I Jewell, O Johnson, C Kay, A Laing, H Liddle, L Maddison, J Maitland, J Makepeace, R Manchester, C Marshall, L Marshall, C Martin, L Mavin, M McKeon, I McLean, S Morrison, A Napier, H Nicholson, J Nicholson, P Oliver, A Patterson, C Potts, L Pounder, S Quinn, A Reed, G Richardson, J Robinson, S Robinson, A Savory, E Scott, P Sexton, K Shaw, A Shield, J Shuttleworth, A Simpson, H Smith, J Stephenson, B Stephens, A Surtees, P Taylor, O Temple, K Thompson, F Tinsley, T Tucker, J Turnbull, A Watson, M Wilkes, A Willis, C Wilson, M Wilson, S Wilson, D Wood, R Yorke and S Zair

Apologies for absence were received from Councillors E Adam, J Bell, H Bennett, J Blakey, I Cochrane, S Durham, D Freeman, A Gardner, K Hawley, S Henig, D Hicks, P Jopling, L Kennedy, K Liddell, E Mavin, S McDonnell, M McGaun, R Ormerod, J Rowlandson, M Simmons, D Stoker and L Taylor

1 Minutes

The minutes of the meeting held on 18 July 2018 were confirmed by the Council as a correct record and signed by the Chairman.

2 Declarations of interest

There were no declarations of interest in relation to any item of business on the agenda.

3 Chairman's Announcements

Durham, North Carolina

The Chairman informed the Council, that he had conveyed the council's well wishes to the Mayor and community of the County Council's twinned town of Durham, North Carolina following the destruction and distress caused by Hurricane Florence.

Durham County Record Office

The Chairman announced that Durham County Record Office had recently become a fully accredited archive service under the archive service accreditation scheme. The scheme was the UK quality standard for all areas of archive service delivery.

A warm welcome was then extended to Neil Sweetmore from the National Archives, former Chief Archivist of the Tyne and Wear Archives Service and member of the accreditation panel, Liz Rees.

Addressing the Council, Mrs Rees explained that the recent achievement was a tribute to everyone involved with the County Record Office. Mrs Rees explained that the importance of archives could not be underestimated and were a collective memory to hold governments to account, connect generations and inspire innovation. In presenting the award, Ms Rees spoke of the strengths of the record office which included a strong policy framework and an excellent team of dedicated volunteers.

Gill Parkes, Principal Archivist was delighted to accept the award on behalf of the Record Office and paid tribute to Liz Bregazzi, County Archivist who had been instrumental in the work of the record office but could not be present at the meeting due to illness.

Royal British Legion

The Chairman extended a warm welcome to Peter Milne, Community Fundraiser for the Royal British Legion representing the areas of Durham, Sunderland and North Tees. The Council were shown a brief film entitled 'Thankyou' produced by the Royal British Legion. The film, made to commemorate 100 years of World War I, recognised those who fought on the front line, the women who fought to vote, the families affected by war and those who worked in ammunitions factories. Mr Milne praised the fundraising contributions made by the people of County Durham which had amounted to over £250,000 in 2018.

4 Leader's Report

The Deputy Leader of the Council explained that in the absence of the Leader, the Leader's report would be held over till October. However, Councillor Napier wished to utilise the time to acknowledge and place on record the Council's testimony to head teachers, teachers, governing bodies and all those associated with the education system in County Durham following the recent good news relating to exam results in County Durham. The Deputy Leader handed over to the Cabinet Portfolio Holder for Children and Young People's Services.

Councillor Gunn explained the importance of appreciating the work of children and young people, schools, staff and governing bodies across County Durham. 62% of pupils had achieved level four and above in both English and Mathematics, a 3.5% increase on the previous year. This equated to 156 more pupils achieving the benchmark, signifying a major improvement. Those pupils achieving level five had increased by 4.4%. Councillor Gunn said the results were all the more pleasing to

note as they had been achieved against some of the most significant changes to the exam system since 'O' levels were introduced.

Referring to A-levels, Councillor Gunn explained that early indications were that the County's successes had continued from previous years, with above average grades of A*-B and the majority of students being able to obtain their first choice of university.

5 Questions from Area Action Partnerships

Questions had been received from Derwent Valley Area Action Partnership and Spennymoor Area Action Partnership relating to the following:

- investment plans or opportunities being explored for investment in town (and village) centres physical environments; and
- progress with the development of Festival Walk, Spennymoor.

Derek Snaith, Derwent Valley AAP Co-ordinator and Michael Wilkes, Spennymoor AAP Coordinator were in attendance to ask their questions. Councillor C Marshall, Portfolio Holder for Economic Regeneration thanked both Area Action Partnerships for the questions and provided a response to both.

6 Questions from the Public

A public question had been received seeking the costs or projected costs of the extensive ground investigations that had taken place along the proposed northern relief road route earlier in 2018 and the costs for a similar exercise held a number of years ago for a proposed western relief road.

In the absence of the member of the public the Head of Legal and Democratic Services informed the Council that the questioner would receive a written response to the question and both the question and response would be published on the Council's website following the meeting.

7 Petitions

There were no petitions for consideration.

8 Report from the Cabinet

The Deputy Leader of the Council provided the Council with an update of business considered by Cabinet on 11 July 2018 (for copy see file of Minutes).

9 Code of Our Values, Behaviours and Conduct

The Council considered a report of the Corporate Director of Resources which presented proposals to replace the current code of conduct with a new code of values, behaviours and conduct (for copy see file of Minutes).

The current code had been reviewed with input from Human Resources, Legal Services and Internal Audit. This had resulted in a new modernised code which was easier to read and understand. It had also been extended to incorporate the council values which aligned to the new direction of travel. All employees would receive a copy of the new code in due course.

Councillor J Brown explained that the new code had been prepared to align with the work of the Council, the new modern ways of working and documented the high standards expected from all employees. The revised code has been agreed by the Constitution Working Group.

Councillor A Hopgood endorsed the comments made by the Cabinet Portfolio Holder and was pleased to note that suggestions made throughout the process had been incorporated into the final version.

Moved by Councillor J Brown, **Seconded** by Councillor A Hopgood and

Resolved

That the Council agree to the revised Code of Values, Behaviours and Conduct.

10 Treasury Management Outturn 2017/18

The Council noted a report of the Corporate Director of Resources which provided information on the treasury management outturn position for the year ended 31 March 2018 (for copy see file of Minutes).

The Corporate Director of Resources informed the Council that the report was technical in nature and reflected the detailed work reported through the Cabinet and the Audit Committee. The report provided a summary of net debt, borrowing activity and interest rates. The Corporate Director of Resources reported that all of the Council's investment activity had remained within the benchmarks for managing investment risk and investment was in line with the Council's investment strategy.

11 Community Governance Review - West Rainton

The Council considered a report of the Head of Legal and Democratic Services regarding the Community Governance Review of West Rainton parish which provided outcomes from the initial consultation and proposed draft recommendations (for copy see file of Minutes).

Councillor A Napier informed the Council that he supported the parish council's request given that they had difficulty in filling vacancies on the parish council and whilst the response rate was disappointing, it was important to note that 284 people had signed a petition, supporting the proposals.

Moved by Councillor A Napier, **Seconded** by Councillor A Hopgood and

Resolved

That Council agree to make a draft recommendation that the name of the parish/ Parish Council be changed to West Rainton and Leamside with effect from 1 April

2019; and that the council size be reduced from 11 to 9 councillors with effect from the ordinary elections in 2021.

12 Work of the Audit Committee for the Period September 2017 to August 2018

The Chairman of the Audit Committee presented the report which covered the work of the Audit Committee for the period September 2017 to August 2018.

Councillor E Bell placed on record the Committee's thanks to one of the outgoing coopted members for the valuable contribution they had made to the Committee. A new co-opted member had been appointed in May and had settled in well.

The Chairman drew the Council's attention to the work of Internal Audit, which continued to promote and champion the work of internal audit across the organisation. The Committee had agreed a revised version of the internal audit strategy, charter and the annual internal audit plan.

Councillor Bell highlighted the challenge and support made by the Committee on the proposed work programme for the coming year. The work completed by internal audit continued to provide assurance of the council's control environment, governance arrangements and risk management.

Internal Audit continued to update the committee on a quarterly basis. The committee provided the appropriate challenge and a number of officers had attended to provide explanations and answer questions.

It had been very pleasing to note receipt of an unqualified opinion on both sets of financial statements for the County Council and the Pension Fund by the Council's external auditor. This had been achieved against an earlier deadline compared to previous years given that the Council's statement of accounts for 2017/2018 had to be audited and approved by 31st July 2018.

Councillor E Bell highlighted that the work of officers to achieve an unqualified opinion had been an enormous achievement, given the size and complexity of the Council. The external auditors had been complimentary of the Council's efforts in answering queries and ensuring a timely outcome and an unqualified opinion. The Audit Committee's thanks had been passed onto all of the officers involved in the process.

Finally, the Chairman spoke of the continuing good work of the Council's Corporate Fraud Team. The Committee continued to be updated on the excellent work being completed in terms of proactive counter fraud work. To provide some context the Corporate Fraud Team had completed 705 investigations in 2017/18 on a wide range of areas including blue badge abuse, council tax and business rates reduction claims, insurance claims and housing tenancy. The team had either stopped or recovered £796,691 of public money. As a result the team had an excellent local and national profile for their work and had developed strong partnerships with other public sector organisations which continued to enhance the reputation of the Council.

13 Corporate Parenting Panel Annual Update

The Chairman of the Corporate Parenting Panel presented the first Corporate Parenting Panel update which had come about as a result of changes to the constitution and the role and functions of the panel (for copy see file of Minutes).

Councillor P Brookes informed the Council that the new annual report was easy and interesting to read and understand. The changes to the panel arrangements had been very successful, with new terms of reference, new links with the Children and Young People's Overview and Scrutiny Committee and a focus on fulfilling the promises made by the panel.

Corporate parenting remained a huge challenge for the Council and its partners with 822 looked after children across the County, an increase from the previous year. This impacted on budgets and childcare services. Councillor Brookes paid tribute to those who contributed to the day to day assistance for looked after children and explained that the service provided could not be achieved without them.

Councillor O Gunn said that the report, written by the Children in Care Council with support from young people was an excellent example of what children and young people could do. It had been produced with children and young people in mind, where the real focus was on what children and young people have told us and what the panel had agreed. As a result, care leavers no longer paid council tax and the amount of apprenticeships that the Council offered had increased.

Councillor Gunn echoed the praise afforded by Councillor Brookes regarding foster carers and for those who adopted children. Councillor Gunn said they were amazing people and were the reason why so many children smiled, slept soundly, attended school and had a willingness to learn. Councillor Gunn explained that it would be remiss of her not to mention the role of elected members who served on fostering and adoption panels.

Councillor E Scott informed the Council that it was her second year of serving on the Corporate Parenting Panel which had been a very positive and rewarding experience. Councillor Scott explained that the panel were able to contribute meaningful input into service development and that officers were open and honest. It was an example of good practice across the authority and the work carried out was absolutely fabulous.

14 County Durham Youth Offending Service Youth Justice Plan 2018/19

The Council noted a report of the Corporate Director of Children and Young People's Services which presented the annual refresh of the Youth Justice Plan 2017/19. The report highlighted some of the key achievements in reducing reoffending during 2017/18 and provided areas for improvement which would be focussed upon during the next period in accordance with the service improvement plan (for copy see file of Minutes).

Councillor O Gunn informed the Council that the refreshed plan ensured that the Council met its statutory requirements and set out governance, implementation plans. The Council had improved performance in relation to first time entrants to the youth justice system, re-offending and use of custody.

Councillor Gunn also informed the Council that the County Durham Youth Offending Service had been shortlisted in the Improved Partnerships between Health and Local Government category of the 2018 HSJ Awards, the world's largest healthcare awards programme for the Health and Social Justice. Councillor Gunn congratulated the service on their shortlisting and wished them good luck for the final.

15 Motions on Notice

No motions on notice had been submitted.

16 Questions from Members

No questions from Members had been submitted.

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31 October 2018

Report from the Cabinet



Purpose of the Report

To provide information to the Council on issues considered by the Cabinet on 12 September 2018 to enable Members to ask related questions.

Contents

- Item 1 Delivery Proposals for Aykley Heads Strategic Employment Site
Key Decision: REAL/06/18
- Item 2 Forecast of Revenue and Capital Outturn 2018/19 – Period to
30 June 2018
- Item 3 Quarter 1 2018/19 Performance Management Report
- Item 4 Transport Asset Management Plan – Annual Update
- Item 5 Update on North East Combined Auhtoirty

1. **Delivery Proposals for Aykley Heads Strategic Employment Site**
Key Decision: REAL/06/18
Deputy Leader of the Council, and Cabinet Portfolio Holder–
Councillors Alan Napier and Carl Marshall
Contact – Sarah Robson 03000 267332

We have considered a joint report of the Corporate Director of Regeneration and Local Services and the Corporate Director of Resources which considered the next steps in delivering the Aykley Heads Strategic Employment site in order to ensure the proposed 6,000 jobs are secured for the benefit of County Durham's economy. The report also proposed a strategy for development of the site in a flexible manner, enabling a responsive approach to opportunities and changes within the marketplace.

The strategic objectives for the strategic employment site (SES) were established in 2015 as follows:

- To maximise economic impact for County Durham;
- New job creation in Durham City;

- To generate income for the council;
- To deliver a business location of the highest quality; and
- To create an environment where people want to work.

The report provided details on the current position of the site development, delivery options and branding, marketing and procurement. The site will be delivered across three phases beginning with the northern zone (phase 1) in 2019, park gateway (phase 2) from approximately 2021 and parkland plateau (Phase 3) as a later phase depending on market demand. The site plan showing plots was attached to the report at Appendix 2.

Relevant resources are being sought in terms of capital and revenue budgets and appropriate expertise and capacity within relevant and appropriate frameworks to meet the requirements of potential business tenants. This will ensure the following benefits are realised:

- The creation of up to 6,000 jobs;
- Additional £400m Gross Value Added;
- Increased asset value for the County Council as the lead landowner and developer;
- Additional forecast revenue to the council over a 40 year timeframe
- Additional business rates income of £1.5 million - £1.7 million per annum on completion of the whole site.

The report proposed that the council will retain the freehold interest in phase 1 (plots C & D). It is proposed to commission construction to build plot C speculatively. The site will be marketed in conjunction with Business Durham and a commercial property agent who will be responsible for identifying potential tenants. Plot D will be delivered when there is market demand, or, when an end user commits to a tenancy.

The benefits of the Council delivering phase 1 of the development include:

- The establishment of a market presence for the Aykley Heads site at the earliest opportunity.
- Financial structures that are simple and allow the council to assess its appetite for delivery of phase 2 of the site based on experience of a smaller quantum of floorspace and less risk exposure.
- The council retains control over the quality of what is built.

Elements that have been considered include:

- Market need;
- Financial modelling including the borrowing required to fund the development;
- Procurement and legal advice on the best way forward; and
- The level of internal expertise to deliver the scheme and marketing.

The Economic Development and Housing Service will lead the development as a key regeneration project supported by expertise from across the council. These internal arrangements will be supported by commissioning external expertise to deliver the scheme in relation to commercial agency advice and marketing. Delivery arrangements will be kept under review on a phase by phase basis.

Decision

We have:

- (a) Approved the commencement of the development of the Aykley Heads site.
- (b) Approved that plots C & D will be directly delivered by the council using the most appropriate delivery method with delegated authority to the Director of Regeneration and Local Services in consultation with the Portfolio Holder to deliver the development and occupational arrangements.
- (c) Approved the capital requirement for Plot C. The financing of Plot D be approved via delegated authority to the Director of Regeneration and Local Services and Corporate Director Resources in consultation with the Portfolio Holders for Economic Regeneration and Finance subject to a satisfactory business case and proven demand of concept on Plot C.
- (d) Approve that plot E can be acquired from the Police subject to the purchase price negotiated satisfying a self-financing business case for the site. Delegated authority to be given to the Director of Regeneration and Local Services and Corporate Director Resources in consultation with the Cabinet Portfolio Holder for Economic Regeneration and the Cabinet Portfolio Holder for Finance.
- (e) Approved the revenue expenditure of £585k to cover relevant advisory costs over the next three years with 2018/19 costs met from general contingencies with an earmarked reserve set up during the 2018/19 accounts closure process to meet any residual costs in future years.
- (f) Noted the proposals and process relating to branding and marketing.

2. Forecast of Revenue and Capital Outturn 2018/19 – Period to 30 June 2018

**Deputy Leader of the Council– Councillor Alan Napier
Contact – Jeff Garfoot 03000 261946**

We have considered a report of the Corporate Director of Resources which provided Cabinet with information on the following:

- (a) forecast revenue and capital outturn for 2018/19;
- (b) forecast for the council tax and business rates collection fund position at 31 March 2019;
- (c) use of earmarked, cash limit and general reserves.

The report also sought Cabinet's approval of the budget adjustments and proposed sums outside of the cash limit.

In accordance with the council's constitution, Council agreed the Medium Term Financial Plan, which incorporates the revenue and capital budgets for 2018/19, on 21 February 2018. The first quarter's report provided the initial indication of the revenue and capital outturn for 2018/19, based upon expenditure and income up to 30 June 2018.

The following adjustments have been made to the original budget agreed by Council on 21 February 2018:

- (a) agreed budget transfers between service groupings;
- (b) additions to budget for items outside the cash limit (for Cabinet consideration and recommended approval);
- (c) planned use of or contribution to earmarked reserves.

The forecasted cash limit and general reserves position is a prudent one given the forecasted levels of savings the council needs to make of £35.3 million over the period 2019/20 to 2022/23 with the delivery of further savings becoming ever more challenging to achieve. The reasons for the major variances against the revised budgets were detailed in the report by each service grouping.

On 11 July 2018 Cabinet received a report which provided details of the final outturn position of the 2017/18 capital programme. This included details of budgets of £32.944 million that were reprofiled from 2017/18 to 2018/19 and adding these to the new 2018/19 capital allocations of £9.339 million approved by full council on 21 February 2018 and the existing 2018/19 budget of £94.770 million gives the original budget of £137.053 million for 2018/19. Since the original 2018/19 budget was agreed the Council's Member Officer Working Group (MOWG) has considered a number of variations to the capital programme which are a result of additions and reductions in resources received by the council. The variations of note were detailed within the report.

The report also provided information on allocation funds in respect of Council Tax and Business Rates.

Decision

We have:

- (a) noted the council's overall financial position for 2018/19;
- (b) agreed the proposed 'sums outside the cash limit' for approval;
- (c) agreed the revenue and capital budget adjustments;
- (d) noted the forecast use of earmarked reserves;
- (e) noted the forecast end of year position for the cash limit and general reserves;
- (f) noted the position on the capital programme and the Collection Funds in respect of Council Tax and Business Rates.

**3. Quarter 1 2018/19 Performance Management Report
Leader of the Council– Councillor Simon Henig
Contact – Jenny Haworth 03000 268071**

We have considered a report of the Director of Transformation and Partnerships which provided an update on progress towards achieving the key outcomes of the council's corporate performance framework by Altogether priority theme for the first quarter of the 2018/19 financial year.

The performance management framework provides an insight into the extent to which objectives are being achieved and how effectively the council and its partners are meeting the needs of residents. It brings together key planning, monitoring and evaluation processes through an integrated suite of documents, including the Sustainable Community Strategy, Council Plan, Service Plans and the Medium Term Financial Plan, and demonstrates the contribution made at various levels of the organisation to the priority themes.

The performance report is structured around a set of key performance questions aligned to the six priority themes of the Altogether framework, i.e:

- Altogether Wealthier
- Altogether Better for Children and Young People
- Altogether Healthier
- Altogether Safer
- Altogether Greener
- Altogether Better Council

The report provided detailed performance monitoring across service groupings. Key performance messages from data released during the quarter along with visual summaries and data messages were included in each priority theme. A comprehensive table of all performance data was attached to the report at Appendix 2.

Decision

We have agreed to the following changes to the Council Plan:

Altogether Greener

The Commissioning of a leachate treatment system at Coxhoe East landfill site has been delayed from December 2020 to September 2022. Only one compliant tender was returned and this was significantly above budget available. The service is currently reviewing the procurement approach.

Altogether Better Council

The review of the Digital Strategy is under further consideration as a result of the need for wider liaison and feedback with internal stakeholders and development of a consultation strategy. A countywide consultation will begin

at the end of August for 6 weeks. Following customer feedback the strategy will be updated. A new revised target date is December 2018.

**4. Transport Asset Management Plan – Annual Update
Cabinet Portfolio Holder– Councillor Brian Stephens
Contact – John Reed 03000 267454**

We have considered a report of the Corporate Director of Regeneration and Local Services which provide an annual update on the Transport Asset Management Plan (TAMP).

The adopted highway network is the Council's largest and highest value asset. The asset is in a continual process of change. Not only is the infrastructure ageing, bringing with it demands for maintenance and capital improvement, but the inventory also grows with new developments. With finite resources, it is vital to ensure that investment is well directed to ensure a safe, serviceable and sustainable highway network. This approach helps maximise the condition of the highway for the available budget.

A TAMP is a key tool in delivering this. It provides an opportunity to systematically understand the condition of the highway asset, and to establish policy and priorities regarding investment. It applies a whole life cost approach and considers the asset in the long term. The TAMP was set out in full in Appendices 2 and 3 of the report. It is divided into two separate sections; section one being the policy which set out the principles of TAMP and section two being an annual update report. The Council has led the development and implementation of the North East Highways Alliance which was formally established in September 2013. This is a forum for collaborative working for all 12 North East Councils. The North East Highways Alliance has delivered a number of initiatives that are helping all Councils involved, including Durham, maximise efficiencies in highways through sharing resources, collaborative procurement and knowledge sharing.

This partnership working together with on-going collaborative working with the supply chain of competitively procured external sub-contractors has led to the Council being one of the first in the UK to be awarded British Standard BS11000 – Collaborative Business Relationships.

In addition to the TAMP, the Council has a Highway Maintenance Plan (HMP) which sets out the Council's service levels for inspections, reactive maintenance and routine maintenance in accordance with national codes of practice. This includes the highway safety inspection regime which helps ensure that the adopted highway throughout the County is maintained in a safe condition as far as reasonably practicable.

Like most Highway Authorities, the Council has a highways maintenance backlog and faces considerable challenges to maintain the condition of the highway network. However, the TAMP demonstrates that work is progressing well in helping to maximise the condition of the highway for the available budget.

The Council has been steadily increasing its own investment and has also been proactive in attracting considerable funding from the Department for Transport (DfT). This TAMP together with the top efficiency rating will ensure that it is well placed to maximise the much needed funding from the DfT going forward.

Decision

We have:

- (a) Approved the annual update report;
- (b) Noted the substantial investment in programmed capital maintenance and the ongoing work to maximise funding going forward.

5. Update on North East Combined Authority Leader of the Council, and Cabinet Portfolio Holder– Councillors Simon Henig, and Carl Marshall Contact – Adrain White 03000 267455

We have considered a joint report of the Chief Executive and Corporate Director of Regeneration and Local Services that updated Cabinet on proposals to amend the boundary and membership of NECA, to create a new North of Tyne Mayoral Combined Authority and to establish a new statutory Joint Transport Committee covering the two combined authorities.

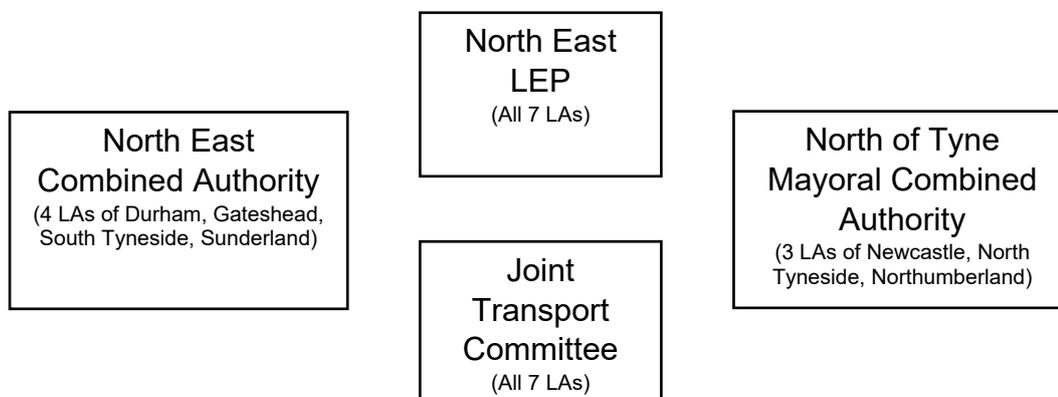
In addition the endorsement of Cabinet was sought to a decision taken under urgency provisions to agree to a Deed of Cooperation between the seven Local Authorities and NECA setting out the proposed joint working arrangements in relation to transport and the North East LEP.

The North East Combined Authority was established in April 2014 covering the seven local authorities of Durham, Gateshead, Newcastle upon Tyne, North Tyneside, Northumberland, South Tyneside and Sunderland.

In November 2017, the North of Tyne Authorities (Newcastle upon Tyne, North Tyneside and Northumberland) agreed to a “minded to” Devolution Deal with Government. In order to implement this deal there is a requirement to establish a new Mayoral Combined Authority, which in itself requires the three councils to withdraw from the existing NECA.

In considering the revised governance arrangements, Government mandated that the two combined authorities maintain joint arrangements for transport. The statutory Order amending NECA and creating the new North of Tyne Mayoral Authority will therefore also establish a statutory Joint Transport Committee, with the intention of replicating the existing approach to transport governance across the NECA area.

Once the Order takes effect the organisational structure will move from one Combined Authority and one LEP, to four entities (as set out below), which will need to work closely together to collectively deliver transport and the ambitions set out the Strategic Economic Plan.



The Joint Transport Committee will comprise four members (and four substitutes) from the revised NECA, and three members (and three substitute members) from the new Mayoral Combined Authority (MCA), one of the members being the Mayor, unless the Mayor agrees otherwise.

The Transport Committee will discharge the transport functions of both Combined Authorities, set the transport levies, and determine anything to be done in relation to property, rights and liabilities held in relation to transport.

The statutory Order will allow for different levies to be raised for Tyne and Wear, County Durham and Northumberland, and also allow for the delegation of transport functions to constituent authorities, reflecting the current arrangements for Durham.

Joint arrangements between NECA and North of Tyne MCA will be established to provide for the scrutiny and audit of the responsibilities of the Transport Joint Committee. The joint arrangements will provide for an Overview and Scrutiny Committee and an Audit Committee comprising elected Members from the constituent authorities of both Combined Authorities.

In April 2018, the NECA Leadership Board resolved to agree in principle to amend NECA's boundary to remove Newcastle upon Tyne, North Tyneside and Northumberland, to permit the creation of a Mayoral Combined Authority covering these areas, and to establish joint transport governance arrangements, which cover the seven local authorities.

The Leadership Board instructed its Officers to develop a 'Deed of Co-operation', setting out a legal framework for future joint working and co-

operation in relation to transport matters and the North East Local Enterprise Partnership, to implement the Order.

The decision to agree the terms of the Deed of Cooperation had to be taken as a matter of urgency prior to July Cabinet to ensure that formal consent to the making of the changes to NECA could be given as soon as required by Government. The decision of the Chief Executive and Corporate Directors of Regeneration and Local Services and Resources was attached to the report.

Paragraph 12 of Table One of the Constitution which authorises decisions to be taken by the Corporate Directors in the event of urgency requires such decisions to be reported for information to the next convenient meeting of the body which would normally make the decision.

Parliamentary process and timescales

The draft Order was laid in Parliament before the summer recess. It was anticipated that Parliament will debate the Order during September/October, with an earliest potential implementation date of 1 November 2018.

In preparation for the implementation of the Order, officers from the existing NECA and the proposed revised membership of NECA are reviewing the operational implications of the changes.

Decision

We have noted the update on changes to NECA and revised governance arrangements; and noted the decision taken under urgency powers to enter into a Deed of Cooperation with NECA and the other six local authorities setting out the legal framework for joint working going forward.

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

23 October 2018

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County Council

31st October 2018



Modern Slavery Charter

Report of Corporate Management Team

Jane Robinson, Corporate Director of Adult and Health Services

Councillor Lucy Hovvels, Cabinet Portfolio Holder for Adult and Health Services

Councillor Jane Brown, Cabinet Portfolio Holder for Social Inclusion and HR

Purpose of the Report

- 1 The purpose of this report is to present a Modern Slavery Charter to County Council (Appendix 2) and to seek agreement to the Charter.

Background

- 2 The Care and Support Statutory Guidance, which accompanies the Care Act 2014 includes modern slavery as a category of abuse. The Modern Slavery Act 2015 identifies its aim to make provision about slavery, servitude and forced or compulsory labour, including human trafficking. It includes provisions for the protection of victims and the appointment of an Independent Anti-Slavery Commissioner.
- 3 Recent Government estimates suggest that there are up to 13,000 victims of human trafficking in the UK. Since the introduction of the Modern Slavery Act 2015, there has been an increase in prosecutions and a 40% rise in the number of victims. There is national recognition that further work needs to continue to raise awareness and respond to modern slavery reports.
- 4 Where Modern Slavery police operations have taken place across County Durham, the Council have been involved throughout the process including in the preparations, as part of the operation and post operation.
- 5 The governance for Modern Slavery/Human Trafficking sits under the Local Safeguarding Adult Board arrangements.
- 6 In December 2017, the Local Government Association (LGA) and Independent Anti-Slavery Commissioner published *Modern Slavery a Council Guide*. This guidance outlines the role councils play in tackling modern slavery, from identifying and reporting instances and support for victims to procurement and supply of services.
- 7 Section 54 (9) of the Modern Slavery Act 2015 identifies the requirement for larger organisations or employers with a turnover of £36 million to have a modern slavery statement in place. As best practice, the County Council has

a Modern Slavery Statement in place. The Statement is publicised and reviewed each financial year.

- 8 In 2017-2018, a range of activities took place to support raising awareness of Modern Slavery. A number of multi-agency training briefings delivered in partnership with Durham Constabulary to staff across the wider workforce took place and those briefings will continue in 2018-2019.
- 9 A range of articles and e-bulletins continue, sharing key messages across the wider partnership and front line staff. The focus is upon raising awareness of modern slavery, the signs and indicators and guidance on how to report concerns.
- 10 In response to research from the University of Nottingham and Independent Anti-Slavery Commissioner (IASC) in 2017 to promote consistency across the UK, an Anti-Slavery Partnership Toolkit was published in October 2018. The toolkit aims to support partnerships to develop their approach to tackling modern slavery, inclusive of governance, accountability, modern slavery statements, performance and monitoring.

Modern Slavery Charter

- 11 The main aim of the proposed Charter is to illustrate the County Council's commitment to the prevention of modern slavery and its occurrence in County Durham.
- 12 Adopting the themes of Prevention, Protection and Partnership are in line with the key messages in the Modern Slavery Council Guide.
- 13 Themes in the Charter cover a broad range of activities from raising awareness to procurement activity. The Charter is an additional element of ongoing work to tackle the issue locally, with performance and monitoring as a feature in keeping with the IASC and Nottingham University toolkit. Further work will take place to review the toolkit against the modern slavery partnership activities to ensure it is adopting best practice throughout all areas planned.
- 14 Monitoring the progress against each Charter commitment will take place on an annual basis.
- 15 Development of the proposed Charter took place in consultation with Unite, GMB and Unison Trade Unions.
- 16 Unions received the Charter positively, with agreement to endorse with their individual logos.
- 17 Partner agencies will be encouraged to adopt their own Charter.

Recommendations and reasons

- 18 County Council are recommended to approve the Modern Slavery Charter and publish it on the Council's website.

Contact: Gordon Elliott Tel: 03000 263605

Appendix 1: Implications

Finance

The Charter illustrates commitment of the Council to ensuring modern slavery does not exist in supply chains. If decommissioning takes place of any contracts due to slavery or trafficking issues identified, the Council may incur costs from any future commissioning activity.

Staffing

The MS Charter should be made readily available to all staff with access to the website and also for wider promotion.

Risk

Potential risk to reputation without evidence of success of Charter implementation.

Equality and Diversity

Those subject to slavery and human trafficking are often from diverse communities. The steps set out in this Charter will help to ensure the risks they face are minimised. Adoption of the Charter seeks to raise awareness, to help to identify victims of trafficking or slavery across all protected characteristics and particularly age, disability and race. On that basis, the Charter is likely to bring about a positive impact across those diverse communities.

Accommodation

Accommodation issues related to those people who have been subject to modern slavery will be considered as part of the Memorandum of Understanding.

Crime and disorder

Adult safeguarding and safeguarding children both link with Modern Slavery/Trafficking. Partners of the police such as the Council and the local safeguarding boards ensure there are related policies and procedures in place.

Human rights

Legislation and related policy for the protection of any victims identified are used to inform single agency and any multi-agency working. It includes for example, the Modern Slavery Act 2015, EU Directive Preventing and combating trafficking in human beings and protecting its Victims, Council of Europe Convention on Action against Trafficking in Human Beings, EU Charter of Fundamental Rights and the European Convention on Human Rights 2010.

Consultation

The MS Charter is written in consultation with wider service areas in the council, elected members and Trade Unions.

Procurement

The commitment of Corporate Procurement steps to support the Charter is included. Corporate Procurement ensure the Council is meeting its requirements and has systems in place to identify any potential issues with procured services.

Disability issues

Not applicable.

Legal implications

There is no legal requirement for the Council to adopt a Modern Slavery Charter. However, the adoption of the Charter represents good practice and helps to demonstrate the Council's commitment to meeting its obligations under the statutory guidance and Modern Slavery, a Council Guide.



Our Charter Commitment against Modern Slavery

Durham County Council as a public sector organisation recognises that Modern Slavery is a crime, and as such, we collectively take a stand against Modern Slavery and its occurrence in Durham. We have agreed 3 key aims for our Charter:

1. Prevention

- Improve public awareness of modern slavery and provide advice and support to people on how to protect themselves from modern slavery.
- Provide a range of awareness raising to all DCC employees in understanding the nature of modern slavery and recognising the signs.
- Ensure Corporate Procurement staff will continue to work towards the ethical procurement and supply, to prevent the existence of modern slavery in any of our supply chains.

2. Protection

- Promote safeguarding policies for children and adults to all employees and the wider workforce to help to protect those most vulnerable.
- Provide consistent messages to all DCC employees on how to respond to modern slavery and ensure they comply with our employee code of conduct for equality and diversity.
- Support all employees and our contractors to adopt and understand whistle blowing to help to identify victims and protect them at the earliest opportunity.
- Promote that concerns or knowledge of modern slavery should be reported to the Police on 101.

3. Partnership

- Promote consistent messages to DCC employees, the public and partners, including all Area Action Partnerships across County Durham.
- Support inter-agency working across all partners in the prevention of Modern Slavery and reporting requirements of the National Referral Mechanism.
- Measure the effectiveness of our activities to inform wider partnerships.



County Council

31 October 2018

Co-opted Members to the Audit Committee



Report of John Hewitt, Corporate Director of Resources

Purpose of the Report

- 1 To seek Council approval on the appointment of co-opted Members to the Audit Committee.

Background

- 2 On 10 December 2007 the Audit Committee agreed to appoint two co-opted non-voting members to the Audit Committee for a three year fixed contract. The co-options accorded with CIPFA's "Audit Committees: practical guidance for local authorities". Following an advert in the press inviting applications, prospective candidates were interviewed, and two co-opted Members were appointed. Their appointments were due to expire on 28 February 2011, however Council agreed extensions to their contracts until 30 April 2016.
- 3 In accordance with the authority granted by full council on 24 February 2016 two new co-opted members to the Audit Committee were appointed for a three year term ending on 30 April 2019. During this period one of the co-opted members resigned and following a recruitment exercise a new co-opted member was appointed for the remainder of the term, whose appointment commenced in May 2018.
- 4 The appointments of both are due to expire on 30 April 2019, and it is for Council to determine whether to extend the fixed term contracts, and if so for how long, or whether to place an advert in the local press and seek new applications. There is nothing in the Council's guidance to indicate that existing members could not be re-appointed.
- 5 Whether Council agree to re-appoint the existing two co-opted members or undertake new appointments, it is suggested that the members be appointed for a four-year term expiring on 30 April 2023. This would refresh the co-opted members' mid-term of the four-year term of office of the council's elected members, and therefore provide continuity on the Committee.
- 6 If the Council was minded to seek new applications it is suggested that an advert be made in the local press and on the council's website to

seek candidates to fill the two positions, and for the appointments to be made by the Corporate Director, Resources in consultation with the Chairman and Vice-Chairman of the Audit Committee.

- 7 For any vacancies arising within the agreed term of office, appointments would be made through the same procedure as outlined in paragraph 6.
- 8 The Audit Committee met on 28 September 2018, and agreed to recommend that Council extend the fixed term contracts of the two co-opted members for a four-year period.

Recommendation

- 9 That Council either:-
 - (a) In line with the Audit Committee's recommendation extend the appointment of the current co-opted members until 30 April 2023.

or:-

 - (b) Agree to make new appointments in accordance with the process as set out in paragraph 6, and determine their length of office with a suggestion that this be until 30 April 2023.

Contact: Ros Layfield Tel: 03000 269 708

Appendix 1: Implications

Finance-

Travelling and subsistence costs of the successful applicants in attending meetings/ training events of the Audit Committee, plus advertising and printing costs can be met from within existing budgets.

Staffing-

None

Risk-

None

Equality and Diversity/ Public Sector Equality Duty-

A recruitment process would be carried out in accordance with the Council's recruitment procedure.

Accommodation-

None

Crime and disorder-

None

Human rights-

None

Consultation-

As detailed in the report

Procurement-

None

Disability Issues-

A recruitment process would be carried out in accordance with the Council's recruitment procedure.

Legal Implications-

None

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County Council**31 October 2018****Local Council Tax Reduction Scheme
2019/20**

Report of Corporate Management Team**John Hewitt, Corporate Director of Resources****Councillor Alan Napier, Portfolio Holder for Finance**

Purpose of the Report

- 1 To seek Council approval for the continuation of the current Local Council Tax Reduction Scheme (LCTRS) for a further year into 2019/20, which would continue to protect all claimants in line with what their entitlement would have been under the Council Tax Benefit System, as agreed by Cabinet at their meeting on 11 July 2018.

Background

- 2 The Government abolished the national Council Tax Benefits System on 31 March 2013, replacing it with a requirement for local authorities to work with their precepting bodies to establish a Local Council Tax Reduction Scheme (LCTRS) with effect from 1 April 2013. The LCTRS provides a 'discount' against the Council Tax charge, rather than a benefit entitlement.
- 3 The Council Tax Reduction Scheme Grant replaced Council Tax Benefit subsidy and from April 2013 is paid directly to the Council and the major precepting bodies (Police and Fire).
- 4 Government funding towards council tax support was reduced by 10 per cent nationally in 2013/14. By so doing, the Government also transferred the risk of any growth in the system through more council taxpayers becoming eligible for support with their council tax to local authorities as the government grant was a fixed amount.
- 5 The funding made available to support the Local Council Tax Support Schemes in 2013/14 (90% of the previous funding available under the Council Tax Benefit System) now forms part of the Council's formula funding arrangements. Whilst separate figures were published for this in 2013/14, there is no longer any visibility over what level of funding is actually contained within the formula now for Council Tax Reduction Schemes.
- 6 The Council's formula grant includes an element relating to Town and Parish (T&P) Councils and whilst the Council passed the grant on to the Town and Parish Councils in the last three years, there is no statutory requirement to do so.

- 7 Following discussions with the Town and Parish Councils' Working Group, and in the spirit of partnership working, recognising the important role Town and Parish Councils play in providing local services to communities, it is proposed to continue to pass on the Town and Parish element of the formula grant in 2019/20. In doing so, it is proposed that the Council continues to apply pro-rata reductions in the Council Tax Support Grant paid to Town and Parish Councils 2019/20 in line with reductions in the overall formula funding made available to the Council and this is reflected in the updated MTFP model.
- 8 Formula grant has been subject to significant ongoing year on year reductions since 2010/11 and the latest MTFP includes a forecast c£14.239 million reduction in Revenue Support Grant in 2019/20, partially offset by retail price index inflation (RPI) increases in the local share of business rates and top up grant under the localisation of Business Rates. Overall, funding from a combination of formula grant and business rates top up is forecast to reduce by c5.87% in 2019/20. This is the reduction that will be applied against the Council Tax Support Grant paid to Town and Parish Councils in 2018/19.
- 9 Local Council Tax Support Grant payments to Town and Parish Councils is forecast to be £1.311 million in 2019/20, a circa £90,000 reduction on the amount paid in 2018/19.

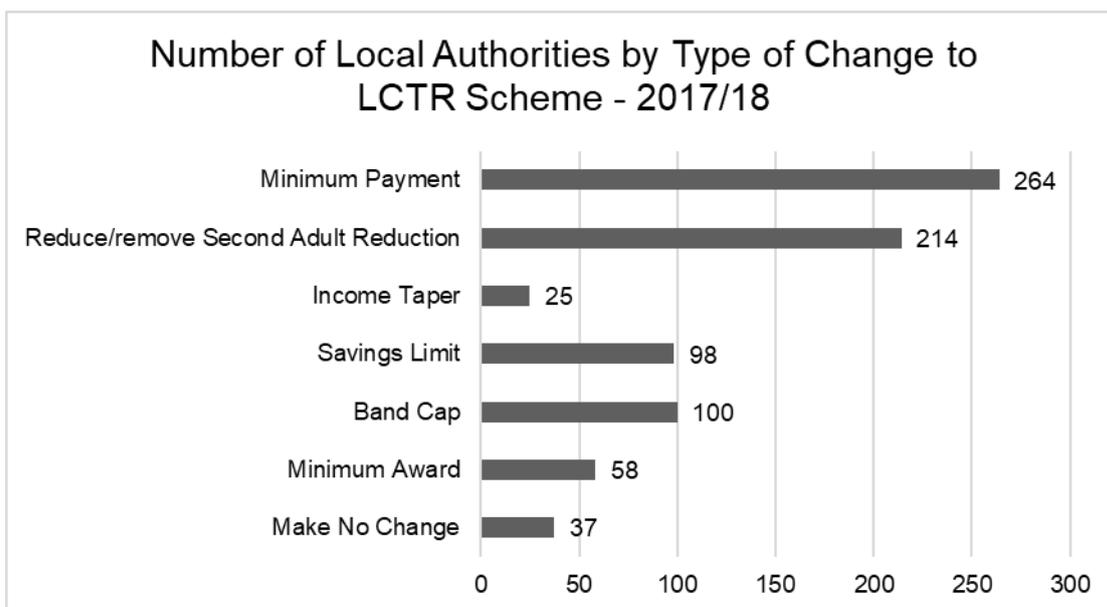
Review of the Local Council Tax Support Scheme

- 10 On 1 November 2017 Council agreed the current Local Council Tax Reduction Scheme for 2018/19, which mirrors the previous entitlement under the Council Tax Benefit System for all claimants. No council tax support claimants have therefore been worse off in the last six years than they would have been under the previous national scheme.
- 11 The Council has been mindful of the continuing impacts of the wider welfare reforms which are having a detrimental impact on many low income households and the fact that the additional Council Tax liabilities for working age households could have a significant impact on affected household budgets by around £100 a year based on a scheme whereby entitlement for working age claimants is set at a maximum of 90% entitlement. This would make collection of council tax more difficult and costly to recover from these low income households.
- 12 In approving the scheme for 2018/19, the Council (1 November 2017) gave a commitment to review it on the grounds of medium term financial plan (MTFP) affordability and on-going austerity.
- 13 In the North East region, Durham and Northumberland currently have schemes that continue to mirror entitlement under the former Council Tax Benefit (CTB) system, whilst the other ten Councils have schemes that cap the maximum entitlement to working age claimants. The table below summarises the key features of the schemes in place across the North East in 2018/19 and how their in-year council tax collection rates have changed between 2012/13 and 2017/18 (which is the latest published data available):

Local Authority	Basis of Scheme	Minimum Payment	Second Adult Reduction Offered?	Change in in-year council tax collection rate between 2012-13 and 2017-18
Durham	CTB	No	Yes	+1.80%points
Darlington	CTB	20%	No	-0.30%points
Gateshead	CTB	8.5%	No	-0.70%points
Hartlepool	CTB	12%	No	-1.30%points
Middlesbrough	CTB	15%	No	-3.20%points
Newcastle	Income Banded	10%	No	-0.20%points
North Tyneside	CTB	15%	No	-0.70%points
Northumberland*	CTB	No	Yes	+0.30%points
South Tyneside	CTB	30% or 15% if vulnerable	Yes	-1.50%points
Stockton	CTB	20%	No	-2.40%points
Sunderland	CTB	8.5%	Yes	-1.30%points

* Northumberland County Council are currently consulting on changes to their LCTRS for 2019/20, which if implemented, will result in a cap on the maximum amount of support working age claimants could receive.

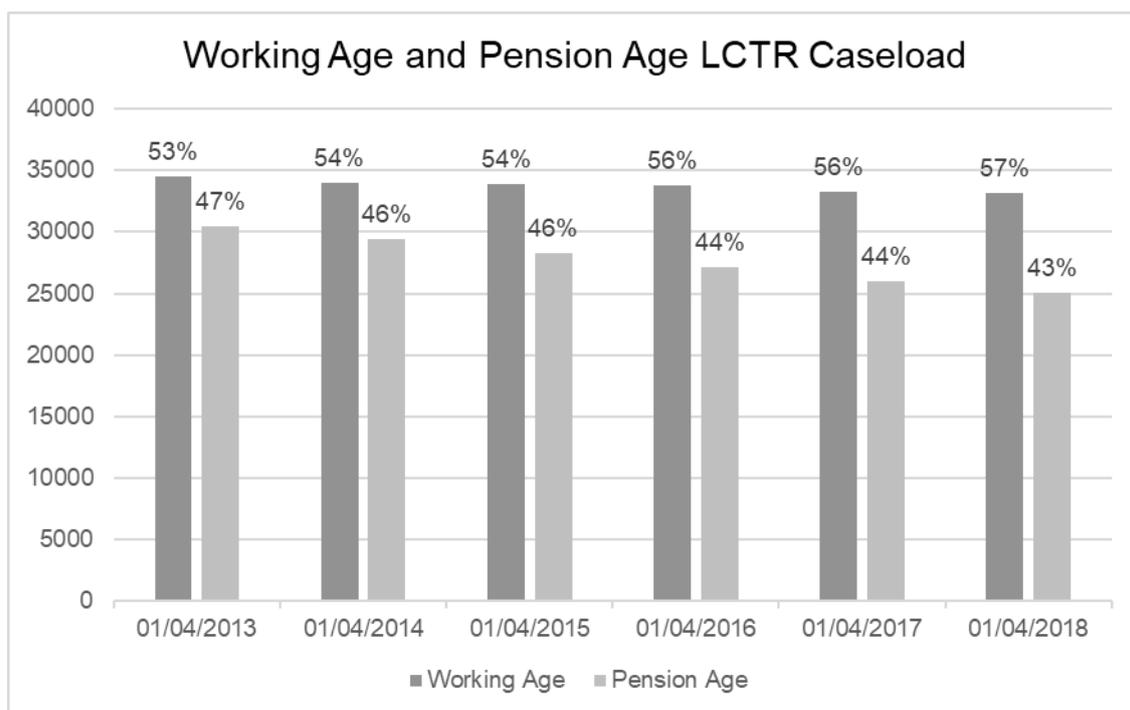
- 14 In 2017/18, Durham County Council was one of just thirty seven nationally who continued to mirror entitlement under the former Council Tax Benefit system (11%), with 277 out of 326 (89%) having cut the amount of support available to claimants. The latest published data available shows the most common changes to have been implemented elsewhere have been the introduction of a minimum payment level and reducing or removing the Second Adult Reduction. The chart below shows the most common types of changes / restrictions implemented to schemes across the country:



- 15 In some local authorities, like Durham, low-income households continue to be exempt from paying Council Tax whilst in others they are required pay up to

50% of their bill. There is therefore a wide disparity of support available across the Country.

- 16 In 2017/18, around two million families across the Country were being adversely affected by the change from Council Tax Benefit. On average these families were paying £191 additional Council Tax in 2017/18 in comparison to what they would have paid under the national CTB scheme. The number of LCTRS claimants paying £200 or more had increased to 825,000 in 2017/18.
- 17 There are currently 58,007 LCTRS claimants in County Durham, of which 23,709 (41%) are pensioners and 34,298 (59%) are working age claimants. with 18,748 working age claimants on 'passported' benefits i.e. also in receipt of either Job Seekers Allowance, Employment Support Allowance or Income Support. 27,151 (79.16%) of all claimants currently receive 100% LCTRS discount, with LCTRS support forecast to be circa £55.4million in 2018/19.
- 18 The LCTRS caseload in Durham has reduced by 8.76% between 2013/14 (when there was circa 64,000 LCTRS claimants) and 2017/18 (when there was circa 58,000 LCTRS claimants), reflecting a national trend which is in part attributed to improved economic conditions (reduced unemployment) across this period and the increase in the state pension age. The reduction in LCTRS caseloads nationally has been 16.49% over the same period, which will reflect the fact that many local authorities have made their schemes less accessible, meaning fewer applicants now qualify for support.
- 19 In Durham, there are now over 4,000 claimants currently classed as working age that would have been treated as pensionable age claimants prior to 2010, when the process of moving state pension credit age from 60 to 66 began. This process is expected to be completed in 2020 with a further move up to 67 between 2026 and 2028, then to 68 between 2044 and 2046. As the chart below shows, over the last five years there has been a four percentage point increase in the proportion of working age applicants within Durham:

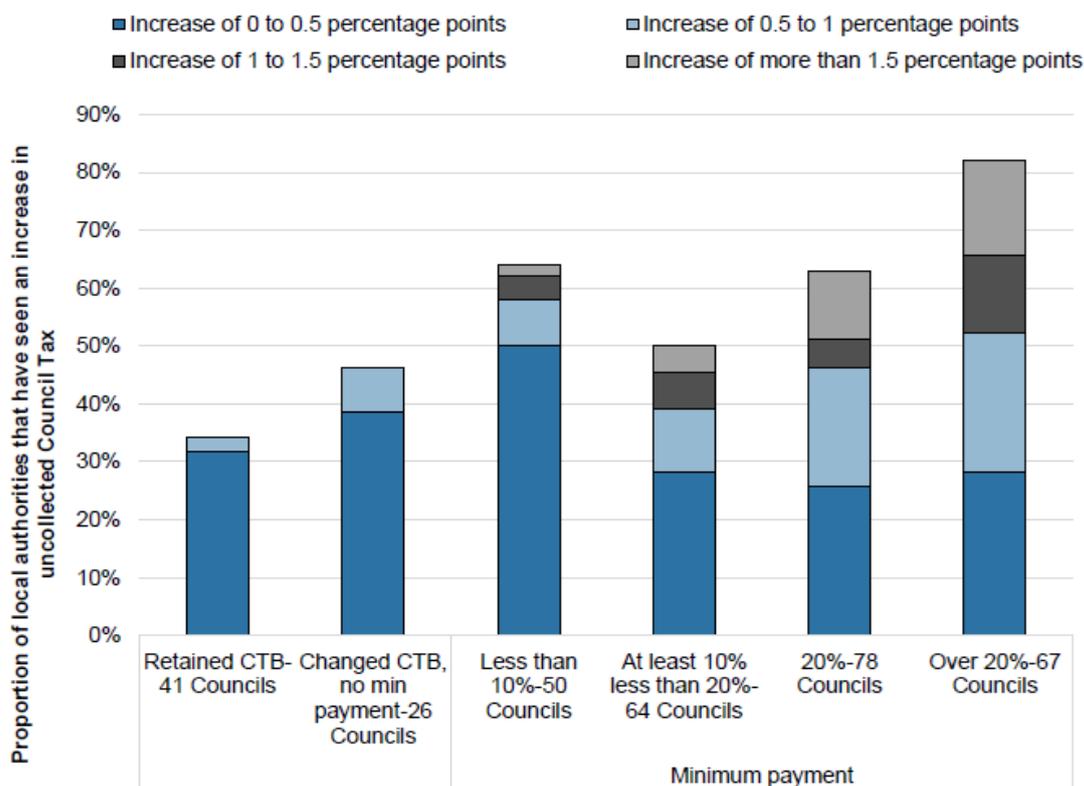


- 20 This means a higher proportion of our caseload is coming under the part of the LCTRS scheme that the Council has control over. Working age customers also carry a greater administrative workload as they have more frequent changes in their circumstances, particularly when they are in receipt of Universal Credit.
- 21 As Members will be aware, if any changes are made to the scheme, these must be consulted on and be subject to an equality impact assessment. Councils are required to review and approve their schemes annually and have this agreed by a Council Meeting before 11 March each year (previously it was 31 January, but has recently been changed).
- 22 Statutorily, pensioners have to be protected from any changes, therefore any reductions can only be applied to working age claimants.
- 23 Six years after the Government abolished the national Council Tax Benefits System the Council continues to have a Local Council Tax Support Scheme which mirrors the previous entitlement under the Council Tax Benefit System for all claimants. No council tax support claimants have therefore been financially worse off in the last six years (including the current year) than they would have been under the previous national scheme.
- 24 The Council has been mindful of the continuing impacts of the wider welfare reforms which are having a detrimental impact on many low income households and the fact that the additional Council Tax liabilities for working age households could have a significant impact on affected household budgets by around £100 to £130 a year based on a scheme whereby entitlement for working age claimants is set at a maximum of 90% entitlement. This would make collection of council tax more difficult and costly to recover from these low income households.
- 25 To give a national context, analysis from the National Policy Institute published in August 2017 (available at npi.org.uk/publications/council-tax/are-cuts-council-tax-support-england-false-economy-councils/), concluded that councils with higher minimum payments generally continued to have higher overall arrears than in 2012/13 and that:

This could be seen as evidence that some councils have raised taxes beyond sustainable levels for low-income households. Minimum payments that are set too high may result in an increase in uncollected taxes and increasing administration and court costs (for both the claimants and the local authority) as councils seek to recover the taxes.

- 26 The same report contained the chart below, illustrating that those authorities with higher minimum payment levels were more likely to see an increase in uncollected council tax:

Proportion of Local Authorities that have seen an increase in uncollected tax in 2016/17 compared with 2012/13



Source: NPI analysis of collection rates and receipts of council tax and non-domestic rates in England, DCLG; the data is a comparison of 2016-17 with 2012-13.

- 27 Based on Taxbase assumptions, the estimated net cost of retaining the scheme is circa £5.1m – this reflects the reduction in Government Grant support towards maintaining these schemes in the first year. To recover the full £5.1m cost by reducing the benefit awarded to working age claimants, which currently totals circa £31.5million, and factoring in a prudent collection rate of 80%, would require the maximum entitlement to be reduced from 100% to 79.8%.
- 28 Should the Council review its scheme and reduce maximum entitlement to working age claimants, depending on the forecasted council tax collection from affected low income households, there would be scope to increase Council Tax revenues by between £2.52million (based on a scheme that awarded maximum entitlement to working age households of 90% with a prudent collection rate of 80%) and £5.1million (based on a scheme that awarded maximum entitlement of 79.8% with a prudent collection rate of 80%). This would impact circa 34,300 working age households across County Durham, where 7,157 (21%) are actually in low paid jobs rather than being unemployed.

Conclusions

- 29 There is a statutory requirement for Full Council to approve the Local Council Tax Reduction Scheme (LCTRS) to be operated in 2019/20 before 11 March 2019.
- 30 The Council will need to continue to review the national situation and track what is happening in local authorities that have introduced Local Council Tax

Reduction Schemes that have reduced entitlement to their working age claimants in terms of impacts and performance in terms of recovery of the council tax due.

- 31 Following careful consideration of the current financial position of the Council and in light of further cuts to the Welfare Budget planned by Government, including the roll out of Universal Credit Full Service, which was completed in in County Durham in July 2018; Cabinet (July 2018) resolved to recommend to Council that the current scheme should be extended for a further year into 2019/20 and, therefore, that no additional council tax revenues or pressures are built into the MTFP projections from a review of the LCTRS at this stage.
- 32 The reasons for extending the current scheme are due to the current scheme remaining within existing cost parameters for the Council. In addition, whilst the full impacts of the Government's Welfare Reforms are complex and difficult to track, demand for Discretionary Housing Payments; Social Fund Applications and Rent Arrears statistics in County Durham compared to others across the region, would suggest that the council tax benefit protection afforded to working age claimants, in addition to the wide ranging proactive support that has been put in place, is continuing to have a positive impact on these households.
- 33 The Council will need to continue to review the national situation and track what is happening in local authorities that have introduced Local Council Tax Reduction Schemes that have reduced entitlement to their working age claimants in terms of impacts and performance in terms of recovery of the council tax due.
- 34 The Council will also need to keep track of the impact of the roll out of Universal Credit (UC). This presents new challenges for the administration of LCTRS as it results in a much higher number of changes in circumstances (experience is that the UC earned income element changes frequently as the person moves through the claimant commitment with their Work Coach) and removes the administrative economies of scale currently achieved by administering Housing Benefit and LCTRS claims side by side.
- 35 More significantly however, UC changes results in multiple reworking and changes to LCTRS entitlement throughout the year and multiple bills being issued to individual households resulting in numerous changes to their net liability and instalment plans for any Council Tax balance they are responsible for. In areas where UC Full Service has been fully rolled out and has been in place for some time there has been reports of significant reductions in in-year recovery rates in 2017/18 as a consequence, though the data is not yet available to examine in detail.
- 36 To counter this local authorities are increasingly looking to introduce banded schemes, though the majority have a cap on the maximum amount of support that can be gained. Officers will be modelling options in terms of a potential banded scheme for consideration for 2020/21, whereby a banded scheme for UC claimants could run alongside the existing scheme for non-UC claimants, with no restriction on the maximum support that can be claimed. The existing scheme needs to be maintained for pensioners in any event.

- 37 Any proposed changes to the LCTRS for 2020/21 would need to be consulted upon and, should any changes be proposed, a report would need be brought to Cabinet in spring / summer 2019 before embarking on a consultation process thereafter.

Recommendations

- 38 Council is recommended to:
- (a) continue the current Local Council Tax Reduction Scheme into 2019/20, which will retain the same level of support to all working age council tax payers on low incomes;
 - (b) agree that the extension to the Scheme be initially for a further year only and be kept under continuous review with a further decision on the scheme to apply in 2020/21 to be considered by Cabinet in spring / summer 2019 and Full Council by 11 March 2020.

Contact: Paul Darby Tel : 03000 261 930

Background Papers

- Local Government Finance Act 1992 (section 13A)
- Welfare Reform Act 2012
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012
- Medium Term Financial Plan (9), 2019/20-2022/23 and Review of the Local Council Tax Reduction Scheme, Council Tax Discounts and Business Discretionary Rate Reliefs – Report to Cabinet 11 July 2018
- Forecast of Revenue and Capital Outturn 2018/19: Quarter 2 – report to Cabinet 14 November 2018

Appendix 1: Implications

Finance

The funding made available to support the Local Council Tax Reduction Schemes in 2013/14 (90% of the previous funding available under the Council Tax Benefit System) now forms part of the Council's formula funding arrangements.

Following discussions with Town and Parish Councils, Cabinet resolved on 11 July 2018 to continue to pass on the Town and Parish element of its formula grant in 2019/20 but in doing so continue to apply pro-rata reductions in the Council Tax Support Grant paid to Town and Parish Councils in 2018/19 in line with reductions in the overall formula funding made available to the Council. Estimated Grant paid to Town and Parish Councils will be circa £1.311 million in 2019/20 compared to £1.401 million in 2018/19 a reduction of circa £90,000 year on year.

The Council introduced a Local Council Tax Reduction Scheme in 2013/14 which ensured that entitlement to the new discount for all claimants would be in line with the level of Council Tax Benefit that would otherwise have been granted had the Council Tax Benefit system continued. This was subsequently extended into 2014/15, 2015/16, 2016/17, 2017/18 and 2018/19.

The Council is responsible for the costs of any increase in caseload as the level of Government support is fixed within formula grant.

Prudent estimates and provisions were built into the tax base forecasts at budget setting, and whilst the Council is subject to greater financial risk now, the current scheme remains within the budget provisions.

Based on Taxbase assumptions, the estimated net cost of retaining the scheme in 2018/19 is circa £5.1m – this reflects the reduction in Government Grant support towards maintaining these schemes in the first year. To recover the full £5.1m cost by reducing the benefit awarded to working age claimants, which currently totals circa £31.5million, and factoring in a prudent collection rate of 80%, would require us to reduce the maximum entitlement from 100% to 79.8%.

Should the Council review its scheme and reduce maximum entitlement to working age claimants, depending on the forecasted council tax collection from affected low income households, there would be scope to increase Council Tax revenues by between £2.52million (based on a scheme that awarded maximum entitlement to working age households of 90% with a prudent collection rate of 80%) and £5.1million (based on a scheme that awarded maximum entitlement of 79.8% with a prudent collection rate of 80%). This would impact circa 34,300 working age households across County Durham, where 7,157 (21%) are actually in low paid jobs rather than being unemployed.

Staffing

None.

Risk

The report outlines a range of financial risks surrounding the Local Council Tax Reduction Scheme. These are being effectively managed at this time. Given that the proposal is to extend the current arrangements into 2019/20 there are no system

development issues or risk associated with these proposals as the systems were amended in advance of 2013/14.

The Council will need to keep track of the impact of the roll out of Universal Credit (UC). This presents new challenges for the administration of LCTRS as it results in a much higher number of changes in circumstances (experience is that the UC earned income element changes frequently as the person moves through the claimant commitment with their Work Coach) and removes the administrative economies of scale currently achieved by administering Housing Benefit and LCTRS claims side by side.

More significantly however, UC changes results in multiple reworking and changes to LCTRS entitlement throughout the year and multiple bills being issued to individual households resulting in numerous changes to their net liability and instalment plans for any Council Tax balance they are responsible for. In areas where UC Full Service has been fully rolled out and has been in place for some time there has been reports of significant reductions in in-year recovery rates in 2017/18 as a consequence, though the data is not yet available to examine in detail.

To counter this local authorities are increasingly looking to introduce banded schemes, though the majority have a cap on the maximum amount of support that can be gained. Officers will be modelling options in terms of a potential banded scheme for consideration for 2020/21, whereby a banded scheme for UC claimants could run alongside the existing scheme for non-UC claimants, with no restriction on the maximum support that can be claimed. The existing scheme needs to be maintained for pensioners in any event

Equality and Diversity / Public Sector Equality Duty

The Equality Act 2010 aims to advance equality of opportunity and provide protection from discrimination for people based on their 'protected characteristics'. We are legally required under the public sector equality duty (PSED) to have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
- advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and
- foster good relations between those who share a relevant protected characteristic and those who do not.

In relation to the LCTRS, this means that the Council needs to take account of the available data and broader evidence to actively consider how the scheme might affect people who share a relevant protected characteristic and people who do not share it. The PSED does not prevent public authorities making difficult decisions but we must ensure that the decision making process is fully informed by equality impacts and, where there is potential for negative impact, full consideration is given to mitigating actions and implementation of the final decision can be clearly justified.

Given the proposals are to extend the current LCTRS into 2019/20, thereby continuing to protect current entitlement, there will be no negative equalities impact, with the financial position of claimants protected in 2019/20.

This will need to be revisited next year if proposals are subsequently brought forward to change the scheme in 2020/21.

Should the Council decide against extending the current scheme into 2019/20, and elect instead to pass on reductions to working age claimants, there would be a range of potential negative equalities impacts. These include financial impact for working age claimants and possible additional impacts in relation to health and wellbeing, housing and the consequences of debt or legal action. These impacts are most likely in relation to gender, age and disability with limited impacts for race and sexual orientation and no evidence of impact on transgender status, religion or belief.

Accommodation

None.

Crime and Disorder

Any reduction in Council Tax support, alongside other welfare changes could see an increase in crime if customers seek to increase their income to make up for the benefits lost. The proposals set out in this seek to protect current entitlement in 2019/20 and as such have no implications, though the impact of the wider welfare reforms agenda will need to be kept under constant review.

Human Rights

None

Consultation

Towns and Parish Councils were consulted on the proposals to continue to passport an element of the Councils formula grant, equivalent to the Town and Parish share of the Local Council Tax Reduction Scheme grant funding within formula grant for 2019/20.

No further consultation has been undertaken as Cabinet resolved on 11 July 2018 to recommend to Council that it extends and continues the current Local Council Tax Reduction Scheme into 2019/20, thereby retaining the same level of support to all working age council tax payers as the previous Council Tax Benefit Scheme, which was abolished on 1 April 2013.

Procurement

None

Disability Discrimination Act

See above.

Legal Implications

The Welfare Reform Act 2012 abolished the national council tax benefits system (CTB), paving the way for new Local Council Tax Reduction Schemes (LCTRS) to be introduced under the auspices of the Local Government Finance Act 1992.

Section 13A of the Local Government Finance Act 1992 (“the 1992 Act”) requires each billing authority in England to make a scheme specifying the reductions which are to apply to amounts of council tax payable by persons, or classes of person, whom the authority considers are in financial need (“a council tax reduction scheme”).

The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (“the 2012 Regulations”) prescribe matters which must be included in such a scheme in addition to matters set out in paragraph 2 of Schedule 1A to the 1992 Act.

Each year regulations amending the 2012 Regulations are made in November/December. The majority of the amendments are to ensure consistency with changes to social security legislation and these are subsequently included in our local scheme.

The LCTRS provides a ‘discount’ against the Council Tax charge, rather than a benefit entitlement and as such impacts on the Councils tax base.

Regulations made under the Local Government Finance Act 1992 (The Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) the Council to calculate a council tax base for each financial year.

The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 which came into force on 30 November 2012 and applies to the financial years beginning 1 April 2013 onwards contains the rules which require the Council to calculate the Council Tax Base.

A key element of the tax base calculation is the Councils policy in terms of its LCTRS.

There is a statutory requirement for the Council to adopt a local council tax support scheme for the ensuing financial year by 11 March each year (previously the statutory requirement was to have the LCTS scheme approved by 31 January each year). Where the Council is proposing any changes to its scheme, there is a statutory requirement to consult on these proposals in advance of making any changes. Pensioners, have to be protected from any changes, with any reductions applied to working age claimants only.

County Council

31 October 2018

**Annual Report of the Standards
Committee 2017/2018**



Report of Helen Lynch, Head of Legal and Democratic Services

Purpose of the Report

1. To inform the Council of the work of the Standards Committee during 2017/18 and to set out the future direction which the Committee intends to take during 2018/19.

Background Information to the Annual Report

2. Although there is no legislative requirement for Standards Committees to produce an Annual Report, doing so is recognised as good practice. Not only does the report publicise the work of the Committee to the wider general public, it is also a means for the Authority itself to monitor the Committee's work.
3. References to Articles in the Council's Constitution in this report are to those that existed during 2017 – 2018. It has since been amended, and the Standards Committee's Terms of Reference are now set out in Article 7.

Membership of the Standards Committee 2017/2018

4. The Standards Committee is comprised of 11 County Council Members and 2 Parish/Town Council Members as follows:-

County Council Membership

Councillor B Kellett – Chairman
Councillor E Huntington – Vice Chairman

County Councillors E Bell, J Bell, J Clark, M Clarke, T Henderson, M McGaun, M McKeon, J Nicholson and A Savory.

Parish and Town Council Representatives

Councillor Terry Batson is a consultant Arborist and a former Local Government Officer. Councillor Batson is also a Member of Tow Law Town Council.

Councillor Ralph Harrison is a former Member of Chester le Street District Council who continues to serve his local community as a Member of Sacriston Parish Council.

Independent Persons

5. Under the Localism Act 2011, the Council was required to appoint one or more Independent Persons to assist in the Standards process.
6. The functions of the Independent Persons are:
 - a) They must be consulted by the Authority before it makes a finding as to whether a member has failed to comply with the Code of Conduct or decide on action to be taken in respect of that member.
 - b) They may be consulted by the Authority in respect of a Standards complaint at any other stage and they may be consulted by a member or a co-opted member.
7. In September 2012 the Council appointed the following persons:-

John Dixon Dawson. John is from Peterlee and is currently Head of Post Graduate Programmes at the University of Sunderland Business School. He has a career going back to 1986, which has involved various placements at universities in the North East, four years as a non-Executive Director at an NHS Trust and seven years as a Deputy Town Clerk.

Peter William Jackson. Peter is from Newton Hall and is retired. Originally from the private sector having fulfilled the roles of Factory Manager, General Manager, Managing Director, Group Technical Executive and Sales Manager. He has also served on the Youth Employment Committee of the Council and the Police Consultative Committee for Durham County Council.
8. The Independent persons were appointed for a four year term with effect from 25 September 2016 and this is their second term of office.
9. In 2017/2018 the Independent Persons were involved in seven cases and one Standards Committee Hearing Panel.

Role of the Standards Committee

10. The Members of the Standards Committee have a common interest in that they believe in principled local politics and value their role as champions of high standards of conduct amongst local politicians.
11. In accordance with Article 9 of the Constitution of Durham County Council, the roles and functions of the Standards Committee are as follows:

- (a) promoting and maintaining high standards of conduct by Members and Co-opted Members of the Council and Parish and Town Council Members;
- (b) assisting Members and Co-opted Members of the Council and Parish and Town Council Members to observe the Members' Code of Conduct and where appropriate, the Planning Code of Practice;
- (c) advising the Council on the adoption or revision of the Members' Code of Conduct and the Planning Code of Practice;
- (d) monitoring the operation of the Members' Code of Conduct and the Planning Code of Practice;
- (e) advising, training or arranging to train Members and Co-opted Members of the Council and Parish and Town Council Members on matters relating to the Members' Code of Conduct and Planning Code of Practice;
- (f) granting dispensations to Members and Co-opted Members of the Council from requirements relating to interests set out in the Members' Code of Conduct and Planning Code of Practice in circumstances where this function has not been delegated to the Monitoring Officer;
- (g) the assessment and/or referral for investigation of allegations of misconduct on the part of Members and Co-opted Members of the Council and Parish and Town Council Members, if requested to undertake this function by the Monitoring Officer;
- (h) the determination of allegations of misconduct on the part of Members and Co-opted Members of the Council and Parish and Town Council Members;
- (i) dealing with any alleged breach by a Member of a Council Protocol, in accordance with procedures approved by the Committee;
- (j) overview of the Officers' Code of Conduct;
- (k) overview of the Protocol on Member/Officer Relations.

Parish and Town Council Sub-Committee

12. Article 9 of the Constitution enables the Standards Committee to appoint a sub-committee comprising three Councillors. The remit of the Sub-Committee will be to support Parish and Town Councillors and their Clerks in maintaining high standards of conduct, whether through training or otherwise, and for this purpose to maintain close links with the County Durham Association of Local Councils. There have been no appointments to this Sub-Committee during 2017/18. Support and training has been carried out by officers.

Code of Conduct Complaints

13. In 2012, following the implementation of the Localism Act 2011 and associated changes to the Standards regime, the Monitoring Officer was appointed as the 'Proper Officer' to receive complaints of failure to comply with the Code of Conduct. The Monitoring Officer has delegated power, after consultation with the Independent Person, if appropriate, to determine whether a complaint merits formal investigation. Wherever practicable, the Monitoring Officer seeks resolution of complaints without formal investigation and she has discretion to refer decisions to the Standards Committee where she feels that it is inappropriate for her to make the decision. The Standards Committee receives a quarterly report on the discharge of this function.
14. During 2017/18 the number and breakdown of complaints regarding breaches of the Code of Conduct was as follows:-

Year	1 April 2017 to 31 March 2018	1 April 2016 to 31 March 2017
Total no. of complaints received	41	70
Source of Complaints	Councillors 14 Members of the public 25 Parish/Town Council employee 1 Anonymous 1	Councillors 35 Members of the public 20 Parish/Town Council employee 3
Complaints against	County Councillors 13 Parish Councillors 13 Town Councillors 15 Dual-hatted 0	County Councillors 12 Parish Councillors 13 Town Councillors 43 Dual-hatted 2
Independent Persons Involved	7 plus 1 Standards Committee Hearing Panel	4 plus 1 Standards Committee Hearing Panel
Outcomes	No Further Action 30 Local Resolution 8 Local Investigation 3 Standards Committee Hearing Panel 1	No Further Action 66 Local Resolution 4 Standards Committee Hearing Panel 1

15. There has been a decrease in the number of complaints received in 2017/2018 compared to the previous year but there has been an increase in the number of complaints where Local Resolution was recommended, and three were referred for Local Investigation by the Monitoring Officer. Of the total number of complaints received, eight of these related to the behaviour of Councillors in meetings and seven were allegations regarding the perceived inappropriate use of social media.

Work of the Standards Committee during 2017/18

16. During the year the Committee has met on four occasions. The Committee received updates on the current status of complaints and of the 'national picture' on Standards issues affecting Local Government. A Work Programme for the Committee was agreed at the December 2017 meeting.
17. The Committee was consulted on proposals by the Department for Communities and Local Government to update disqualification criteria for local members, and agreed revisions to the Code of Conduct and the protocol on member/officer relations which were adopted by the Council in May 2018. The Committee also commented on the review of Local Ethical Standards undertaken by the Committee for Standards in Public Life.
18. The Chair and Vice-Chair of the Committee accompanied the Monitoring Officer to the regional meeting of Monitoring Officers, Chairs/Vice-Chairs of Standards Committees and Independent Persons on 2 April 2017.

Training and Development

19. Elections to the County Council and Parish and Town Councils were held in May 2017 and training on the Code of Conduct for all new County Council members was held on 15 May 2017, which although not mandatory, was attended by 33 out of the 41 new members. The Monitoring Officer held a training session on the Code of Conduct for all Parish and Town Councils on 3 October 2017 which was attended by representatives from 18 Parish Councils. At the request of Cornforth Parish Council the Governance Solicitor provided Code of Conduct training to its members on 13 November 2017. Neighbouring Parish/Town Councils Bishop Middleham, Ferryhill, Chilton and Kirk Merrington were invited to the session.
20. Members of the Standards Committee attended a regional training session on the use of social media on 10/11 October 2017, and the Chair and Vice-Chair of the Committee observed a meeting of Newcastle City Council's Standards Committee on 13 October 2017.

Moving Forward

21. The Standards Committee is continually dedicated to its responsibility to champion and promote high standards of conduct amongst the County's local politicians. The Committee will continue to provide support and advice where necessary to local Councils and in conjunction with the County Durham Association of Local Councils.
22. Complaints regarding the perceived inappropriate use of social media platforms are on the increase both locally and nationally, and Guidance is being developed on this topic to assist both County and Parish and Town Council Members. Changes to the Local Assessment Procedure which are designed to give greater clarity to assessing and investigating complaints, are being considered.

Conclusion

23. The Standards Committee has continued to promote the principles and values of good governance within the Council and across the County. The Members of the Standards Committee are committed and dedicated to ensuring that high standards of conduct are maintained by all local elected Members.

Recommendation

- a) Council is asked to note the report.

Contact: Helen Lynch Tel: 03000 269703

Appendix 1: Implications

Finance – None specific to this report.

Staffing – None specific to this report.

Risk – None specific to this report.

Equality and Diversity - None specific to this report.

Accommodation - None specific to this report.

Crime and Disorder - None specific to this report.

Human Rights - None specific to this report.

Consultation - None specific to this report.

Procurement - None specific to this report.

Disability Discrimination Act - None specific to this report.

Legal Implications – The Council has a duty under s. 27 of the Localism Act 2011 to promote and maintain high standards of conduct by its members and to adopt a code of conduct that is consistent with the Nolan Principles and to have in place arrangements under which allegations can be investigated and decisions made. As explained in paragraph 2 of this report, the publication of an Annual Report aids the public understanding and awareness of the committee's work and demonstrates how the Council discharges its s. 27 duty.

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