RECORD OF EXECUTIVE DECISIONS

The following is a record of the decisions taken at the meeting of **CABINET** held on **Wednesday 13 November 2019**. The decisions will come into force and may be implemented from **Monday 25 November 2019** unless the Corporate Overview and Scrutiny Management Committee or its Committees object to any such decision and call it in.

Review of School Provision – Wolsingham School and Sixth Form [Key Decision: CYPS/03/2018]

Summary

The Cabinet considered a joint report of the Corporate Director of Children and Young People's Services and the Corporate Director of Resources which provided an update on the future of Wolsingham School and Sixth Form, following the report to Cabinet on 13 March 2019. The report sets out the issues and implications arising from the decision of Wolsingham School and Sixth Form to seek to join the Advance Learning Partnership Academy Trust in order to achieve a financially sustainable position for the school going forward.

Previous Cabinet reports have outlined the funding challenges that all schools face and particularly schools in rural settings which have fewer than 600 pupils (the Department for Education threshold for viability), which includes Wolsingham School and Sixth Form. Of a wide number of options set out in the report of November 2017, and subsequently assessed and reported upon, the only viable options facing the school (short of closure) were federation with other schools, or, for governors to agree to a decision to join a multi-academy trust (MAT). The option for Wolsingham School to federate with other schools was fully considered but too few schools agreed to form a federation, leading officers to conclude that the savings achievable would not be sufficient to eliminate the in-year and accumulated deficit of Wolsingham School.

The remaining option, that governors agree to Wolsingham School joining a multi-academy trust, has been progressed. In June 2019, the Advanced Learning Partnership (ALP) accepted Wolsingham School could join their trust, pending resolution of some terms which this report covers. The governing body of Wolsingham School has done due diligence and is in agreement that this action should proceed, with a provisional date of joining the MAT set at September 2020.

While the school has successfully restructured in order to reduce its in-year deficit, with a plan to bring the school into an in-year balanced position by 2021/22, the Council would need to agree to cover the cumulative deficit from the General Fund at the point of conversion. As an alternative to closure, the opportunity presented to the school by ALP's invitation to join the multi academy trust is considerably more preferable. The consequences of closure, explained in detail in previous reports, were summarised in the report. Implications of the academisation of Wolsingham School were also covered, although an arrangement by which the County Council will assume responsibility for operating the leisure provision, including swimming pool, will ensure that a like-for-like offer to the school and community is maintained, despite the academy conversion.

Decision

Cabinet agreed the following:

(a) Officers continue to work with governors of Wolsingham School and Sixth Form and from the Advance Learning Partnership (ALP), plus the Regional Schools Commissioner, to deliver the schools decision to join the ALP Multi Academy Trust;

(b) To write off the accumulated deficit of Wolsingham School and Sixth Form at the point of conversion in order to deliver a financially viable future for the school. The costs of writing off the deficit to be met from Earmarked Reserves;

(c) To assume responsibility for operating the leisure provision, including swimming pool, to secure community access and provision going forwards.

Review of the Council Long Term Empty Premium Charges [Key Decision: CORP/R/19/03]

Summary

The Cabinet considered a joint report of the Corporate Director of Regeneration and Local Services and the Corporate Director of Resources which considered the outcomes of the consultation on potential changes to the council's policy in terms of Empty Homes Discounts and the policy of applying a 50% premium on properties which have been unoccupied and unfurnished for more than 2 years, where councils now have the power to:

a) apply a maximum 100% premium on such properties (from April 2019) along with;

b) apply a maximum 200% premium on properties which have been unoccupied and unfurnished for more than 5 years (from April 2020).

The report outlined the positive impact the policy makes in terms of contributing to the council's Housing and Homeless Strategies and includes updated modelling of the impact of changing the current policy, proposing changes to the existing policy to provide greater protection and support to households in certain circumstances.

Since April 2013, councils have been able to apply a maximum 50% council tax premium on properties that have been unoccupied and unfurnished for more than 2 years. In line with most councils, Durham introduced the premium charge from April 2013. The aim of the policy is to encourage the owners of long-term empty (LTE) properties to bring those homes back into use. It underpins and supports the council's Housing Strategy and Homelessness Strategies. When the current policy was implemented in April 2013, there was an initial sharp reduction in the number of LTE properties (approximately 33% in the first 6 months), after which the numbers have remained static, along with an increase in revenue to the council from those properties that were not brought back into use.

Following a change in legislation, which came into effect from April 2019, councils now have the power to charge a 100% council tax premium for properties which have been unoccupied and unfurnished for more than two years and will be able to charge a 200% premium on those properties which have been unoccupied and unfurnished for five years or more from April 2020. Further powers to charge a 300% premium on those properties that have been empty for more than ten years comes into force on 1 April 2021, though that is not subject to consideration currently. To implement these powers the council would need to change its adopted policy on Long Term Empty Property Charges, the advantages of implementing these changes would be as follows:

a) There will be a further incentive for the owners of LTE properties to bring them back into use, potentially boosting the supply of properties available to rent in the county and making a positive impact on the Housing and Homeless strategies. Most LTE properties are in the lowest council tax band (A), often in the more deprived areas of the county and could therefore be a useful source of affordable housing.

b) Where properties are not brought back into use there would be an increase in revenues to the council, providing the opportunity for MTFP savings.

On 10 July 2019 Cabinet approved a 12 week public consultation on the potential to implement these changes from April 2020. The consultation ran from 15 July 2019 to 6 October 2019.

This took the form of an on-line consultation via the council's website, targeted correspondence to key stakeholders, discussions with representatives of the County Durham Housing Forum and presentations to Corporate Overview and Scrutiny Management Board and to the Local Councils Working Group. There were 258 responses to the online questionnaire, 255 comments left on the council's social media page and 10 responses from various stakeholders during the consultation.

The results which are summarised in the report show that views were mainly polarised with those who were generally unaffected by the policy supporting the proposed changes while those directly affected by it generally not supporting any changes.

For those who did not support a change in the policy, this tended to be on the basis that the properties affected were not being deliberately kept empty but rather the owners could not be sell or let them for various reasons often beyond their control and that this would lead to an increased financial burden. Guidance issued by the Department for Communities and Local Government in May 2013 recommends that the policy was not intended to penalise owners in such circumstances.

Large social landlords also described circumstances where they are working with the council to regenerate certain areas of the county which required them to proactively manage voids in an area which they could otherwise have let, with a view to demolition and estate remodelling.

The report recommended that the council amends its policy, to take up the full powers available with effect from April 2020, but in doing so, to mitigate the effects of amending the policy, adopt a new section 13A(1)(c) policy to address the issues and concerns highlighted in the consultation. The current policy does not contain the proposed exemptions, instead there is reliance placed on applications to the council's Hardship Relief Policy. This will ensure that those who are genuinely attempting to bring their properties back into use or are being prevented from doing so due to justifiable and evidenced reasons, are not penalised by the policy, but absent landlords, and those who are keeping long term empty properties empty for speculative purposes are subject to it.

Decision

Cabinet agreed to:

(a) implement the full powers allowed by the change in legislation by amending its Long-term Empty Property Charges Policy to increase the empty homes premium charge from April 2020 as follows:

(i) charge a 100% empty homes premium on properties that have been unoccupied and unfurnished for between two and five years at 1 April 2020;

(ii) charge a 200% empty homes premium on properties that have been unoccupied and unfurnished for five years or more at 1 April 2020; and

(iii) charge the empty homes premium on properties that have been unoccupied and unfurnished for two years or more that require or are undergoing major repairs;

(b) adopt and implement a new section 13A(1)(c) policy to provide assistance to owners who have been unable to sell or let their properties for legitimate reasons, have purchased long term empty properties and are renovating them to return to the property market, or who have deliberately kept properties empty due them being in an area subject to regeneration or where the properties have been earmarked for demolition.

Council Tax Base 2020/21 and Forecast Surplus on the Council Tax Collection Fund as at 31 March 2020
[Key Decision: CORP/R/19/02]

Summary

The Cabinet considered a report of the Corporate Director of Resources which determined the council's tax base for domestic properties liable to pay council tax, which is an important component in the council's budget setting process for 2020/21 and to report on the estimated collection fund surplus as at 31 March 2020, which will need to be distributed to the principal precepting authorities in 2020/21.

Regulations made under the Local Government Finance Act 1992 require each billing authority to calculate its 'council tax base' for the following financial year. The council tax base is a measure of the county council's 'taxable capacity', for the purpose of setting its council tax. Legislation requires the council to set out the formula for that calculation and that the tax base is formally approved by Cabinet.

In determining the council tax base for 2020/21 the following issues must be factored into the calculation:

(a) The impact of exemptions and discounts being applied to properties within County Durham;

(b) Forecast impact on the tax base as a result of changes in the incidence of Local Council Tax Reduction (LCTR) claims, which is a discount rather than a benefit payment and therefore reduces the tax base;

(c) Forecast impact on the tax base as a result of the changes to be applied to the Long Term Empty (LTE) property council tax premium, offset by estimated impact of the new section 13A(1)(c) policy;

(d) Forecast impact on the tax base as a result of growth (i.e. new build) or reductions (e.g. demolitions or increases in the incidence of other council tax discounts and exemptions) for 2020/21; and

(e) Provision for non-collection of council tax due to bad debts that need to be written off.

Taking all these matters into account the council tax base for the financial year 2020/21 has been calculated to be 141,742.0 Band D equivalent properties, an increase of 2,003.2 (1.43%) on the council tax base for 2019/20. As at 30 September 2019 the council tax collection fund is forecast to achieve a surplus of £1.074 million at 31 March 2020 and therefore the council will be declaring a surplus for budget setting purposes and needs to apportion this between the major precepting bodies. Durham County Council's share of the surplus is £0.899 million.

Decision

The Cabinet:

(a) approved the council tax base for the financial year 2020/21 for the county, which has been calculated to be 141,742.0 Band D equivalent properties;

(b) noted the impact on individual Town and Parish council tax bases and the Local Council Tax Reduction Scheme Grant allocations for the financial year 2020/21;

(c) approved the declaration of a surplus on the council tax Collection Fund at 31 March 2020 of £1.074 million, to be distributed to the council; the County Durham Fire and Rescue Authority; and the Durham Police, Crime and Victims' Commissioner in accordance with council tax regulations.

Mid-Year Review Report on Treasury Management for the period to 30 September 2019

Summary

The Cabinet considered a report of the Corporate Director of Resources which provided information on the treasury management mid-year position for 2019/20.

This report provides a summary of the Council's treasury position, borrowing activity, investment activity, treasury management and prudential indicators.

The Council held £341 million in borrowing and with £287 million cash balances invested at 30 September 2019. During the half year period, borrowing of £40 million was taken out from the Public Works Loan Board (PWLB) at rates that ranged from 1.75% to 2.23%. Although the level of cash balances did not warrant borrowing at this time the historic low level of interest rates has enabled the council to borrow at very low rates.

Investments have been undertaken in line with both the CIPFA Code and government guidance which require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield.

During the half year period to 30 September 2019, the Council has complied with Treasury Management Indicators relating to interest rate exposure, maturity structure of borrowing and sums invested for more than one year. The Council has also complied with Prudential Code Indicators which relate to the capital programme and how much the Council can afford to borrow.

Decision

The Cabinet:

(a) noted progress with the Treasury Management Strategy 2019/20;

(b) approved a revised operational debt boundary of £556 million and authorised limit of £611 million for 2019/20 reflecting increased finance lease commitments as referred to in the report.

Overview and Scrutiny Review, Children's Residential Care Homes

Summary

The Cabinet considered a report of the Director of Transformation and Partnerships which presented, for comment, a draft report following review activity on Children's Residential Care Homes by Members of the Children and Young People's and Safer and Stronger Communities Overview and Scrutiny Committees. The report provided the key findings and recommendations following an overview and scrutiny review of Children's Residential Care homes.

A joint review group was established from the membership of Children and Young People's and Safer and Stronger Communities Overview and Scrutiny Committees to consider Children's Residential Care Homes. The aim of the review was to gain an understanding of concerns associated with the impact of private children's residential care homes on demand of services and to explore approaches to lobby government/ national bodies for tighter legislation. These concerns are focussed on demands on services particularly with the Council's Children and Young People's Services (e.g. children's social work and education) and Police with reports of children reported missing, risks of vulnerability linked to criminal child exploitation and anti-social behaviour.

At the time of the review, within County Durham there were 22 private children's residential care homes providing approximately 90 beds to which over 77% have either a good or outstanding Ofsted rating. There are also 10 local authority children's residential care homes in county Durham. This includes a secure unit providing a national resource and a respite centre. The remaining eight homes provide 32 beds for children looked after from County Durham.

Members were advised by officers from Children and Young People's Services and Durham Constabulary of existing approaches through partnership working to engage with children's residential care homes and the development of an accreditation process. In addition, the emerging County Durham Plan provides for a policy regarding any new development of children's homes.

The review gathered evidence through desktop research, meetings with officers from the Council's Children's services, virtual school and commissioning teams and Durham Constabulary. The Chair of the Review Group also met with young people from a residential care home, attended a network meeting of children's residential care managers and held a focus group session on community concerns with councillors.

Decision

The Cabinet:

(a) noted the following recommendations contained in the Overview and Scrutiny review report:

(i) ***Recommendation One*** - That consideration be given for the Durham Safeguarding Children Partnership via the Corporate Director of Children and Young People's Services and the ERASE team to receive a further report on timeliness and accuracy of information received from placing authorities to the Council and partner agencies in line with regulation 5 'to engage with the wider system to ensure the children's needs are met' for out of area children looked after residing within a children's residential care home within the county.

(ii) ***Recommendation Two*** - That the Corporate Director of Children and Young People's Services and the Durham Safeguarding Children Partnership (DSCP) monitor the demand placed upon the LADO and ensure that all private children's Residential care homes receive information about courses provided by DSCP relating to residential care.

(iii) ***Recommendation Three*** - That the Durham Safeguarding Children Partnership receive regular information to monitor the number of incidents reported to Durham Constabulary from all Residential Children's Care Homes within the county and action taken to reduce demand.

(iv) ***Recommendation Four*** - That the Council's Corporate Parenting Panel receive regular information relating to reported incidents to Durham Constabulary, for County Durham children looked after who reside within any residential children's care home within County Durham with a specific focus on reports of missing from home.

(v) ***Recommendation Five*** - That following an evaluation of the trial of the accreditation scheme, the Corporate Director of Children and Young People's Services takes proposals for a revised scheme to Corporate Parenting Panel. As part of the implementation of a revised scheme it should be promoted with all children's residential care homes within County Durham.

(vi) ***Recommendation Six***- That the Durham Safeguarding Children Partnership give consideration to lobbying regionally and nationally for agreement to explore an accreditation scheme for residential children's care homes nationally.

(b) Agreed that the Overview and Scrutiny report is shared with the Durham Safeguarding Children Partnership.

(c) That a review of the progress made against the recommendations contained in this report will be undertaken six months after the report is considered by Cabinet.

Forecast of Revenue and Capital Outturn 2019/20 – Period to 30 September 2019

Summary

The Cabinet considered a report of the Corporate Director of Resources which provided information on the:

(a) updated forecast revenue and capital outturn for 2019/20;

(b) updated forecast for the council tax and business rates collection fund position at 31 March 2020;

(c) updated forecast use of earmarked, cash limit and general reserves and estimated balances to be held at 31 March 2020.

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

The 2019/20 projected revenue outturn a forecast cash limit overspend of £1.010 million plus an underspend on all other budgets of £2.062 million. This forecast net underspend of £1.052 million represents 0.3% of the net expenditure budget of £412.454 million. Total earmarked and cash limit reserves (excluding school reserves) are forecast to reduce by £11.290 million in 2019/20, from £209.069 million to £197.779 million. The updated projected capital outturn is £142.205 million. The estimated outturn for the Council Tax Collection Fund is a surplus of £1.074 million. Durham County Council's share of this forecasted surplus is £0.899 million, which will be available to support the 2020/21 budget. The estimated outturn for the Business Rates Collection Fund is a surplus of £1.718 million Durham County Council's share (49%) of this estimated surplus is £0.841 million which will be available to support the 2020/21 budget.

Decision

The Cabinet:

(a) noted the council's overall financial position for 2019/20;

(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.

County Durham Plan – Delivery of the Western Relief Road

Summary

The Cabinet considered a joint report of the Corporate Director of Regeneration and Local Services and Corporate Director of Resources which sought Cabinet's agreement to the delivery of the proposed Western Relief Road. The Western Relief Road is a proposal set out within Policy 23 of the County Durham Plan. The Western Relief Road is required to reduce traffic congestion on the western edge of the city around Neville's Cross and the surrounding network and to facilitate development at Sniperley Park. The Western Relief Road will connect the A691 at Sniperley Park and Ride roundabout at its northern end with the B6302 Broom Lane at its southern end.

Decision

The Cabinet agreed the continued preparation for the construction of the Western Relief Road, subject to Examination in public of the County Durham Plan, on the principle that the Council commits to the delivery of the Western Relief Road by agreeing to forward funding the delivery of the road as detailed within the report.

Helen Lynch, Head of Legal and Democratic Services
15 November 2019