

DURHAM COUNTY COUNCIL

At a meeting of **Cabinet** held remotely via Microsoft Teams on **Wednesday 10 February 2021 at 9.30 am**

Present:

Councillor S Henig (Leader of the Council) in the Chair

Cabinet Members:

Councillors A Napier (Deputy Leader of the Council), J Allen, O Gunn, L Hovvels, C Marshall, A Patterson, K Shaw, B Stephens and A Surtees

Also Present:

Councillors A Shield, J Shuttleworth, Owen Temple and M Wilkes

1 Public questions

There were no public questions.

2 Minutes

The minutes of the meeting held on Wednesday 13 January 2021 were confirmed as a correct record and will be signed by the Chair.

3 Declarations of interest

There were no declarations of interest.

4 Towns and Villages Investment Plan [Key Decision: REG/01/2021]

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth which provided an update on the Towns and Villages programme. The report sought agreement to the Towns and Villages Investment Plan and an additional £5 million investment to support the COVID-19 recovery priorities and provide each Area Action Partnership with a budget to deliver local priorities raised by communities (for copy see file of minutes).

Prior to asking a question on the plan, Councillor Wilkes, local member for Framwellgate and Newton Hall division, thanked Cabinet members and officers for their hard work throughout a very difficult year.

Referring to the scheme planned for Framwellgate Moor, Councillor Wilkes asked Cabinet to confirm the amount of investment, how the money will be spent, and, whether the date of 2022 is the date the work will be completed by, or, the date by which the scheme is expected to have been designed by.

Councillor Marshall, Cabinet Portfolio Holder for Regeneration and Economic Growth, thanked Cllr Wilkes for his question and explained the plan aims to ensure that towns and villages are assisted to recover from the challenges experienced over the last ten months, particularly the most deprived communities. The Council will continue to develop an evidence base and realign budgets to maximise communities and use the extra money to ensure delivery against the greatest need, with £300,000 allocated to each Area Action Partnership to determine how it is spent. Public consultation events held in October and November 2020 resulted in over 1,000 comments which identified a range of issues that the Council will tackle, using existing budgets, or, work with partners to focus on areas that require assistance. The additional £25 million allocated includes a core allocation of £2,750,000 for the neighbourhood parades project, to help drive these improvements forward.

Councillor Wilkes requested further clarification as to when the Framwellgate Moor scheme will go forward and he asked Councillor Marshall if he would be willing to work with him, to progress this matter on behalf of the residents of Framwellgate Moor. Councillor Marshall agreed to arrange a meeting with Councillor Wilkes to discuss local priorities.

Councillor Shield, local member for Leadgate and Medomsley division, echoed Councillor Wilkes' sentiments and thanked all Cabinet members and officers for their collaborative work during this unprecedented time. Councillor Shield requested clarification on the rationale for determining the differences in the allocation of planned capital investment across County Durham in 2021-25. He remarked on the proposed capital investment in the Derwent Valley which equates to an investment per head of population of £147, the second lowest investment per head of population across the whole of County Durham. By comparison, the planned investment into other Area Action Partnership areas, for example Durham and Bishop Auckland/Shildon equates to more than £3,800 per head of population. He commented that the disparity in the planned investment is unjustifiable. He observed that much has been made of the challenge for the Conservative government to level-up the country, and he asked Cabinet when, does it propose, to start levelling up the county.

Councillor Marshall thanked Councillor Shield for his question.

He responded that the Towns and Villages Investment Plan ensures the Council can identify issues and priorities raised by communities, and tackle them in a coordinated way. The programme is designed to ensure partners work consistently, ensuring investments maximise the outcomes for residents. Key to its success is working in partnership, realigning existing budgets to resolve local issues, and, using the additional £25 million identified to aim to level-up County Durham. The Council will continue to identify more investment across the county, whether through the Council working proactively with social housing providers to ensure the right housing is located in the right places, or, through investment in town centres, assisting hospitality and retailers. He emphasised the importance of collaborative work across the county, to ensure levels of investment from government. Councillor Marshall concluded by saying it is his belief that the approach adopted is national best practice, providing extra bespoke support at a time when it is needed.

In moving the report, Councillor Marshall thanked the team for the community and partner engagement work and for bringing forward the plan. He highlighted that the Council has continued to prioritise regeneration over the past ten years, despite enormous financial pressures brought about by austerity and the loss of the regional funding streams. He expressed pride at bringing forward the £25 million investment plan including the additional £5 million to regenerate communities hit hardest by the pandemic and he referred to the significant monies already committed. He provided assurance that the Council will continue to work with Area Action Partnerships to find solutions to challenges identified by communities, and, to assist long term recovery from the pandemic through ensuring priorities meet the needs of local people.

Councillor Marshall outlined some of the significant regeneration which is currently underway and referred to opportunities to improve connectivity, tourism and rural communities. He added the Council recognises the importance of local neighbourhood retail areas and the reliance on local businesses, particularly during the pandemic. He also spoke of the consultations with residents during Area Action Partnership meetings which identified the impact that empty and derelict buildings have on pride within communities, saying that work will continue to address these issues.

Seconding the report, Councillor Shaw, Portfolio Holder for Strategic Housing and Assets, commented that the consultation events heard reports from residents on some unsuitable housing conditions throughout the county.

He remarked that the Town and Villages Investment Plan supports projects to tackle this and will make a significant contribution to improving housing conditions and access to quality housing.

He referred to initiatives such as the significant investment at Horden, the Selective Licensing Scheme, which aims to raise standards in the private rented sector, work to address empty homes through the Housing Opportunities Fund, and, the Green Homes fuel efficiency programme.

Councillor Patterson, Portfolio Holder for Corporate Services and Rural Issues, thanked all those involved in bringing forward the plan. She observed that the plan recognises that all towns and villages across the county have different issues and priorities, with accessibility and affordability often being the biggest barriers. Work with the Area Action Partnerships will ensure resources are targeted and that communities are at the heart of decision making.

The Chair spoke of his pleasure at attending all the Area Action Partnership consultation events held during October and November, adding he was pleased to see the enhanced budget for each area, to focus on their key issues, with a number of strands cross-cutting all areas of the county. He thanked all those who participated in the events and encouraged further engagement over forthcoming months.

Resolved:

That the recommendations in the report be approved.

5 Medium Term Financial Plan 2021/22 to 2024/25 and Revenue and Capital Budget 2021/22 [Key Decision: CORP/R/20/02]

The Cabinet considered a report of the Interim Corporate Director of Resources which provided comprehensive financial information to enable Cabinet to agree the 2021/22 balanced revenue budget, details of significant investments in key front line services, an outline Medium Term Financial Plan MTFP(11) 2021/22 to 2024/25 and a fully funded capital programme (for copy see file of minutes).

Councillor Shuttleworth spoke of previous cost estimates for the removal of asbestos and demolition of County Hall and the cost of the demolition of the former highways laboratory, and, referring to the capital programme for 2022/23 he asked if the £500,000 demolition costs for County Hall included the removal of asbestos.

Councillor Napier, Deputy Leader and Portfolio Holder for Finance, thanked Cllr Shuttleworth for his question.

He responded that the original outline business case for the new HQ, demonstrated that remaining on the Aykley Heads site and investing in improving County Hall to meet modern requirements was the most expensive option, with an estimated capital cost of £76.5 million and would also have inhibited the ability to open up the site as a strategic employment site. He confirmed that the £500,000 included in the capital budget for 2022/23 is not the full demolition budget and it covers the initial preparatory work required for the demolition of County Hall only. There will be an additional budget provision required in 2023/24, which will be considered as part of MTFP12 and next year's budget report. The total estimated budget provision required for the demolition of County Hall, including the removal of asbestos, is approximately £5 million.

Moving the report, Councillor Napier commended officers for the comprehensive report, noting the Interim Corporate Director of Resources comments that the report had been prepared against a backdrop of uncertainty as the Council awaits the publication of the comprehensive spending review and the impact of the fair funding review.

He pointed out that the Council has endeavoured to continue to support those most vulnerable, despite austerity and the more recent challenges caused by the pandemic. By the end of the MTFP planning period forecast cuts are estimated at approximately £290 million with the loss of approximately 3,000 posts. He added the decision to protect front line services, together with strong financial management has enabled the Council to rise to these challenges despite disproportionate cuts and he raised concern as to how the government will seek to redress public finances in the future, fearing further funding cuts to local government, with the greatest burden falling on local authorities such as Durham.

Councillor Napier stated that government figures show the core spending power per dwelling for Durham County Council is below the national average. Durham is the 48th most deprived local authority area in the county out of the 151 upper tier authorities. He commented that Durham should be funded above the national average, which would provide £45 million of additional funding.

He highlighted that the finances have been managed prudently and efficiently, which was testament to all officers of the Council and he commended the proposals within the report, adding that it is vital that Cabinet and Council are mindful of the uncertainty that exists beyond the next financial year, when making budget decisions.

The Chair referred to proposals for continued growth in front line services, additional investment in priority areas and help for those most in need.

He commented on the capital programme which continues to grow and he added that he was pleased to see the additional £5 million to the Towns and Villages Investment Plan, with residents in Area Action Partnerships involved in decision making on how to spend their budgets. He spoke of the outstanding model of local decision making the Area Action Partnerships had been over the past decade. He thanked all those who had been involved throughout this time, saying he was looking forward to their work continuing.

He remarked that the proposed lower than expected council tax increase reflects the robust state of the Council's finances, despite the challenges. He commented that the fact that the Council is not one of those in financial difficulty is due to the efforts of all staff and he paid tribute to Councillor Napier for all his work over the past decade which has ensured the Council is in a strong financial position for the future.

Councillor Gunn, Portfolio Holder for Children and Young People's Services, thanked the Portfolio Holder for Finance, the former Corporate Director of Resources and the Interim Corporate Director of Resources for their outstanding work to balance the budget and praised the extremely effective financial management which had taken place over ten years of relentless budget cuts.

Resolved:

Upon a recorded vote being taken Cabinet unanimously agreed to recommend to full Council, approval of the recommendations set out in the report.

**6 School Admission Arrangements Academic Year 2022/23
[Key Decision: CYPs/09/2020]**

The Cabinet considered a report of the Corporate Director of Children and Young People's Services which sought approval of the proposed admission arrangements and oversubscription criteria for Community and Voluntary Controlled Schools for the 2022/23 academic year (for copy see file of minutes).

Councillor Gunn referred to the proposal to amend the tie-breaker in the Council's published oversubscription criteria and that the majority of consultees who did not support the proposal were parents who felt that they would have greater difficulty in getting a place at Park View school than they do currently.

Councillor Gunn explained that the proposed changes to the oversubscription criteria would have no impact on parents who wish for their children to attend Park View school.

Cabinet noted that Durham regularly achieves in excess of 95% of pupils receiving their first preference of primary and secondary school which exceeds the first preference percentage of other councils regionally and nationally.

Resolved:

That the recommendations in the report be approved.

7 Proposal to amalgamate Durham Community Business College and Fyndoune Community College into a single secondary school on the site of Durham Community Business College from 12 April 2021 [Key Decision: CYPS/01/2021]

The Cabinet considered a report of the Corporate Director of Children and Young People's Services which sought approval to amalgamate Durham Community Business College and Fyndoune Community College into a single secondary school on the site of Durham Community Business College from 12 April 2021, taking account of the Local Authority's duties as prescribed in the Education and Inspections Act 2006 to secure sufficient places and to ensure good outcomes for all children and young people in the local area (for copy see file of minutes).

Councillor Gunn endorsed the proposal as the best way of improving education outcomes for the pupils and she added that she was pleased to see that the Council will work with the community to find a sustainable approach for the Fyndoune site.

Resolved:

That the recommendation in the report be approved.

8 Proposal to enlarge Elemore Hall School from 1 September 2021 and to close Windlestone School as a registered school on 31 August 2021 [Key Decision: CYPS/02/2021]

The Cabinet considered a report of the Corporate Director of Children and Young People's Services which sought approval to enlarge Elemore Hall School from 1 September 2021 and to close Windlestone School as a registered school on 31 August 2021.

The proposal took account of the Local Authority's duties as prescribed in the Education and Inspections Act 2006, to secure sufficient places and to ensure good outcomes for all children and young people in the local area (for copy see file of minutes).

Councillor Gunn highlighted the continued use of both sites in order that students currently attending each site will continue to be educated on a site which is familiar to them. Seconding the report, Councillor Hovvels stated the proposal will ensure pupils' education is not disrupted.

Resolved:

That the recommendation in the report be approved.

9 A Corporate Environmental Statement, Governance and Management System

The Cabinet considered a report of the Corporate Director of Neighbourhoods and Climate Change which set out a statement of environmental ambitions for the County Council and requested approval of the adoption of a nationally recognised environmental management system and accreditation. The report also requested that Cabinet consider strategic governance arrangements that will help lead in the corporate coordination of environmental activity in fulfilment of these ambitions, especially those linked to climate change (for copy see file of minutes).

Councillor Stephens, Portfolio Holder for Neighbourhoods and Partnerships, spoke of the Council's strong track record in environmental performance and he added that the proposals in the report build on this success. Councillor Hovvels remarked that the proposals ensure that environmental commitments are incorporated into the Council's core values and reinforce its commitment to tackle climate change.

Resolved:

That the recommendations in the report be approved.

10 Council Homes Build Programme - Phase 1

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth which provided an overview of the arrangements that have been put in place to support the development of 500 new Council homes over the next five years and sought authorisation to begin the first phase of the Durham County Council, New Council Home Build Programme (for copy see file of minutes).

Councillor Shaw spoke of the Council's commitment to support local communities and local businesses, through the build process and supply chains, which will create opportunities for employment.

He referred to the strong demand for homes suitable for the elderly in the seven sites identified and highlighted that the build will concentrate, where possible, on homes to meet the needs of the elderly as a priority.

Councillor Marshall highlighted the plan includes opportunities for young people to gain new skills and employment and commented on the added social value these developments will create.

Councillor Hovvells stressed the importance of access to good quality housing on wellbeing and health and expressed pleasure that the report addresses the demand for houses suitable for older persons. She thanked all those involved in the work undertaken to date.

Resolved:

That the recommendations in the report be approved.

11 Update on Commercial Headleases

The Cabinet considered a joint report of the Corporate Director of Regeneration, Economy and Growth and Interim Corporate Director of Resources which provided an update on commercial headleases previously approved by Cabinet under the council's Property Investment Strategy (for copy see file of minutes).

Councillor Temple thanked Cabinet for the opportunity to follow up his motion to Council, requesting that a report be provided to Cabinet.

He stated he was pleased to see that the Milburngate development is forecast to pay the Council a higher net rental income than the lease payment the Council will have to pay on to the commercial investor, with which it has contracted. He added that the need for such updated modelling is a reminder that the investment is not without risk and stressed the importance that the performance of such major investments is monitored regularly by Cabinet and information is made available to all Councillors. Councillor Temple asked the Portfolio Holder for Finance to outline how, and how often, Cabinet will monitor the ongoing financial performance of each of these headleases against their expected outcomes over the coming decades.

Councillor Napier thanked Councillor Temple for his question, saying he also welcomed the latest updated modelling for the Milburngate development which indicates a surplus position across the life of the headlease. He emphasised that is not the sole purpose of the deal.

Councillor Napier referred to the management arrangements underpinning the property investment strategy which state that any variation from budgeted performance will be reported as part of the quarterly forecast of outturn reports to Cabinet and Scrutiny, and, that if performance is lower than originally forecast, considerations will be given to opportunities to improve performance. Active management of the portfolio on a day to day basis will be undertaken by the Council's Corporate Property and Land and Finance teams, in line with the proposed Corporate Landlord model.

Councillor Marshall commented that the report shows the Council is a progressive Council, prepared to take well-managed risks to drive the economy. He explained that the covenant and headlease on the properties at Freeman's Reach helped to regenerate the city and retain hundreds of jobs. Opportunities will continue and the Council will support schemes for the benefit of residents whilst continuing to manage risks. These schemes will create much needed jobs and provide income from business rates.

Councillor Napier highlighted the Council's strong track record of prudent financial management adding that the property investment strategy focuses on regeneration, job creation and job retention. He pointed out that all headlease arrangements taken by the Council to date are forecast to return a surplus for the Council and they have allowed the retention and creation of jobs, and, he gave assurance that the Council will continue to monitor the financial performance of each headlease in the future.

Resolved:

That the report be noted.