



RECORD OF EXECUTIVE DECISIONS

The following is a record of the decisions taken at the meeting of **CABINET** held on **Wednesday 17 March 2021**. The decisions will come into force and may be implemented from **Monday 29 March 2021** unless the Corporate Overview and Scrutiny Management Committee or its Committees object to any such decision and call it in.

Leisure Transformation & New Build Site Selection Update Key Decision REG/02/21

Summary

The Cabinet considered a report of the Corporate Director of Regeneration and Economic Growth which provided an update on the leisure transformation programme approved by Cabinet in January 2020. The report set out the progress to date and next steps and timescales for the full development of the programme and sought approval of the three preferred sites for the new build leisure centres for Seaham, Chester-le-Street and Bishop Auckland.

Considerable progress with the leisure transformation programme has been made, despite the impact of COVID-19. The assessment process has involved five inter-related elements, a technical assessment, views from the public engagement exercise, a health impact assessment, an equality impact assessment and a strategic place-based review. The strategic place-based review has influenced the Council's willingness to consider innovative or bespoke approaches in each location. As a result, the proposals in each location build on the local context of the place and will achieve greater impact than a new leisure centre alone would be expected to deliver.

The assessments have been completed across a shortlist of nine potential sites for the proposed three new build leisure centres. The following preferred options are proposed for each of the three new locations:

- (a) New Build Site for Seaham - the analysis carried out illustrates that a hybrid approach in Seaham at the St John's Square and existing site will produce significant regeneration benefits, as well as additional health outcomes from the proximity of aligned services and improved outdoor spaces;

- (b) New Build for Chester Le Street – the selection of the former Civic Centre site ensures that there will be ample space for the development and associated parking, while further sport and leisure opportunities are developed at the Riverside;
- (c) New Build Site for Bishop Auckland - the recommendation for Tindale Crescent will support regeneration in that locality while the proposed Woodhouse Close community hub plan will develop new facilities co-designed with local people on the existing site.

All three preferred sites allow the current sites to continue to operate during the new build construction period ensuring no disruption for leisure users during the construction phase. Robust financial appraisal is an important aspect of this programme. The original budget estimates were developed in 2018/19, in advance of detailed site surveys and design work that enables an updated forecast of construction cost to be provided. In addition, some costs have risen as a result of the outcome of site surveys, initial design work and the impact of inflation over the relevant period. The capital forecast identified in the January 2020 Cabinet report indicated an investment requirement of £62.8 million, with £38 million being funded on a self-financing basis from the forecast additional net income generated from the improved facilities with the remainder being funded from prudential borrowing. The current capital forecast for the programme has risen to £77 million and will require an additional £14.2 million of prudential borrowing to fund the programme.

Although COVID-19 has impacted leisure centre income in the short term, analysis by sector bodies such as UK Active for the longer term future of leisure provision provides confidence that the additional net income forecast from the improved facilities in the January 2020 Cabinet report will still be achieved. Capital and revenue forecasts will continue to be updated with a final budget position to be reported to Cabinet in Autumn 2021. The capital forecasts at that point will be influenced by detailed design work and will be subject to a final review of physical and financial viability. Taken collectively the proposed site options, wider programme progress, economic recovery, regeneration benefits and affordability assessments set out a strong programme that will realise significantly improved outcomes across the county.

Decision

The Cabinet:

- (a) noted the updates on the programme and indicative financial position, with a further report to be presented to Cabinet in Autumn 2021, to finalise the revenue and capital forecasts;
- (b) agreed to support the three preferred sites for the new build leisure centres, subject to further due diligence and feasibility work as follows:

- a) Seaham: St Johns Square with community and outdoor facilities on the existing site;
- b) Chester-le-Street: Former Civic Centre Site;
- c) Bishop Auckland: Land adjacent to Bishop Auckland Football Club (Tindale Crescent);
- (c) approved the production of a feasibility study for the redevelopment of the Woodhouse Close site as a community hub scheme, to include potential for new or relocated facilities for the area and a targeted programme for skills and education. Any revenue or capital costs arising from this feasibility study to be considered as part of the development of MTFP(12) and subject to a separate report;
- (d) noted the need to review the impact of the revised programme upon the Council's VAT partial exemption position with this being considered fully in the autumn 2021 report to Cabinet;
- (e) noted the wider programme updates in the report and the commitment to producing a broader leisure strategy in 2021 that delivers an integrated approach to the range of programmes facilities, assets and amenities that provide a leisure offer.

Forecast of Revenue and Capital Outturn 2020/21 – Period to 31 December 2020 and Update on Progress towards achieving MTFP(10) savings

Summary

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

- (a) updated forecast revenue and capital outturn for 2020/21, based on the position to 31 December 2020;
- (b) updated forecast for the council tax and business rates collection fund position at 31 March 2021, based on the position to 31 December 2020;
- (c) updated forecast use of and contributions to earmarked, cash limit and general reserves in 2020/21 and the estimated balances to be held at 31 March 2021.

The report sought approval of the revised capital programme, other budget adjustments, proposed sums treated as outside of the cash limit in year and write off deficit schools balances as a result of academy conversion. The report also provided Cabinet with an update on progress towards achieving MTFP(10) savings in 2020/21.

The financial impact of COVID-19 in 2020/21 is significant and complex, which makes forecasting the council's outturn position even more challenging than usual. What is even more uncertain is the long term impacts of the pandemic on the council's finances beyond 2020/21, particularly in the context of the longer term financial outlook for the council, as set out in the MTFP(11) and 2021/22 to 2024/25 Budget Report to County Council on 24 February 2021.

In the last year the council has had to implement national support schemes at short notice such as the Business Rates Grants Support Scheme(s); the Council Tax Hardship Support Schemes; Test and Trace Payments; the Winter Support Payments Scheme; Infection Control Schemes; and Contain Outbreak Management schemes as well as dealing with and implementing a range of supplier relief schemes and addressing increased demand for support to vulnerable households whilst trying to accommodate new ways of working itself in response to the pandemic. Since the previous forecast of outturn report to Cabinet in November 2020 there have been two further national lockdown periods, with the current national lockdown extending across the whole of quarter 4. The national lockdown periods have impacted significantly on the forecasts previously prepared.

It is forecast that service grouping budgets will overspend by £43.973 million. This overspend position arises from additional expenditure and loss of income associated with the COVID-19 outbreak of £64.597 million, offset by COVID-19 related underspends of £16.066 million. In addition, in year collection of Council Tax and Business Rates is significantly below budgeted levels – through a combination of increased incidence of Council Tax Reduction and reduced payments as residents and businesses themselves cope with the economic shocks the pandemic has had. Council Tax and Business Rates collection at the end of quarter three are forecast to be £10 million less than at the same stage in 2019/20. Although some of these outstanding sums are expected to be collected over time it is forecast at this stage that there will be an in year deficit on the collection fund of £5.2 million after provision for bad and doubtful debts.

The government has provided four non ringfenced tranches of funding for local authorities for the additional costs incurred as a result of COVID-19. This funding is allocated based upon formulae determined by the government and to date the council has received £45.6 million. Of this, £1.1 million was utilised to cover costs incurred in 2019/20, which has left £44.5 million of funding available to be applied in 2020/21. The council has submitted the first two returns for support under the government's Income Guarantee Scheme, which requires councils to bear the first 5% of any qualifying income loss after which the government will provide a grant for 75% of subsequent losses. The first claim, totalling £3.7 million, has been paid and the council now awaits confirmation of the second claim, totalling £2.7 million.

It is estimated that the council will be able to claim circa £8 million from the scheme across the whole of 2020/21 given the subsequent reintroduction and extension of the national lockdowns since the quarter two report was developed.

The government has indicated that the financial impact of any 2020/21 in year Collection Fund deficit for council tax and business rates must be spread over three years. Across the three years 2021/22 to 2023/24, the government will provide 75% grant support for the 2020/21 in year deficit position, although the assessment of loss for council tax does not provide coverage for non-collection below the council 99% forecast collection rate.

After taking into account additional Section 31 grant received for extended business rate reliefs, the council is forecasting its share of the in year 2020/21 Business Rates Collection Fund deficit to be £4.5 million. After taking into account the impact of the second and third national lockdowns, updated estimates of cost, lost income and additional government funding subsequently received, it is forecast that the council 2020/21 budget will be underspent by £9.228 million, representing 2.11% of the net expenditure budget of £437.355 million. The impact of the second and third lockdowns and the subsequent additional funding from government were not factored into the previous forecasts. In addition, COVID-19 has impacted on normal business as usual expenditure. There has been delayed recruitment, savings against mileage and other costs as a result of large proportions of staff working from home and savings in operational building costs amongst other areas. In addition, care costs linked to hospital discharges during the period March 2020 to August 2020 are being met by the Durham Clinical Commissioning Group under temporary national funding arrangements via NHS England. These cases are being treated as Continuing Health Care under the Discharge to Assess regime until such time as they are properly assessed so costs that would otherwise be normally met by the Council are being recovered from the CCG. This arrangement is temporary and will not be a recurrent base budget impact and helps offset the significant supplier relief and support being provided to care providers.

The forecasts included in the report are still subject to some uncertainty. There are a wide range of assumptions that have been made in relation to expenditure and income over the remainder of the financial year and the uncertainty that exists with regards to the impact of COVID-19 restrictions that will apply across the quarter four. This uncertainty extends into 2021/22, where the council will face further challenges and budget pressures in relation to the continuing response to the pandemic and the restoration of services and supporting the post-pandemic recovery. There is some funding that has been made available next year to help with these challenges, but it is far from certain whether this will be sufficient at this stage.

There will potentially be a range of interventions required by the council and ongoing impacts post pandemic that will have as yet unquantified financial pressures. The Cash Limit and General Reserves will potentially be required to meet shortfalls in the funding that will be available.

In terms of service grouping cash limits, the projected revenue outturn is a forecast cash limit underspend of £5.613 million (1.28%). The cash limit position excludes COVID-19 related issues which are considered to be outside of the control of service groupings and have been managed corporately. The costs associated with COVID-19 have been offset against government grant support provided. In terms of sums outside the cash limit there is a forecast underspend of £3.615 million which is forecast to result in an increase in the General Reserve from £23.9 million to £27.6 million. This position will be kept under careful review, especially in relation to the possibility of additional costs and loss of income linked to the ongoing impact of COVID-19. Total earmarked and cash limit reserves (excluding school reserves) are forecast to reduce by £14.195 million in 2020/21, from £204.697 million to £190.502 million. The end of year reserves forecast is partially inflated due to the carry forward into 2021/22 of specific COVID-19 grant support received in 2020/21 such as the Contain Outbreak Management funding where planned expenditure will be incurred in 2021/22.

A review of all reserves has enabled the realignment of £10 million of cash limit and earmarked reserves enabling the investment of earmarked reserves in council priorities. This includes £5 million transfer into the Towns and Villages Reserve supporting additional investment factored into MTFP(11) and the 2021/22 budget agreed by Council on 24 February 2021.

The forecast cash limit and general reserves position is a prudent one given the significant financial uncertainties facing local government beyond 2021/22. The MTFP(11) report to County Council on 24 February 2021 highlighted ongoing budget concerns for the council with a forecast savings shortfall of £36 million over the 2022/23 to 2024/25 period, with the delivery of further savings becoming ever more challenging to achieve. The updated projected capital outturn is £139.511 million.

For MTFP(10), to the end of quarter three, the council has delivered savings totalling £7.403 million which is 92% of the £8.010 million target for the year. By 31 March 2021, since 2011, the council will have delivered over £241 million in savings.

Decision

The Cabinet:

- (a) noted the council's overall financial position for 2020/21 and the uncertainty associated with the outturn forecast resulting from the continuing impact of COVID-19 as set out in the report;
- (b) agreed the proposed 'sums outside the cash limit' for approval as set out in the report;
- (c) agreed the revenue and capital budget adjustments outlined in the report;
- (d) noted the forecast use of earmarked reserves in year;
- (e) noted the forecast end of year position for the cash limit and general reserves;
- (f) noted the additional costs and income loss faced as a result of COVID-19 which is offset by additional grant funding provided by government;
- (g) approved the write off of deficit schools balances as a result of academy conversions;
- (h) noted the position on the capital programme and the Collection Funds in respect of Council Tax and Business Rates and the treatment of the in year deficit across the next three years;
- (i) noted the amount of savings delivered during quarter three of the MTFP(10) period.

Annual Review of the Constitution

Summary

The Cabinet considered a report of the Head of Legal and Democratic Services and Monitoring Officer which presented proposals for the revision of the Council's Constitution. The Council's Constitution describes the four methods by which the Council operates: The Council, the Executive, Overview and Scrutiny, and the Committees. It also provides the framework within which each must operate by. A fundamental review of the Constitution was undertaken and approved at the annual Council meeting in May 2018 followed by a routine review in May 2019. The review due in May 2020 was deferred due to restrictions on public meetings in place at the time as a result of the Covid-19 pandemic.

The report presented proposed updates to the Constitution incorporating the changes which were scheduled to be considered by Council in May 2020, together with a small number of changes which have been identified during this municipal year.

Decision

The Cabinet:

- (a) Approved the delegation of executive powers as set out in the proposed amendments to the officer scheme of delegation; and
- (b) Recommended that Council agree to the proposed revisions to the Constitution at its meeting on 24 March 2021.

County Durham Health and Social Care Integration Update

Summary

The Cabinet considered a report of the Corporate Director of Adult and Health Services on the integration of health and social care in County Durham. The report sought support for the proposed next steps to further embed integrated arrangements within the County.

Cabinet and North Durham and Durham Dales, Easington and Sedgefield Clinical Commissioning Groups (CCG) Governing Bodies received and agreed reports in April 2018; March 2019 and October 2019 which set out a pathway for further and closer integration of health and social care in County Durham including:

- a) an Integrated Governance Framework which was implemented in 2018;
- b) an Integrated delivery model for community services which went live on 1 October 2018 and;
- c) an Integrated Strategic Commissioning Function which went live on the 1 April 2020.

The integrated governance arrangements agreed in 2018, embodied by the Integrated Care Board, have served the purpose of implementing the integrated community and commissioning arrangements. These arrangements will continue to evolve to reflect the integration that takes place within the County and need to be able to support ongoing changes to the provision of integrated services in the future. Whilst significant progress has been made with integrating health and social care services across the County, the Chief Officers representing the County Durham Care Partnership recognise that further integration will provide more opportunities to improve outcomes at a local level. The response to COVID-19 has emphasised the importance of services being joined up across the County.

To ensure County Durham is in as strong a position as possible to maximise the opportunities that will arise from the proposed NHS Bill and major changes to the CCG from April 2022, and as the recovery from COVID-19 continues, the next phase of integration needs to focus on further embedding the arrangements that have been established, strengthening decision making and accountability and enabling further opportunities to integrate services to be identified and developed. To facilitate the next steps of integration, it is proposed to focus on the following key areas:

- (a) enhance the governance arrangements that are in place and establish the 'County Durham Care Partnership Executive' to support the delivery of shared aspects of the statutory functions of the Council and CCG;
- (b) create opportunities within the refreshed governance arrangements to bring together Elected Members; CCG Governing Body Members and Trust Non-Executive Directors with a focus on population health and inequalities, linking closely to and strengthening the Health and Well-Being Board.

Decision

The Cabinet:

- a) noted the progress made in integrating Health and Social Care;
- b) noted that this report is also being presented to the NHS County Durham CCG Governing Body;
- c) supported the implementation of the governance arrangements outlined at Appendix 3 of the report including the creation of both the Forum and the County Durham Care Partnership Executive for health and social care organisations in County Durham;
- d) approved the Memorandum of Understanding;
- e) agreed to receive further reports if there are any proposals to change the current formal decision-making structures, delegations, and protocols.

Climate Change Emergency Response Plan – Year 1 Update

Summary

The Cabinet considered a report of the Corporate Director of Neighbourhoods and Climate Change which provided an annual update on progress of the Climate Emergency Response Plan (CERP), including an assessment of the impact COVID-19 has had on Council and countywide carbon emissions. The report requested that Cabinet consider future challenges for new iterations of this plan beyond its initial two year scope so that the plan can adapt, and progress to meet the long term carbon reduction targets.

The Climate Emergency Response Plan adopted by Cabinet in February 2020 is a costed two year plan detailing over 100 projects that the Council with partners need to take towards achieving ambitious targets of reducing Council CO₂ reductions of 80% by 2030 (2008/9 baseline) and countywide of being totally carbon neutral by 2050. It was developed from extensive consultation across Council staff, community groups, residents, and schools.

Provisional estimates for the Council's carbon emissions during 2020/21 are approximately 43,297 tonnes of carbon dioxide equivalent (tCO₂e), a reduction of 16% compared with last year's 51,787tCO₂e, this is a significant drop with the year average since 2009/10 being 6%. It achieves a reduction against baseline of 59.1% Council activities. For all the devastating impact COVID-19 has brought, it has undoubtedly had a positive impact on these Council emission figures, and its influence felt within weeks of the CERP being agreed. The "stay at home" lockdowns for many office based staff meant reduced usage of buildings, as well as reduced business travel and fleet. The temporary closure of some services such as leisure centres, also has meant that building energy has reduced, but as these building still need to be maintained, not eliminated entirely.

Provisional estimates across the Council estate reveal a 20% reduction in electricity from buildings, a 14% reduction in gas for heating and a 6% reduction in fleet and transportation (which may have been more if not for the cold winter). Whilst these reductions are of course very welcome, it is unlikely that these full benefits will remain, as they are associated with low occupancy buildings. Going forward however there is opportunity to build on this, for example increased levels of working from home, even when normal conditions arise. Continued implementation of the project's Climate Emergency Response Plan will be crucial if the momentum gained from these short term benefits are to be sustained. The report confirmed that the vast majority of actions against Council targets have been able to be implemented. The Council has also, during the year, moved its electricity tariff to that based on 100% renewables, and, the Council has been successful during the year with a number of key funding bids to support its reductions. For example, success in a £5 million European Regional Development Fund bid towards a solar farm adjacent to Morrison Busty Depot which, alongside building energy efficiency measures such as insulation, will transform an aged facility to one which will be energy self-sufficient, including eventually powering a fleet of front-line vehicles.

The Council has an Invest to Save programme for carbon reductions where the capital costs of energy efficiency measures are recouped over time by annual savings in utilities and other costs.

The latest £5.5 million programme, over 8 projects has already paid back £2.9 million, saved 5,378t C O₂ and is on course for net financial gain by 2025. A further £2 million funding will also be available for the next phase of projects. COVID-19 has undoubtedly impacted on the countywide emissions too, but the nationally published figures have a two year time lag, so that the broad impact can only be speculated. Increased home working, coupled with a cold winter, will have increased carbon emissions for heating. Emissions relating to transport and industry will however have reduced, the International Energy Agency estimate that overall a decrease of 5.5% in global energy demand with 6.5% reduction in CO₂ emissions. It is not certain if this will be reflected in County Durham figures. Work has been undertaken on a number of countywide initiatives, and, during the last year the Council has received several accolades for its work in combatting climate change. It is recognised that future iterations of this plan need to consider the opportunities for development of a green economy, to consider how already disadvantaged groups are not disproportionately impacted, and what the Council and partners can do more in adapting to some of the inevitable consequences of climate change. As the current costed Emergency Response Plan covers the period to April 2023, it is suggested that during the course of this year a further report is presented, detailing the ambitions and measures that would take the Council to 2025.

Decision

The Cabinet:

- (a) noted the progress made against delivering the first year of the Climate Change Emergency Response Plan, as well as the forecast drop in Council emissions, magnified by the influence of COVID -19 across the estate;
- (b) approved the development of a new action plan to take the Council and countywide partners beyond the initial two years of the CERP, maximising opportunities for a green economy, and a just transition for residents adapting to climate change.

Woodland Management Overview and Tree Planting Opportunities with Young People

Summary

The Cabinet considered a joint report of the Corporate Director Corporate Director of Neighbourhoods and Climate and Corporate Director of Children and Young People's Services which outlined the range of measures underway in managing the County Council's woodlands and expanding tree cover across the County and sought approval to a scheme designed to maximise young people's involvement with tree planting activities.

The Council owns approximately 1800ha of woodland across 170 sites throughout the county, which is 10% of the County's total woodland resource. Over 300ha of this woodland is ancient. These woodlands have generally existed since 1600 and have considerable wildlife and historical value, which if lost is irreplaceable. Appropriate management of these sites offers a major opportunity for improving the carbon performance of woodlands and their role in tackling climate change. It will also increase amenity value, benefit wildlife conservation and enhance the quality and range of timber products and other ecosystem services that woodlands can provide. Since 2000, the Council, with partners, has planted nearly a million trees on over 500ha of land as well as planting or restoring nearly 200 miles of hedgerow. Over 500 ha of woodland have been in UKWAS (UK Woodland Assurance Scheme, standard for verifying sustainable woodland management) since 2007. There are also several more recent improvements and initiatives now in place that are continuing to build on this work. This includes Durham Woodland Revival, the Urban Tree Challenge Fund, the Durham Woodland Creation Programme, the North Pennines A68 Corridor Project and the proposed North East Community Forest.

The Council approved a Climate Change Emergency Response Action Plan which identified woodland creation and tree planting as being a priority area of activity. In response, the Durham Woodland Creation Programme was established last August to establish new woods whilst maximising opportunities for community engagement in tree planting. The programme has ambitious aims to plant 10,000 trees in each of the 14 Area Action Partnerships. There is now opportunity within this programme to plant, over the next three years, a tree for every school child across the county, equivalent to 69,000 trees, working in partnership with the charity OASES, County Durham's Outdoor And Sustainability Education Specialists.

Experience from schools, including the Children and Young People's Forum, reveals a strong interest in climate change, and this initiative affords an opportunity from an early age, to make a contribution, as well as learn more about the valuable role of trees in the environment of the County.

Decision

The Cabinet:

- a) noted the range of measures underway in managing the County Council's woodlands and expanding its tree cover;
- b) supported the commitment to plant the equivalent of a tree for every school child, to be achieved through a combination of the Council's Woodland Creation Programme in collaboration with OASES.

Durham County Council Chargepoint Delivery Plan

Summary

The Cabinet considered a joint report of the Corporate Director of Regeneration, Economy and Growth and Corporate Director of Neighbourhoods and Local Services which sought the adoption of the Durham County Council Chargepoint Delivery Plan (CPDP) as an internal delivery plan. It set out 5 Key Actions to facilitate the uptake of Electric Vehicles (EVs) across County Durham for residents, business and the Council's own fleet and complement the Council's Climate Emergency Response Plan.

The Government has made a commitment through legislation that the country will reach net zero carbon emissions by 2050. A series of policy documents repeatedly highlights transport as the most carbon intensive sector of the UK economy, and proposes that electric vehicles (EVs) are the greatest opportunity to significantly reduce road transport emissions. Ahead of the UK hosting the Conference of the Parties (COP) in 2021, the Government has announced that new petrol, diesel and some hybrid cars and vans will be phased out by 2030, confirming the role of EVs in decarbonising road transport.

Durham County Council declared a climate emergency in February 2019. The national award winning Climate Emergency Response Plan (CERP) was agreed by the Council, and the accompanying Climate Emergency Action Plan (CEAP) outlined specific areas that the Council will focus on to reduce its carbon emissions in the short term, which includes the decarbonisation of transport. The Durham County Council Chargepoint Delivery Plan (CPDP) follows on from the CERP and sets out 5 key actions the Council will undertake to facilitate EV take up. Working to improve chargepoint access at this relatively early stage in the switch to EVs will ensure that County Durham has the infrastructure in place to support increasing demand for chargepoints as more and more people switch to EVs, thereby making the transition as smooth as possible. The actions in this plan form one part of a much broader national and global shift towards decarbonising vehicles. In addition to work being done locally, this shift will require the Government to invest in the rapid charging network along our strategic roads, implement a range of promotional campaigns and fiscal stimulants to lower the price of EVs, and reinforce the national grid so it provides sufficient capacity to supply chargepoints in an integrated and flexible manner.

Decision

The Cabinet agreed the adoption of the Durham County Council Chargepoint Delivery Plan as an internal delivery plan.

County Durham Housing Strategy Targeted Delivery Plans

Summary

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth on the County Durham Housing Strategy Targeted Delivery Plans which are an integral part of the County Durham Housing Strategy and relate to maintaining and improving the existing housing stock and the wider housing environment.

Targeted Delivery Plans have been developed as an approach to deliver an intensive, focused and coordinated programme of activities by the Council and its partners in areas most in need across the county. This report sought Cabinet approval for the content of the first phase of the Housing Strategy Targeted Delivery Plans including the programme to deliver future phases. Targeted Delivery Plans (TDPs) are a mechanism to direct and coordinate housing regeneration activities in those communities most in need. The Council has developed an evidence base to understand which locations would benefit from an intensive and targeted intervention. The TDPs serve to bring together complementary actions from the Council and its partners to address the identified issues in a locality. They will focus existing activities in areas of need, as well as identifying new actions and putting the Council in a stronger position to capitalise on any future funding opportunities to support estate regeneration objectives. The TDPs have their origin in the County Durham Housing Strategy and relate to the objective of maintaining and improving the existing housing stock and the wider housing environment.

They also support the delivery of other housing priorities in the county, including delivering homes to meet the needs of older people. The actions in the TDPs reflect and recognise other housing activities, such as selective licencing and Council house building, and, they are focussed on the most disadvantaged communities in line with Towns and Villages and form part of the Towns and Villages Investment Plan. The Council has developed an evidence base to understand which communities are most in need of intervention. This evidence base has informed the locations that are subject to a TDP and the focus of the interventions in the individual TDP documents.

The evidence base has been gathered at a localised scale and considers the types of issues that communities face and that the TDPs will look to address. In line with this approach, data was gathered at Lower Super Output Area (LSOA) level for the 324 LSOAs across County Durham. These individual rankings were then brought together to create a cumulative ranking list, which provides an understanding of those areas across the county which rank relatively poorly across multiple issues and are most in need of intervention. This cumulative rank has assisted the prioritisation of the following LSOA areas to be subject to a TDP:

- (f) New Kyo;
- (g) Coundon Grange;
- (h) Blackhall Colliery South;
- (i) Thickley;
- (j) Deneside East; and
- (k) Stanley Hall West.

The TDPs have been developed to support delivery. Therefore, each document provides a summary of the issues in the area, as determined by the localised evidence base. It is these issues that the identified actions seek to address. Registered Providers of Social Housing operating in the TDP areas have also contributed and shaped the actions in the respective delivery plan. The TDPs will be taken to the relevant Area Action Partnership meeting for discussion. Consultation will be undertaken, as appropriate, at project delivery stage when actions in the TDP are implemented. Once approved, the TDPs will be subject to an annual review. It is proposed that these reviews will include highlighting further areas to be subject to future TDPs. It is also recognised that there is an opportunity for the location of future TDPs to be informed by Registered Providers on the Council's Housing Forum, by identifying areas where there are particular issues or opportunities that would benefit from being addressed by a coordinated approach, through the use of TDPs. As part of bringing together the evidence themes for the TDPs, the Council has developed a Housing Strategy 'look up' tool. A 'look up' is an interactive evidence base, which serves to ensure evidence and information is more accessible. The look up tool is also a way to make evidence and policy designations more accessible to a wider range of users, supporting discussion and aiding understanding of issues across the county.

Decision

The Cabinet:

- (a) endorsed the evidence based approach to identifying areas to be subject to a Targeted Delivery Plan;
- (b) approved the content of the Targeted Delivery Plans;
- (c) agreed that the Targeted Delivery Plans are taken to the relevant Area Action Partnership meetings for discussion;
- (d) approved the proposed approach to the future monitoring and review of the Targeted Delivery Plans and agree that as part of future monitoring and review, the Targeted Delivery Plans can be updated under delegated powers by the Corporate Director of Regeneration, Economy and Growth in consultation with the Cabinet Portfolio Holder for Strategic Housing and Assets;

- (e) approved the approach to the identification of locations to be subject to future Targeted Delivery Plans and the extension of the Targeted Delivery Plan programme and agree that as part of the future programme, Targeted Delivery Plans can be approved under delegated powers by the Corporate Director of Regeneration, Economy and Growth in consultation with the Cabinet Portfolio Holder for Strategic Housing and Assets or by Cabinet, where appropriate; and
- (f) noted the scope and content of the County Durham Housing Strategy look up tool.

Agnes Street, Stanley – Proposed Compulsory Purchase Order

Summary

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth which:

- a) sought authority from Cabinet to make a Compulsory Purchase Order (CPO) pursuant to section 226(1)(a) of the Town and Country Planning Act 1990 (“the Order”) in relation to a site known as Agnes Street in Stanley;
- b) sought authority from Cabinet to take all ancillary steps necessary in order to secure the confirmation of the Order and purchase of the Land;
- c) sought agreement to the principle of the acquisition of land required for the CPO by agreement in advance of CPO should this be possible;
- d) sought agreement to the Council paying required compensation as appropriate.

Development on the site known as Agnes Street has been a long-term aspiration for Durham County Council (“the Council”) and is identified in the Stanley Masterplan as a site that requires improvement. This regeneration focus on an undeveloped site is consistent with the recently approved Towns and Villages strategy with one of its key priorities around addressing vacant buildings and derelict or underused land. The full site being considered for development was shown edged in red on the plan attached to the report at Appendix 2 (“the Development Site”). Almscliffe Properties (Agnes St) Ltd (APL) has secured options over the majority of the Development Site, including Council owned land, and pre-lets from occupiers in a process commenced in 2019. Planning permission was granted in respect of the Development Site on 1 July 2020. The development approved is for the erection of three retail units, including one drive-thru (Class A1, A3 and A5 use) with associated landscaping, parking and access.

The Council owns four parcels of land within the site. The hatched areas shown on the plan attached to the report at Appendix 3 are not registered at Land Registry, and it has not been possible to trace the owners or any person with an interest in these hatched parcels of land. These areas of land are required in order to provide the necessary car parking and utility areas for the proposed development. The report proposed to make a compulsory purchase order in respect of this unregistered land ("the CPO Land").

The Council has searched paper records and Land Registry data to try to establish any person with an interest in the CPO Land. Direct approaches have also been made to previous landowners to ascertain any knowledge of potential ownerships but with no success. In addition, site and press notices were issued by APL as part of the planning application process with no person coming forward to claim a legal interest in the CPO Land. The Council and APL have considered options in how to bring the development forward without recourse to acquiring the CPO Land, but none are acceptable for securing development finance, nor unconditional pre-lets. Officers are satisfied that no option other than the freehold purchase of the whole of the Development Site is likely to result in the delivery of the scheme. Given that significant efforts have been made unsuccessfully to trace any person with a legal interest in the CPO Land and no person has been identified, the Council considers that the only realistic option available to ensure delivery of the scheme is to make a Compulsory Purchase Order ("CPO") in respect of the CPO Land. Powers exist under section 226(1)(a) of the Town and Country Planning Act 1990 to compulsorily purchase land if the acquiring authority is satisfied that it is necessary in order to deliver the development redevelopment or improvement on or in relation to land and that it is likely to contribute to the promotion or improvement of the economic, social or environmental well-being of their area. Subject to legal and other issues being resolved, the Council is satisfied, as acquiring authority, that there is a compelling case in the public interest in favour of making a CPO pursuant to section 226(1)(a) of the Town and Country Planning Act 1990 to acquire the CPO Land.

Decision

The Cabinet:

- (a) resolved that the use of Compulsory Purchase powers under section 226(1)(a) of the Town and Country Planning Act 1990 and any necessary powers in relation to new rights under Section 13 of the Local Government (Miscellaneous Provisions) Act 1976 are justified in order to facilitate the carrying out of development, redevelopment or improvement on or in relation to the Development Site by the compulsory acquisition of the CPO Land;

- (b) approved the draft County Council of Durham (Agnes Street) Compulsory Purchase Order 2021 as attached to the report at Appendix 5, the Order Map comprising the CPO Land as attached at Appendix 4 and the draft Statement of Reasons made in support of the Order and attached at Appendix 6 ('the Statement of Reasons');
- (c) resolved to authorise the making of the County Council of Durham (Agnes Street) Compulsory Purchase Order 2021 under section 226(1)(a) of the Town and Country Planning Act 1990;
- (d) authorised the Head of Legal and Democratic Services to make such changes to the draft Order, the Order Map (within the red line boundary as shown on the Order Map) and Statements of Reasons as considered necessary;
- (e) authorised the Head of Legal and Democratic Services to take all necessary steps to secure confirmation of the Order, to confirm the Order as an unopposed order if authorised to do so and to secure the acquisition of all third party interests in the CPO Land and any new rights and the removal of any occupants from the Land (noting that there are none identified);
- (f) authorised the Head of Legal and Democratic Services, following confirmation of the Order, to publish and serve all appropriate notices of confirmation of the Order and to make one or more general vesting declarations or serve notices to treat and notices of entry (as appropriate) in respect of the CPO Land;
- (g) authorised the Head of Legal and Democratic Services to initiate or take part in any arbitration or proceedings before the Upper Tribunal (Lands Chamber) or the Courts in order to resolve any disputes as to compensation or other payments payable for any interests in the CPO Land or arising from the making or confirmation of the Order or securing possession of any part of the CPO Land or title to any part of the CPO Land or the removal of any occupants or apparatus of statutory undertakers or communication code operators;
- (h) authorised the Head of Corporate Property and Land to acquire any of the land, currently in unknown ownership should the ownership become established before any CPO is confirmed. Such acquisitions will be on effective CPO terms.

Towns and Villages Place Shaping - Approach to Regeneration of Buildings and Land

Summary

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth which provided details of the approach to town and villages place shaping and the regeneration of buildings and land. As an integrated approach to place-based regeneration, Towns and Villages has identified a conservative estimated investment programme of more than £750 million. As part of Towns and Villages Investment Plan, agreed by Cabinet in February 2021, there is a commitment to address vacant buildings and, where possible, bring them back into a viable use.

In line with established priorities, the Council is committed to driving forward a consistent approach to dealing with empty properties and derelict land to ensure that their economic and social potential can be unlocked as a driver for regeneration ensuring a sustainable, long term future for these buildings and land. Following the agreement of the Towns and Villages Strategy in October 2020, engagement with communities took place through a series of AAP events. Feedback from all 14 AAPs identified the need to tackle vulnerable and often vacant buildings. Utilising the economic potential of vulnerable buildings and enabling opportunities for redevelopment and investment can increase community and social value by addressing issues of anti-social behaviour and by creating an attractive appearance and safe local environment.

A series of pilot projects have already taken place and has resulted in the successful demolition or repurposing of a range of properties. Such pilots have included in buildings in Seaham and Sacriston which have resulted in significant improvements in the built environment. In addition, recent work undertaken across the County has identified the scale of the empty home challenge and the demands for smaller scale local residential development opportunities. Addressing long term empty properties in communities most effected by them is a key outcome identified by the Housing Strategy and sets out the Council's involvement in a range of activities to bring empty properties back into use.

Decision

The Cabinet:

- (a) noted the contents of this report and acknowledge the success of the pilot initiatives undertaken to date;

- (b) endorsed the approaches set out in the report to bring empty properties back into use, which support the priorities within the Council's Town and Villages Strategy;
- (c) agreed a commitment to disadvantaged areas that require enhanced intervention through the Empty Property Protocol in line with the Housing Strategy and Towns and Villages.

Council Homes Delivery – Purchase of Affordable Housing Units at Gilesgate

Summary

The Cabinet considered a report of the Corporate Director of Regeneration and Economic Growth which sought authorisation from Cabinet for the purchase of six bungalows for rent at Gilesgate, Durham from Chapter Homes for the purpose of providing Council homes. This purchase will complement the construction of new Council housing as previously agreed by Cabinet. These affordable properties are being constructed by Chapter Homes as required within the Gilesgate scheme's Section 106 agreement and are offered for sale to a Registered Provider.

There is a gap in the number of affordable homes for rent and as a result, the Council has agreed to become directly involved in provision of homes for rent. In March and October 2020 Cabinet approved a development programme to build 500 new Council homes for affordable rent over the next five years. In February 2021 Cabinet approved Phase 1 of the five-year programme. The report highlights an opportunity to add to the emerging property portfolio by purchasing a number of bungalows that are being built by Chapter Homes at Gilesgate Durham under the Section 106 agreement for the site. An approach has been made to Chapter Homes expressing an interest in the Council purchasing the bungalows. Any offer for the bungalows would be in line with valuations and at a level that ensured financial viability for the Council, bearing in mind the requirement for the future Housing Revenue Account to not be in deficit. Cabinet has previously agreed to a £12.5 million investment in the coming years to finance the development of 500 new Council houses at an average contribution of £25,000 per property. The initial capital budget of £4.516 million was approved by Council on 24 February 2021. The forecast purchase price net of the £25,000 capital contribution per property results in a self-financing position over a thirty year period.

Decision

The Cabinet delegated authority to the Corporate Director of Regeneration and Economic Growth and the Interim Corporate Director of Resources, in consultation with the Cabinet Portfolio Holders of Strategic Housing and Assets and Finance to enter into negotiations and agree terms relating to the acquisition of six homes at Gilesgate, Durham on the basis of a self-financing position over a thirty year timeframe.

Covid Recovery and Town Centre Parking Charges

Summary

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth which reviewed the provision of subsidised or free parking for centres across County Durham for both on street and off street parking as a stimulus to support the economic recovery from the global pandemic.

The national and local lockdown restrictions required in response to the coronavirus pandemic, have impacted on trade and footfall across town centres. All of the usual functions within town centres have been affected and this has created a cumulative impact, having a major effect on footfall and the city, town and village high street economies in County Durham. The recent announcements from Government on 22 February included a broad roadmap for the country's route out of lockdown including guidance on the tests that would need to be met for town centres uses to open gradually and with phased conditions in terms of social distancing requirements.

During 2020/21 there have been a range of financial support measures put in place, however, it will be essential in the coming months, in line with national guidance, that all efforts are taken to ensure town centres can become sustainable and accessible locations for both shopping and leisure use and that the county receive appropriate national funding to address these many needs.

One issue often raised in terms of town centre access and footfall is the role played by parking charges. Such charges have been used for many years to address issues of demand and ensure that parking spaces are available for those wishing to visit. Measures for parking charges need to be applied with careful consideration in order to balance a number of objectives including inclusivity, economy, availability of spaces and environment. The current demand for parking in town centres is low due to the impact of the Covid 19 pandemic and it is unclear how this will change and how quickly demand will return to pre-pandemic levels once lockdown measures are eased.

In balancing the different objectives, this report puts forward proposals for a time limited period of free parking as a short-term measure to encourage people to return to retail and leisure destinations in a time frame in line with government health advice.

Decision

The Cabinet:

- (a) agreed that parking charges are suspended from 2 pm each day in both on and off-street town centre car parks until end December 2021 to support the initial recovery from the global pandemic;
- (b) noted that this policy will be reviewed regularly every 3 months to ensure its effectiveness and make any amendments where required.

Economic Recovery and Prosperity: Levelling up and Investment for County Durham

Summary

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth which provided an overview of the County Durham economy, considering the baseline conditions prior to March 2020 and additional challenges faced by the Covid pandemic and Brexit. This includes consideration to subsequent impacts on business and communities. The report detailed initial strategic priorities and objectives to support the levelling up for the economy and communities and provides a starting point with a view to further work across the council, businesses and communities. Further proposals, including an economic statement to support our ambition to deliver 30,000 jobs by 2035, will come forward to Cabinet as part of a wider economic and recovery plan in 2021.

Prior to the pandemic County Durham faced challenges across the economy, with a high proportion of residents in lower skilled and lower paid occupations, a small proportion of residents with degree level qualifications and with areas in the east, north and south Durham with high levels of deprivation. The lower land and property values also reflect lower wages and areas of market failure evident in many parts of the county. The county also has high levels of unemployment, high proportions of people with work-limiting health conditions and low levels of productivity. Had the UK stayed in the EU, the county's EU structural funding would have more than doubled to at least 300 million euros in investment up to 2027 to fund major programmes, for skills, the environment and business support.

This compares to more than 150 million euros under the previous programme, which included the £33 million Durham Works Programme, investment in business support of £42 million, £18.5 million for innovation projects, and £5 million for digital engagement amongst a range of other activities.

Despite the challenges faced, County Durham has seen significant investment over the last decade and the Council has provided a proactive approach to development including enabling direct investment in infrastructure and development partnerships as well as wider support to enable business with investments. As a result, hundreds of millions of pounds of private investment have been secured in key sites.

The Council is also continuing to attract public sector investments across the county to support strategic transport improvements and open up new business parks. Challenges for areas which faced a pre-existing low baseline for the economy across the north of England and including County Durham have been widely reported. County Durham's recovery from the impact of Covid-19 and delivering long-term sustainable growth is therefore a central key priority objective for the Council.

To support growth and recovery, significant further investment is planned. The Council has established and funded an innovative £5 million Business Recovery Grant scheme, £70 million has been earmarked for a new Council Homes Programme, £25 million additional investment has been agreed for Towns and Villages and plans are being progressed for £75 million of regeneration and health focused Leisure Investment across the County. It is important that the County realises significant benefit and direct investment from any nationally available schemes and the report set out a number of priorities for national schemes and funding. An external independent economic analysis has been commissioned to make recommendations on key priorities for future investment areas. The main body of the report identified a selection of projects that are being developed.

Decision

The Cabinet:

- a) noted the work in progress to produce a County Durham Economic Statement and the emerging projections of the impact of Covid19 and Brexit, with a report to follow in Spring 2021;
- b) noted the external opportunities for strategic funding and the importance of County Durham receiving significant government investment to ensure levelling up is delivered; and
- c) supported the development of an ambitious and innovative thematic pipeline of projects and interventions and agree to further work to further develop proposals across the county.

Helen Lynch
Head of Legal & Democratic Services
19 March 2021