



## Cabinet

**Date**      **Wednesday 19 January 2022**  
**Time**      **9.30 am**  
**Venue**     **Council Chamber, County Hall, Durham**

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## Business

### Part A

#### Items which are open to the public and press

1. Public Questions
2. Minutes of the meeting held on 15 December 2021 (Pages 3 - 8)
3. Declarations of Interest

#### Key Decision:

4. Medium Term Financial Plan 2022/23 to 2025/26 and Revenue Budget 2022/23 - Report of Corporate Director of Resources  
**[Key Decision: CORP/R/21/02]** (Pages 9 - 34)

#### Ordinary Decisions:

5. County Durham Partnership Update - Report of Corporate Director of Neighbourhoods and Climate Change (Pages 35 - 62)
6. Transport Asset Management Plan - Annual Update - Report of Corporate Director of Neighbourhoods and Climate Change (Pages 63 - 122)
7. School Loans Scheme - Report of Corporate Director of Resources (Pages 123 - 138)
8. Such other business as, in the opinion of the Chair of the meeting, is of sufficient urgency to warrant consideration.
9. Any resolution relating to the exclusion of the public during the discussion of items containing exempt information.

## Part B

**Items during which it is considered the meeting will not be open to the public (consideration of exempt or confidential information)**

### **Key Decision:**

10. UK City of Culture Bid - Report of Corporate Director of Regeneration, Economy and Growth [**Key Decision: REG/01/22**] (Pages 139 - 156)
11. Such other business as, in the opinion of the Chair of the meeting, is of sufficient urgency to warrant consideration.

**Helen Lynch**

Head of Legal and Democratic Services

County Hall  
Durham  
11 January 2022

To: **The Members of the Cabinet**

Councillors A Hopgood and R Bell (Leader and Deputy Leader of the Council) together with Councillors T Henderson, S McDonnell, J Rowlandson, E Scott, P Sexton, A Shield, J Shuttleworth and M Wilkes

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## DURHAM COUNTY COUNCIL

At a **Meeting of Cabinet** held in the **Council Chamber, County Hall, Durham** on **Wednesday 15 December 2021** at **9.30 am**

**Present:**

**Councillor A Hopgood in the Chair**

**Cabinet Members:**

Councillors R Bell, T Henderson, S McDonnell, J Rowlandson, E Scott, P Sexton and M Wilkes

**Apologies:**

Apologies for absence were received from Councillors A Shield and J Shuttleworth

### **1 Public Questions**

The Leader advised that a question had been received from Mr D Woods, Chair of Ludworth Community Centre, however as he was not present to ask his question at the meeting a written response would be provided.

### **2 Minutes**

The minutes of the meeting held on 17 November 2021 were agreed as a correct record and signed by the Chair.

### **3 Declarations of Interest**

There were no declarations.

### **4 Medium Term Financial Plan(12) 2022/23 - 2025/26 [Key Decision: CORP/R/21/02]**

The Cabinet considered a report of the Corporate Director of Resources which provided an overview of the Chancellor of the Exchequer's Comprehensive Spending Review announcements on 27 October 2021.

The report considered the impact upon the development of the 2022/23 budget and the Medium Term Financial Plan (MTFP(12), 2022/23 to 2025/26 report and provided an update on a range of budget pressures that will need to be accommodated next year, including the ongoing impact of the pandemic on waste budgets (for copy of report see file of minutes).

Councillor R Bell thanked officers for the report which provided an update and overview following the comprehensive spending review announcement on 27 October. He explained that the government had recognised some of the pressures faced by the sector and despite the fiscal constraints of the national debt had found the resource to invest in the sector which is welcomed. He advised that there was still uncertainty on the impact for this council and anticipated that clarity would be provided once the local government finance settlement was received hopefully on Thursday. He thanked the Corporate Director and officers for the work undertaken, and also that they would need to do over the Christmas period in preparation of a report to go to Cabinet in January.

**Resolved:**

That the report be noted.

## **5 Quarter Two, 2021/22 Performance Management Report**

The Cabinet considered a report of the Corporate Director of Resources which presented an overview of progress towards achieving the outcomes of the Council's corporate performance framework and highlighted key messages to inform strategic priorities and work programmes. The report covered performance in and, to the end of quarter two, July to September 2021 (for copy of report see file of minutes).

The Leader in welcoming the comprehensive report advised that the performance continues to be impacted by the pandemic which is likely to continue for some time. She highlighted how the pandemic is affecting services, and of the issues that the council is seeking to address. She thanked all staff and partners of the council for going above and beyond in working in these difficult times, and referenced the prestigious awards recently received by the council.

**Resolved:**

That the report be noted.

## **6 Poverty Issues**

The Cabinet considered a report of the Corporate Director of Resources which provided information on the most recent welfare, economic and poverty indicators for the county. The report also provided an update on expenditure which specifically supports poverty related activities and the progress of the Council and partners in addressing and alleviating poverty, including the response to the negative financial impacts arising from the COVID-19 pandemic (for copy of report see file of minutes)

Councillors McDonnell and Bell advised how the issue was a complex one, and that poverty manifests itself in many ways. They recognised the work of partners, and voluntary sector, and welcomed the refreshed action plan which will come to Cabinet in March next year. It was suggested that awareness of the refreshed plan once ready would be provided to the public, and through a briefing session given to all members of the council.

### **Resolved:**

That the report be noted.

## **7 Mainstream Primary and Secondary Formula Funding 2022/23**

The Cabinet considered a joint report of the Corporate Director of Children and Young People's Service and the Corporate Director of Resources which provided an overview of the forecast Dedicated Schools Grant School Block and proposed local formula for 2022/23, with the proposal that the Council continues to align the mainstream primary and secondary formula funding in 2022/23 with the National Funding Formula (NFF) (for copy of report see file of minutes).

Councillor T Henderson thanked the Corporate Director for the report. He explained how this formula would be for all maintained primary and secondary schools next year, which essentially is a continuation of this year's formula however with one major change being to the sparsity funding. A consultation has taken place with the Schools Forum which all schools were able to feed into.

### **Resolved:**

That the recommendations in the report be approved.

## **8 Council Homes Programme Update**

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth which set out the strategic rationale behind the Council Homes programme and updated Cabinet on the progress to date, seeking approval to commence work on the second phase of the programme. The report also outlined the Council's strategy for the development of new council homes within the rural west of the county (for copy of report see file of minutes).

Councillor Rowlandson gave an overview of the position, and the steps being taken to move the programme forward which would include development for the rural west.

### **Resolved:**

That the recommendations in the report be approved.

## **9 County Durham Inclusive Economic Strategy**

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth which set out a proposal to develop a county-wide inclusive economic strategy. The report outlined that in the development of the strategy and the detail of what is proposed, inclusivity is the key priority for the Council and the county's strategy. The report included the findings of an economic review undertaken earlier in the year and sought agreement for an economic statement to be used as a basis for conversations with stakeholders until the new strategy is agreed in Autumn 2022 (for copy of report see file of minutes).

Councillor E Scott advised of the exciting and interesting opportunity that would affect every family and community in the county, and provide for inclusive growth. She advised that from January to April the public, communities and business would be able to take part in conversations with the council on issues they face, which would be considered and feed into developing a new strategy that would be considered by Cabinet in the autumn of 2022.

### **Resolved:**

That the recommendations in the report be approved.

## **10 Exclusion of the Public**

### **Resolved:**

That under Section 100(a)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely discussion of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

## **11 Bishop Auckland Economic Growth Asset Strategy [Key Decision: REG/06/21]**

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth which set out a strategy for economic growth and the wider regeneration of Bishop Auckland (for copy of report see file of minutes).

### **Resolved**

That the recommendations in the report be approved.

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**Cabinet**

**19 January 2022**

**Medium Term Financial Plan 2022/23 to 2025/26  
and Revenue Budget 2022/23**



**Key Decision: CORP/R/21/02**

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**Report of Corporate Management Team**

**Paul Darby, Corporate Director of Resources**

**Councillor Richard Bell, Deputy Leader and Portfolio Holder for  
Finance**

**Councillor Amanda Hopgood, Leader of the Council**

**Electoral division(s) affected:**

Countywide

**Purpose of the Report**

- 1 To provide an update on the development of MTFP(12), covering the period 2022/23 to 2025/26 and on the development of the 2022/23 revenue budget in the light of the provisional local government finance settlement published on 16 December 2021. The report includes updated financial forecasts and provisional council tax strategy, subject to the outcome of further consultation, that will be presented to Cabinet and County Council in February as part of the budget setting reports.

**Executive Summary**

- 2 On 15 December 2021 Cabinet considered an update on the 27 October 2021 Comprehensive Spending Review (CSR) announcements. At that point the CSR was viewed as the first step towards a three year settlement for local government. It was noted however that although there had been an expectation that local government would receive a three-year finance settlement to provide much needed certainty, it was not clear that this would be forthcoming. It was also noted that there was a risk that government would only provide an indicative settlement in years two and

three, to provide flexibility to amend funding allocation methodologies in 2023/24 if the Fair Funding Review (FFR) was implemented at that time.

- 3 The CSR did announce additional core funding for local government, with a £4.8 billion base grant uplift for local government over the three-year CSR period (2022/23 to 2024/25). This funding was expected to be £1.6 billion a year, although circa £100 million per annum was expected to be allocated for specific activities within local government, leaving £1.5 billion per annum expected to be allocated to core local government funding from 2022/23 onwards.
- 4 The additional funding was viewed as recognition that as well as increased funding from council tax rises, local government also required additional core grant funding to address the significant budget pressures across the sector. This funding would need to cover the cost of the 1.25% increase in employer's national insurance costs from 2022/23.
- 5 The provisional local government settlement was published on 16 December and confirmed the additional £1.5 billion funding forthcoming to local government and the allocation methodologies. Disappointingly in line with expectations, the financial settlement was again only for one year, with confirmation that consultation on the FFR will begin in the spring of 2022 with the expected aim of implementing changes to funding allocations for the whole of local government in 2023/24. No detail on what the FFR formula would be or whether this would be linked to a Business Rate Reset, further Business Rate Retention or include consideration of the Public Health Grant was published with the draft settlement, so there remains significant uncertainty beyond 2022/23.
- 6 A proportion of the new core funding has been provided via an increase in the Social Care grant – equating to 42.4% of the additional funding made available. The council will receive £8.1 million of the £636 million provided nationally, increasing the Social Care Grant we will receive to £31 million in 2022/23.
- 7 The majority of the remaining £1.5 billion of funding is to be provided as a new 'Services Grant'. The national sum is £822 million of which the council will receive £8.8 million. It is concerning however that the Services Grant will be a one off grant i.e. there is no guarantee of this sum being received in 2023/24 or beyond. Government is expected to confirm however that this new funding stream is being provided to cover the ongoing costs of the 1.25% employer's national insurance increase which is forecast to cost the council £1.5 million per annum from 2022/23 onwards.
- 8 It is understood that this significant new grant has been notified as 'one off' to provide the government with funding flexibility to implement the FFR in 2023/24. The FFR is forecast to result in significant reallocation of funding between local authorities leading to winners and losers across the sector. Having as much as £822 million available to redistribute in 2023/24 will

enable the government to smooth in any changes either by providing transition funding to any authority who loses funding or possibly to limit losses on an ongoing basis.

- 9 In total, the council will receive additional core funding in 2022/23 of £16.9 million from these two allocations, which will be vital in ensuring significant ongoing budget pressures can be financed such as the National Living Wage 6.6% uplift, the impact of inflation upon costs, especially energy costs which are forecast to increase in 2022 by over 40% and from the continuing pressures in Children and Young Peoples Services.
- 10 The provisional settlement also included inflationary uplifts to both the Revenue Support Grant (RSG) and the Improved Better Care Fund (IBCF), which will result in additional funding to the council of £1.8 million next year. In addition, it was announced that there would be a continuation of the New Homes Bonus (NHB) for one further year with the council receiving £4.1 million. It is expected that the future of the NHB beyond 2022/23 will be decided as part of the FFR.
- 11 Finally, although announcements on several specific grant allocations are still awaited, along with details of all capital grant allocations, the provisional settlement did include the initial allocations to local authorities from the Health and Social Care levy. The CSR announced a sum of £3.6 billion would be payable over the next three years rising from £200 million in 2022/23 to £2 billion in 2024/25.
- 12 In the provisional settlement it was announced that £1.4 billion of the £3.6 billion available would be allocated as a grant for Market Sustainability and for Fair Cost of Care for adult social care. Funding of £162 million is to be provided in 2022/23 followed by £600 million in both 2023/24 and 2024/25. The allocation for the council in 2022/23 is £1.9 million with this sum expected to be utilised to support the adult social care markets and prepare for the future work to secure market sustainability and the planning to move to a fair cost of care for adult services in 2023/24 and beyond.
- 13 Overall, the provisional settlement is to be welcomed with additional funding being provided to the council next year, although circa 55% of the additional funding is one off and not certain for 2023/24 and beyond and there is no clarity on the future of the NHB.
- 14 The additional funding provided in the settlement for 2022/23 will enable the council to make decisions regarding the requirement for savings in 2022/23, whether sums could be made available for additional investment and what level of council tax increase to consider next year.
- 15 To protect front line service provision no additional savings are recommended in these areas for 2022/23. Additional corporate savings of £1.2 million to supplement the already agreed 2022/23 savings of £1.227 million are included in the 2022/23 budget.

- 16 The additional government funding provided alongside MTFP(12) savings have allowed investments to be recommended in priority front line service provision. In this regard £2.6 million of additional investments are recommended in Neighbourhood and Climate Change (NCC) and Regeneration, Economy and Growth (REG).
- 17 In NCC additional investment is recommended in relation to bin replacement, street scene, community protection, neighbourhood wardens, pest control, public rights of way, nature reserves, woodland protection, allotments and on our climate change objectives
- 18 In REG funding is provided to continue with the car parking free after two policy, pending a review of car parking delivery during 2022 to inform policy beyond next year.
- 19 Additional base budget pressures of in relation Looked After Childrens costs (c£3.4 million) and additional inflation for pay and price increases and for waste disposal contracts (c£2 million) have been factored into the updated 2022/23 budget forecasts, augmenting the sums previously reported in terms of Adult Social Care fee pressures (c£12 million); Energy Cost increases (c£3.1 million) and Home to School Transport cost pressures (£2.6 million).
- 20 Taking on board the available government funding, taxbase growth, base budget pressures, investments and MTFP(12) savings it is recommended that a 3% council tax increase be considered for 2022/23. The council is able to increase council tax by a maximum of 4.99% in 2022/23 being 1.99% for the referendum level, a 2% adult social care precept deferred from 2021/22 and a 1% adult social care precept uplift for 2022/23. Against the background of the pandemic and the cost of living crisis however the recommendation is that a lower council tax increase of 3% is considered for 2022/23. At this point it is forecast that a 3% council tax increase will result in a balanced budget position for 2022/23, with no requirement to use reserves to balance the budget. A 3% increase in council tax could be comprised of a 0 to 1.99% increase in the standard council tax precept, coupled with a 3% to 1.01% increase in the Adult Social Care precept.
- 21 In terms of later years of MTFP(12) it is expected that further savings will be required to balance the budget. The greatest risk and uncertainty faced at this point being for 2023/24 due to the expected implementation of the FFR and the short term nature of the £8.776 million Services grant receivable in 2022/23. The forecast savings shortfall for 2023/24 at this point is £16.607 million with a £29.987 million shortfall over the four year MTFP(12) period, assuming council tax increases of 2.99% in 2023/24 and 2024/25 and a 1.99% increase in 2025/26.
- 22 Planning for the council 2022/23 budget will continue over the coming weeks with the budget report to be presented to Cabinet on 9 February 2022 before being presented to Full Council on 23 February 2022.

## Recommendations

23 It is recommended that Cabinet

- (a) note the content of the report detailing the provisional local government finance settlement; and
- (b) note the recommended investments within NCC and REG;
- (c) note the proposed council tax increase for 2022/23 of 3%. This position will be considered at full council on 23 February 2022;
- (d) note the forecast balanced budget position for 2022/23 and the forecast £29.987 million savings shortfall over the four year MTFP(12) period; and
- (e) note that the 2022/23 revenue and capital budget and MTFP(12) 2022/23 to 2025/26 budget report will be presented to Cabinet on 9 February 2022 and to Full Council on 23 February 2022.

## Background

- 24 Previous reports have been presented to Cabinet on MTFP(12) – in July, October and December, to ensure updates are provided upon forecast budget pressures and the need to achieve savings to balance the councils budget.
- 25 This report provides an update on the provisional local government finance settlement published on 16 December 2021. It includes updated financial forecasts including a range of new investments and additional budget pressures that have been factored into the financial forecasts and provisional council tax strategy, subject to the outcome of further consultation, that will be presented to Cabinet and County Council in February as part of the budget setting reports

## Provisional Local Government Finance Settlement

- 26 The provisional Local Government Finance Settlement was published on 16 December 2021 and confirmed increases in funding for local government mainly as a result of the £1.5 billion of additional core funding for local authorities announced in the Comprehensive Spending Review (CSR) on 27 October 2021. The additional funding provided nationally to local authorities is as detailed below:
- (a) **Services Grant £822 million** – a new one off grant apportioned based upon the 2013/14 local authority Settlement Funding Assessment (SFA). Utilising this methodology ensures all local authorities including district councils receive additional funding. The council will receive £8.776 million of this sum, equating to 1.07% of the national allocation;
  - (b) **Social Care Grant additional £636 million**– an increase in this funding stream from £1.1 billion to £1.7 billion. This sum is apportioned to local authorities based upon the Adults Relative Needs Formula (RNF) alongside an element of equalisation to consider that local authorities can raise differing amounts from council tax increases due to varying size of council taxbases. This funding is only payable to upper tier authorities who provide social care services. The council will receive £8.076 million of this sum, equating to 1.27% of the national allocation, increasing our social care grant to £30.955 million in 2022/23;
  - (c) **Revenue Support Grant (RSG) £72 million** – local authorities will receive an inflation uplift of 3.1% in line with the September 2021 Consumer Price Index (CPI) on their 2021/22 RSG allocations. The council will receive an additional £0.873 million of RSG funding next year, increasing RSG received to £29.1 million;

- (d) **Improved Better Care Fund (IBCF) £63 million** - local authorities will receive an inflation uplift of 3.1% in line with the September 2021 Consumer Price Index (CPI) on their 2021/22 IBCF allocations. The council will receive an additional £0.906 million of funding next year, increasing the IBCF received to £30.865 million;
- (e) **Reduction in New Homes Bonus (NHB) funding of £68 million** – it was previously forecast that the NHB may be abolished or substantially reduced from 2022/23. The government have however agreed to continue the NHB funding for one more year. The sum to be paid out in 2022/23 nationally is £68 million lower than in 2021/22 due to two years payments falling out (2018/19 and 2021/22) and only being replaced by the 2022/23 allocation. Under normal circumstances this would be paid back to local authorities as ‘Returned NHB’. This is not the case on this occasion with the NHB instead being utilised to finance inflationary uplifts in the RSG and IBCF allocations. The council is forecasting it will receive £4.082 million in NHB funding in 2022/23, a £0.394 million reduction from the current year.
- 27 Within the provisional local government finance settlement, the government have confirmed that there would be consultation with the local government sector on the implementation of the Fair Funding Review (FFR). The FFR has been delayed for a number of years and it was thought the government may postpone the implementation until 2025/26. It is apparent however that the intention is to consult on the FFR in the Spring of 2022 with an expectation that this could lead to implementation in 2023/24.
- 28 No detail on what the FFR formula would be or whether this would be linked to a Business Rate Reset, further Business Rate Retention or still include consideration of the Public Health Grant allocations was published with the provisional settlement, so there remains significant uncertainty beyond 2022/23.
- 29 The implementation of the FFR was originally expected to be introduced at the same time as the move to 75% Business Rate Retention (BRR). It is expected however that the move to 75% BRR will not occur in the current parliament. One significant element of the move to 75% was to be the integration of the Public Health grant into BRR and the implementation of the ACRA formula for the redistribution of this grant leading to a forecast £18 million reduction in the grant allocation for the council. Although the cancellation of the move does not indicate that the ACRA formula will not be introduced for a standalone Public Health grant it would certainly improve the council’s lobbying position as it would be totally transparent that this funding stream was being significantly reduced for the county.
- 30 Although the additional funding announced in the provisional local government finance settlement is welcome there are concerns for the council in the following areas:

- (a) **Services Grant** - £822 million (55%) of the additional £1.5 billion of new funding for local government announced in the CSR should be considered as one off funding. Government have stated that the 1.25% increase in employer's national insurance is to be financed from this funding stream, indicating some of the funding should be forthcoming to the council in 2023/24 though there can be no guarantee for the remainder of the funding. It is believed that the government are treating this funding as one off to provide flexibility to implement the findings of the FFR where there is expected to be significant winners and losers across the sector. The funding available could be utilised to provide transition funding for losing authorities over a number of years or to provide recurrent funding to ensure no authority loses funding. Under either of these scenarios the council could not guarantee receiving the funding it will receive through new Service Grant next year into 2023/24;
- (b) **Social Care Grant** – although the additional funding is welcome it is disappointing that only 42% of the additional £1.5 billion has been allocated via this area when it is children's and adult social care where the major recurrent budget pressures are being felt by upper tier Councils like ourselves;
- (c) **New Homes Bonus** – the council is receiving the final year of four years of recurrent funding from the 2019/20 NHB allocation in addition to a one off 2022/23 sum. In total the council will receive £4.082 million in 2022/23. This sum will not be payable however in 2023/24 and the unused £68 million of NHB nationally was used to finance inflation uplifts in RSG and IBCF in 2022/23. It is of concern that this method of utilisation could be considered in future years including being used to supplement transition funding for the FFR i.e. the council again would have no guarantee of receiving any of the NHB funds in 2023/24.

31 In addition to the funding streams detailed above the council will receive an additional £0.039 million from an uplift in the Lower Services Tier grant due to a small change in data driving the apportionment of the grant. The Lower Services Tier Grant will increase to £0.786 million in 2022/23.

32 The provisional settlement also announced the first tranche of funding from the health and social care levy. The £12 billion available nationally will be financed by the 1.25% in employers and employee's national insurance increase in April 2022 and of this sum, £3.6 billion is to be paid to local government over the 2022/23 to 2024/25 period. It is expected that this sum will be required for local authorities to cover costs and lost income associated with the following

- (a) **Adult care cost cap of £86,000** – this being expected over time to result in a loss of income to local government;

- (b) **Increase in means test asset threshold from £23,000 to £100,000** – again leading to an increase in costs to local authorities as a result of loss of income; and
- (c) **Self Funders** – government had indicated that from October 2023 self funders could ask to be accepted on council care contracts thus securing lower care costs. It was expected this would lead to increased costs to local authorities as care providers would seek increases in fees from the council to recover lost income from self funders.
- 33 The provisional settlement provided further detail in relation to the funding available to local government, with an initial allocation of £192 million being paid to local authorities in 2022/23 from a ‘Market Sustainability and Fair Cost of Care’ grant financed from the health and social care levy. The government guidance in this regard being that:
- (a) local authorities will be required to carry out a Fair Cost of Care exercise for both adult residential and domiciliary care in 2022 to seek to then implement from 2023/24 onwards to ensure care providers are paid a fair cost for provision; and
- (b) the funding would be £162 million in 2022/23 rising to £600 million in both 2023/24 and 204/25 to meet the outcome of that exercise.
- 34 The provisional settlement set out that the council will receive £1.905 million in 2022/23, representing 1.18% of the £162 million being invested nationally. Although no allocation has been advised for 2023/24 and 2024/25 it is forecast that the sums payable will increase by £5.151 million to £7.056 million in 2023/24 with this sum also payable in 2024/25 In terms of what the £3.6 billion payable to local government will be allocated, for the governments expectations are detailed below:

	<b>Fair Cost</b>	<b>Cost Cap/Means Test</b>	<b>TOTAL</b>
	£m	£m	£m
2022/23	162	0	<b>162</b>
2023/24	600	800	<b>1,400</b>
2024/25	600	1,400	<b>2,000</b>
<b>TOTAL</b>	<b>1,362</b>	<b>2,200</b>	<b>3,562</b>

- 35 The major concern for the council will be whether the sums allocated to it will be sufficient to cover the additional costs and loss of income experienced from implementing the recommended changes. The council is forecast to spend circa £180 million on purchasing adult social care in

2022/23 and as such the sums being made available for a fair cost of care exercise may not be sufficient to meet market expectations.

- 36 At this stage there are no announcements of any additional COVID support funding for local government. This position will continue to be monitored closely in the coming months. Council income in areas such as leisure, theatres, and car parking are very much linked to the outcome of the pandemic and impacts upon the budget will need to be carefully considered.

### **Core Spending Power (CSP)**

- 37 The provisional CSP figures for the council would indicate a positive position compared to previous years. The England average is a 6.9% increase next year, whilst Durham's position is forecast to be 8.4%. A number of issues need to be considered in this regard however:
- (a) the CSP calculation forecasts that the council will increase council tax by the full 4.99% available i.e. the 1.99% referendum level plus the 2% adult social care precept deferred from 2021/22 and the new 1% adult social precept. Any 1% below the 4.99% assumed would reduce the CSP by 0.5%;
  - (b) the CSP includes the new Market Sustainability and Fair Cost of Care grant of £1.9 million which comes associated with a new burden and as such is not available to support core council service provision.
- 38 In terms of comparative CSP per dwelling positions the table below compares the council with a number of authorities and the England average. If Durham received CSP to the national average CSP of £2,155 per dwelling the council would receive an additional £39 million of funding.

<b>Area</b>	<b>Core Spending Power Per Dwelling</b>
	£
England	2,155
Durham	1,999
Middlesbrough	2,297
Newcastle	2,153
Northumberland	2,096
Richmond upon Thames	2,095
Wokingham	2,079

## Review of MTFP Model

39 The MTFP(12) update report to Cabinet in October provided an update on the forecast revenue budget position for 2022/23 as well as an update for the MTFP(12) period 2022/23 to 2025/26. An ongoing review of base budget pressures and savings options has been carried out resulting in a number of amendments to the base budget pressures forecast for the MTFP(12) period. The major amendments included in the updated MTFP(12) model attached at Appendix 2 are detailed below:

### (a) **Government Funding**

The model includes the government funding published in the provisional settlement on 16 December 2021. In addition, the government have announced that the School Improvement Grant will be phased out over the next two years. This £0.8 million grant provides funding to finance the School Improvement team in Children and Young People's Services (CYPS). This service is vital in supporting school improvement in the counties schools.

CYPS have advised that there will be a significant impact upon the authority's ability to support school improvement if the full £0.8 million budget was withdrawn. Government have advised that £0.4 million will be withdrawn in 2022/23 with the final £0.4 million in 2023/24. To ensure support can still be provided to schools the £0.4 million loss of income will be funded corporately via the MTFP in 2022/23 with CYPS expected to reduce costs in the service by £0.4 million in 2023/24.

### (b) **Council Tax Base**

The 17 October 2021 MTFP(12) update report forecast a £2 million increase in the taxbase for 2022/23. The council tax taxbase setting report to Cabinet on 17 November 2021 however, identified a 2072.6 (1.46%) Band D equivalent increase in the taxbase for 2022/23 equating to a £3.5 million increase.

### (c) **Pay Inflation**

Pay inflation was previously forecast to be 2% across the MTFP(12) period. In the light of rising inflation this has been reassessed with the forecast increased to 3% in 2022/23 and 2.5% in 2023/24 with 2% per annum provided thereafter.

### (d) **Price Inflation**

Price Inflation was previously forecast to be 1.5% across the MTFP(12) period. In the light of rising inflation this has been

reassessed with the forecast increased to 3% in 2022/23 and 2% in 2023/24 with 1.5% per annum thereafter.

(e) **Adult Social Care Fees**

All costs associated with social care fee uplifts has been consolidated in the MTFP(12) model. The consolidated sum represents the forecast cost to uplift home care fees by 10% in 2022/23 and to uplift other adult social care fees in 2022/23 to cover the impact of the 6.6% increase in the national living wage, the cost of the 1.25% increase in employer's national insurance and the impact of general inflation costs.

(f) **Employers National Insurance**

The forecast impact of the 1.25% increase has been recalculated to exclude all grant funded schemes and trading areas of activity reducing the forecast cost to the General Fund to £1.5 million.

(g) **Energy Price Increase**

In October 2022 the MTFP(12) update report to Cabinet highlighted that energy prices were increasing substantially, impacting upon both 2021/22 and the base budget in 2022/23. It is now forecast that the increased costs in 2022/23 will be £3.1 million more than the 2021/22 base budget, as compared with the previous £2.2 million forecast increase.

(h) **Childrens Demographics**

The looked after children budget continues to face significant pressure mainly as a result of the complex nature of children requiring care but also due to the lack of supply of care placements which is resulting in increased costs. The budget forecast has increased from £1 million to £4.4 million to ensure a sustainable budget is in place for 2022/23.

(i) **Home To School Transport**

Growth required in this budget was previously forecast to be £3 million. Updated forecasts considering the impact of service volumes at cost from the beginning of the school year in September has enabled this sum to be reduced to £2.6 million.

(j) **Waste Haulage contract**

Significant pressure continues to be faced in waste disposal. The increase in the 2022/23 cost of the waste haulage contract is now

forecast to be £0.375 million, £0.175 million higher than the previous forecast.

(k) **Household Waste Recycling Contract**

It was previously forecast that the cost of this contract would increase by £1 million in 2023/24 when the contract was reprocured. It is apparent however that to maintain the current service against the background of the pandemic and in light of benchmarking of costs of contracts elsewhere, then a £1.8 million contract uplift will be required as we prepare to reprocure the service in 2023/24.

(l) **Waste Tonnages**

During the pandemic waste tonnages collected increased. It was previously forecast that this increase would reduce as lockdown periods were eased. This has not been the case however and tonnages at this stage require a £1 million increase in the 2022/23 base budget to ensure a balanced budget is in place next year.

40 In addition to the amended base budget pressures detailed above consideration has also be given to a range of priorities for further investment. The following investments, which build on the sums included in the October report, are recommended for inclusion in the 2022/23 budget:

(a) **Low Carbon Development and Partnership Officer - £0.1 million**

This investment will supplement the £0.297 million already included in MTFP(12) plans across 2022/23 and 2023/24. The additional £0.1 million will fund a post to take forward the climate change commitments and manage a cross-sector working arrangement to promote and deliver climate change interventions through new joint funding/commissioning initiatives. This will facilitate educational awareness, social media promotion etc.

(b) **Bin Replacement - £0.1 million**

The base budget for bin replacement and repairs is not adequate and needs to be increased to sustain service provision. This is an essential service and failure to increase the budget will either mean budgetary overspend or lack of bins next year

(c) **Street Scene Efficiency - £0.130 million**

Improvements to monitoring and intelligence gathering across all Street Scene services. Investment will include vehicle tracking on street sweepers to target limited resources where most needed. The

investment also includes two new sweepers (one for footpaths and one for roads) plus two operatives.

**(d) Car Parking - £0.6 million**

The "Free After 2" parking initiative was adopted in the 2021/22 after the base budget was agreed and resulted in a reduction of £600,000 in car parking income. The costs in 2021/22 are being met corporately and it is proposed that the initiative is extended into 2022/23 pending the outcome of the countywide Parking Strategy review to inform policy for 2023/24 and beyond.

**(e) Community Protection Workforce Development – 2022/23 - £0.890 million, 2023/24 - £0.218 million, 2024/24 - £0.196 million and 2025/26 recovery of £0.2 million**

Provision has been made for the implementation of the Community Protection Workforce Development Plan to address the current skills and expertise gap within the Community Protection service and meet the future workforce requirements of the service to ensure business continuity and the Council's statutory obligations are met. The additional investment will enable the service to recruit over the current staffing establishment. This revised establishment will then be reduced in future years as more experienced colleagues retire and posts at that time are not filled hence the recovery of budget growth from 2025/26 onwards. MTFP(13) and beyond will factor in further recovery of the time limited investment in this area as part of this plan.

**(f) Neighbourhood Wardens- £0.120 million**

Two new posts (Warden Manager and Warden Co-ordinator) are required to help ensure that the service is operating efficiently, improving outcomes for communities and providing management information for the service.

**(g) Pest Control - £0.141 million**

An increase of one investigations officer and two pest control officers plus 0.5 fte support staff has been factored into the budgets from 2022/23 onwards. This will ensure the current backlog of investigations is addressed and will return wait times to reasonable levels and will include the introduction of welfare assistance scheme for public health pests. The proposal includes an additional £10,000 income through domestic pest treatments from next year.

(h) **Woodland Protection Officer - £0.045 million**

A new post to take forward and deliver new and ongoing externally funded tree and woodland initiatives.

(i) **Local Nature Recovery Strategy Officer - £0.100 million**

A new post to produce and co-ordinate the delivery of the Local Nature Recovery Strategy. A vital component in responding to the potential ecological emergency declaration. This proposal also includes an implementation budget matched with planning gain and other funds to promote delivery.

(j) **Countryside Estates Management - £0.105 million**

Key to the implementation of the Local Nature Recovery Strategy will be the ninety two countryside sites that the Council is responsible for. Investment will enable two Nature Reserve Officers to target Local Nature Reserves and Local Wildlife Sites, engaging stakeholders and volunteers to help manage and maintain these facilities.

(k) **Allotments - £0.360 million**

An additional three engagement staff to work with the fifty associations that run sites across the county and three enforcement staff to deliver the new policy agreed by Cabinet. A maintenance and initiative budget will also be created to incentivise associations and individual sites to make improvements.

### **Council Tax Strategy and MTFP(12) 2022/23 to 2025/26 Update**

41 The adjustments to MTFP(12) planning detailed in this report have impacted upon the forecast savings requirements for the 2022/23 to 2025/26 period.

42 The current forecast of savings required for the period 2022/23 to 2025/26 before any increase in 2022/23 council tax or any new MTFP12 savings are factored in is detailed overleaf:

	<b>Savings Requirement</b>	<b>Less Savings Already Approved</b>	<b>Savings Shortfall</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
2022/23	9.484	(1.227)	8.257
2023/24	16.882	(0.275)	16.607
2024/25	6.017	0	6.017
2025/26	7.708	0	7.708
<b>TOTAL</b>	<b>40.091</b>	<b>(1.502)</b>	<b>38.589</b>

43 The above table shows a forecasts £8.257 million savings shortfall in 2022/23 and a £38.589 million shortfall across the MTFP(12) period. This position is after assumed council tax increases in 2023/24 and 2024/25 of 2.99% in each year and 1.99% in 2025/26, however it does not take into account any additional MTFP(12) savings available to supplement the £1.227 million of savings previously agreed by Council or any council tax increases next year. At this stage the following three corporate savings can be considered for inclusion in the 2022/23 budget.

- (a) **Staff Turnover £1 million** – the current staff turnover percentage included in base budget setting is 3%. This assumes that as staff leave council employment it will take a period to fill posts thus generating a saving. In recent years the 3% figure has been exceeded and it is felt prudent to increase this figure to 3.5%, thus generating a £1 million saving;
- (b) **Insurance Costs £0.1 million** – the recent procurement of insurance policies has resulted in a £0.1 million reduction in cost;
- (c) **Jade Industrial Development £0.1 million** – the major capital development at Jade was forecast to be self financing with borrowing costs to be covered via rentals generated from tenancies. The development has been enormously successful and it is forecast that annual rental income will exceed the annual borrowing costs enabling a contribution of £0.1 million to MTFP(12) savings.

44 The £1.2 million MTFP(12) saving detailed above will complement the £1.227 million of MTFP(10 and 11) savings already approved for 2022/23, bringing total savings next year to £2.427 million.

45 Factoring these savings into the 2022/23 forecast reduces the savings shortfall to £7.057 million. This shortfall enables consideration to be given to reducing the council tax increase for 2022/23 from the previously modelled 3.99% to 3%. It is important to note that the council is able to increase council tax in 2022/23 by a maximum of 4.99%. The 4.99% increase comprising of the following;

- (a) a 1.99% referendum limit increase;
- (b) a 2% adult social care precept deferred from 2021/22;
- (c) a 1% 2022/23 adult social care precept utilising additional powers provided in the CSR.

46 A 3% increase would support our communities as they face other household budget pressures. A 3% increase in council tax could be comprised of a 0 to 1.99% increase in the standard council tax precept, coupled with a 3% to 1.01% increase in the Adult Social Care precept.

47 In addition to funding available from the adult social care precept the government have also provided additional funding through the Social Care Grant to invest in both adults and childrens social care. On the basis of a 3% adult social care precept increase, the funding available to support the 2022/23 budget would be as follows:

	<b>£m</b>
Adult Social Care Precept	7.050
Social Care Grant Increase	8.067
Market Sustainability Grant	<u>1.900</u>
<b>TOTAL</b>	<b><u>17.017</u></b>

48 Significant sums are identified in the attached MTFP(12) model attached at Appendix 2 for investment in both adult and children’s social care in 2022/23. The table below identifies the budget growth proposed for adult and children’s social care:

	<b>Adults £m</b>	<b>Childrens £m</b>	<b>TOTAL £m</b>
Pay Inflation	0.9	0.9	1.8
Price Inflation	(0.7)	0.9	0.2
National Insurance	0.2	0.2	0.4
Adult Social Care Fees	12.0	0.0	12.0
Energy	0.0	0.1	0.1
Adult Social Care Levy	0.5	0.0	0.5
Childrens Demographic	0.0	4.4	4.4
Children’s Safeguarding	<u>0.0</u>	<u>0.1</u>	<u>0.1</u>
<b>TOTAL</b>	<b><u>12.9</u></b>	<b><u>6.6</u></b>	<b><u>19.5</u></b>

- 49 The council is forecast to expend an additional £19.5 million in 2022/23 on adult and children’s social care, which is higher than the £17.017 million of funding and council tax that would be raised to support social care statutory social functions.
- 50 In terms of council tax increases included in later years of MTFP(12) the council will be able to increase council tax by a maximum of 2.99% in 2023/24 and 2024/25 consisting of a 1.99% referendum limit and a 1% adult social care precept. On that basis a 2.99% council tax increase is assumed for planning purposes for 2023/24 and 204/25 with a 1.99% increase assumed for 2025/26.
- 51 The inclusion of £1.2 million of MTFP(12) savings and a 3% increase in council tax has the following impact upon the MTFP(12) model which is detailed at Appendix 2:

	<b>Savings Requirement</b>	<b>Less Savings Already Approved</b>	<b>Savings Shortfall</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
2022/23	2.427	(2.427)	0
2023/24	16.882	(0.275)	16.607
2024/25	6.017	0	6.017
2025/26	7.363	0	7.363
<b>TOTAL</b>	<b>32.689</b>	<b>(2.702)</b>	<b>29.987</b>

## Conclusion

- 47 The provisional settlement is in the main positive for the council in supporting the balancing of the 2022/23 budget. The provisional settlement however does not provide long term certainty for local government with many uncertainties still in place in relation to settlements beyond 2022/23.

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## **Appendix 1: Implications**

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### **Legal Implications**

The council has a statutory responsibility to set a balanced budget for 2022/23. It also has a fiduciary duty not to waste public resources.

Section 47 of the Local Government Finance Act 1988 and subsequent amending legislation provides the provisions and criteria for awarding discretionary rate relief. The Localism Act 2011 amended Section 47 Clause 69, of the Local Government Finance Act 1988 to allow local authorities to reduce the business rates of any local ratepayer (not just those who can currently be granted discretionary relief), via a local discount scheme.

### **Finance**

The report details the impact of the provisional local government finance settlement upon the council. In total, the council will receive additional core funding in 2022/23 of £16.9 million from these two allocations, which will be vital in ensuring significant ongoing budget pressures can be financed such as the National Living Wage 6.6% uplift, the impact of inflation upon costs, especially energy costs which are forecast to increase in 2022 by over 40% and from the continuing pressures in Children and Young Peoples Services.

The provisional settlement also included inflationary uplifts to both the Revenue Support Grant (RSG) and the Improved Better Care Fund (IBCF), which will result in additional funding to the council of £1.8 million next year. In addition, it was announced that there would be a continuation of the New Homes Bonus (NHB) for one further year with the council receiving £4.1 million. It is expected that the future of the NHB beyond 2022/23 will be decided as part of the FFR.

Finally, although announcements on several specific grant allocations are still awaited, along with details of all capital grant allocations, the provisional settlement did include the initial allocations to local authorities from the Health and Social Care levy. The CSR announced a sum of £3.6 billion would be payable over the next three years rising from £200 million in 2022/23 to £2 billion in 2024/25.

The additional government funding provided alongside MTFP(12) savings outlined in the report have allowed investments to be included in priority front line service provision. In this regard £2.6 million of additional investments are recommended in Neighbourhood and Climate Change (NCC) and Regeneration, Economy and Growth (REG).

Taking on board the available government funding, taxbase growth, base budget pressures, investments and MTFP(12) savings the updated financial forecasts include a 3% council tax increase for 2022/23.

The council is able to increase council tax by a maximum of 4.99% in 2022/23 being 1.99% for the referendum level, a 2% adult social care precept deferred from 2021/22 and a 1% adult social care precept uplift for 2022/23. At this point it is forecast that a 3% council tax increase will result in a balanced budget position for 2022/23, with no requirement to use reserves to balance the budget.

In terms of later years of MTFP(12) it is expected that further savings will be required to balance the budget.

## **Consultation**

The approach to consultation on the 2022/23 budget was set out in the October Cabinet report, and the approach will utilise our existing County Durham Partnership networks and our AAPs. The consultation process for MTFP(12) is ongoing and will influence the final budget report in February 2022.

## **Equality and Diversity / Public Sector Equality Duty**

Under section 149 of the Equality Act 2010 all public authorities must, in the exercise of their functions, “have due regard to the need to” eliminate conduct that is prohibited by the Act. Such conduct includes discrimination, harassment and victimisation related to protected characteristics but also requires public authorities to have due regard to the need to advance equality of opportunity and foster good relations between persons who share a “relevant protected characteristic” and persons who do not. This means consideration of equality analysis and impacts is an essential element that Members must take into account when considering these savings proposals

## **Climate Change**

The budget will provide funding to reflect this priority.

## **Human Rights**

Any human rights issues will be considered for each of the proposals as they are developed and decisions made to take these forward. There are no human right implications from the information within the report.

## **Crime and Disorder**

None

## **Staffing**

None

## **Accommodation**

None

## **Risk**

A robust approach to Risk Assessment across the MTFP process will continue to be followed.

Local government has been operating in a period of significant financial uncertainty, brought about by a series of one-year financial settlements, significant budget pressures in social care, special educational needs, disability services and other unfunded pressures arising from demographic and pay and price inflation. These pressures are expected to continue and potentially escalate across the MTFP(12) planning period.

The provisional local government finance settlement published on 16 December 2021 provided more funding than what the council was previously forecasting. However, a significant proportion of this additional grant is one off funding pending the outcome of consultation on the implementation of the Fair Funding Review (FFR), which has been delayed for a number of years.

It was initially thought the government may postpone the implementation until 2025/26. It is apparent however that the intention is to consult on the FFR in the Spring of 2022 with an expectation that this could lead to implementation in 2023/24.

No detail on what the FFR formula will be or whether this would be linked to a Business Rate Reset, further Business Rate Retention or still include consideration of the Public Health Grant allocations was published with the provisional settlement, so there remains significant uncertainty beyond 2022/23.

The implementation of the FFR was originally expected to be introduced at the same time as the move to 75% Business Rate Retention (BRR). It is expected however that the move to 75% BRR will not occur in the current parliament. One significant element of the move to 75% was to be the integration of the Public Health grant into BRR and the implementation of the ACRA formula for the redistribution of this grant leading to a forecast £18 million reduction in the grant allocation for the council. Although the cancellation of the move does not indicate that the ACRA formula will not be introduced for a standalone Public Health grant it would certainly improve the council's lobbying position as it would be totally transparent that this funding stream was being significantly reduced for the county.

**Procurement**

None

## Appendix 2: Medium Term Financial Plan - MTFP(12) 2022/23 - 2025/26 Model

	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000
<b>Government Funding</b>				
Revenue Support Grant	-873	-580	-445	-450
Services Grant	-8,776	8,776	0	0
Social Care Grant	-8,067	0	0	0
Social Care Levy Funding	-1,900	-9,500	-3,300	0
IBCF Inflation	-906	0	0	0
Lower Tier Services Grant Inflation	-39	0	0	0
B Rates/S31 - S31 Adj & RPI increase (4.9%/2%/1.5%/1.5%)	-4,985	-1,500	-1,100	-1,100
Top Up - RPI increase (4.9%/2%/1.5%/1.5%)	-3,349	-1,400	-1,050	-1,050
New Homes Bonus	394	0	0	0
Loss of School Improvement Grant	400	0	0	0
<b>Other Funding Sources</b>				
Council Tax Increase (3%/3%/3%/2%)	-7,050	-7,200	-7,300	-5,000
Council Tax Base increase	-3,500	-2,000	-2,000	-1,500
Business Rate Tax Base increase	-500	-500	-500	-500
<b>Estimated Variance in Resource Base</b>	<b>-39,151</b>	<b>-13,904</b>	<b>-15,695</b>	<b>-9,600</b>
Pay inflation (3%/2.5%/2%/2%)	7,100	6,100	5,100	5,300
Price Inflation (3%/2%/1.5%/1.5%) - excludes social care fees	2,923	1,800	1,300	1,400
<b>Base Budget Pressures</b>				
Social Care Fee Inflation Uplift - includes NLW, NIC and CPI	12,000	7,900	6,800	3,300

	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000
National Living Wage Other Service Areas	300	350	400	50
National Insurance Increase	1,500	0	0	0
Pension Fund Auto Enrolment costs	500	0	0	0
Pension Fund Revaluation	0	-2,000	0	0
Energy Price Increases	3,100	0	0	0
Social Care System Licenses	0	100	0	0
Adults Demographic Pressures	0	1,000	1,000	1,000
Adults - costs associated with Social Care reform (£1.9m - £1.4m)	500	9,500	3,300	0
Children's Demographic Pressures	4,400	2,000	2,000	2,000
Children's Safeguarding Staffing	110	0	0	0
Home to School Transport	2,600	0	0	0
Loss of School SLA Income and Sales support	100	0	0	0
Materials Recycling Facilities Contract	1,000	0	0	0
Waste Haulage Contract	375	0	0	0
Household Waste Recycling Contract	1,800	0	0	0
Residual Waste Tonnages	1,000	0	0	0
Tees Valley SPV Set Up Costs	200	0	0	30
Low Carbon Team - staffing & partnership development	313	84	0	0
Vehicle Fleet - Transfer to electric vehicles	0	0	0	1,328
Drainage Inspections - mainstream investment	250	0	0	0
Bin Replacement Uplift	100	0	0	0
Street Scene Efficiency, I.T. Improvements and Innovations	130	0	0	0
Free after 2 Parking Initiative	600	0	0	0
Community Protection Workforce Development	890	218	196	-200
Neighbourhood Wardens	120	0	0	0
Pest Control	141	0	0	0
Woodland Protection / Nature Reserves / Public Rights of Way	250	0	0	-145

	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000
Allotments - Engagement Officers & Maintenance	360	0	0	0
Multi Storey Car Parks - 24/7 management	200	0	0	0
Corporate Property and Land - additional staffing	600	0	0	0
REG Senior Restructure	250	0	0	0
Legal Services - Staffing and Barristers costs	310	0	0	0
Coroners Service - Pathology Services and staffing	198	0	0	0
HR/OD Development	185	0	0	0
Veterans Leisure Discounts	45	0	0	0
Unfunded Superannuation	-100	-100	-100	-100
Prudential Borrowing	3,000	3,000	3,000	3,000
Net Collection Fund Position after 75% Grant applied	450	834	-1,284	0
Cessation 2021/22 Short Term Investments	-10,000	0	0	0
<b>TOTAL PRESSURES</b>	<b>37,800</b>	<b>30,786</b>	<b>21,712</b>	<b>16,963</b>
<b>Use of One Off funds</b>				
Adjustment for use of BSR in previous year	3,778	0	0	0
Use of Budget Support Reserve	0	0	0	0
<b>Savings</b>				
Savings Agreed in MTFP(10)	-977	-275	0	0
Savings Agreed in MTFP(11)	-250	0	0	0
MTFP(12) Savings	-1,200	0	0	0
<b>SAVINGS SHORTFALL</b>	<b>0</b>	<b>16,607</b>	<b>6,017</b>	<b>7,363</b>
	<b>TOTAL SHORTFALL</b>			<b>29,987</b>

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**Cabinet**

**19 January 2022**

**County Durham Partnership Update**

**Ordinary Decision**



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**Report of Corporate Management Team**

**Alan Patrickson, Corporate Director of Neighbourhoods and Climate Change**

**Councillor Amanda Hopgood, Leader of the Council**

**Councillor Elizabeth Scott, Cabinet Portfolio Holder for Economy and Partnerships**

**Electoral division affected:**

Countywide

**Purpose of the Report**

- 1 The purpose of the report is to update Cabinet on issues being addressed by the County Durham Partnership (CDP). The report also includes updates on other key initiatives being carried out in partnership across the county.

**Executive summary**

- 2 Excellent partnership working has always been the County Durham Partnership's strength and it continues to be of paramount importance as we support our communities through the coronavirus pandemic. Our County Durham Vision 2035 was agreed before the pandemic but has put the partnership in good stead to address the ambitions for our County during a challenging time – the Vision Ambitions are for:
  - (i) more and better jobs;
  - (ii) people live long and independent lives;
  - (iii) connected communities.
- 3 Following the COP26 conference in Glasgow in November 2021, which saw global leaders discussing what actions are needed to protect the planet for future generations, the **County Durham Partnership** held an event aimed at building on COP26 at a local level.

- 4 Since the previous report, the programme for **Holiday Activities with Healthy Food** continued in the Summer and Christmas holidays during 2021. Recognising that the need and demand for holiday activities with healthy food remains during half term holidays (which the Department for Education (DfE) does not provide funding for) an additional £70,000 was secured from the Poverty Action Steering Group (PASG) for the May and October half terms 2021.
- 5 **All 14 Area Action Partnerships (AAPs)** now have additional funding to help improve their local towns and villages. This is a dedicated 'Towns & Villages Fund' allocation of £210,000 per AAP that will add value to our local communities. Equally, all our local Councillors also have an additional £10,000 to spend within their divisions for related Towns & Villages projects.
- 6 A new and refreshed **Armed Forces Covenant** has been signed by the Leader of the Council. This demonstrates our continuing commitment to ensuring that members of the Armed Forces Community are treated fairly and that no one is disadvantaged in accessing public services because of their military service.
- 7 County Durham has made it to the next stage in the **UK City of Culture 2025** competition. County Durham is among the eight locations to have been selected from the 20 bidding locations and now has until January 2022 to finalise its bid. This exciting opportunity can support the county's efforts in becoming carbon neutral by 2050 by utilising the breath-taking landscapes, outstanding cultural attractions, unparalleled grassroots sport, world-first heritage, spectacular events, world class research and a growing sector of artists and entrepreneurs.
- 8 **Lumiere** took place on 18-21 November 2021. For the first time since it began in 2009, Lumiere linked city and the wider county through six commissions that transformed significant landmarks across County Durham from the Apollo Pavilion at Peterlee to Raby Castle at Staindrop.
- 9 **Storm Arwen** hit the north east of England on the afternoon of Friday 26 November 2021 and that night caused extensive damage all the way across northern England. In County Durham, 14,891 utility customers were affected by a loss of power. This included 3,000 plus residents with multiple health and social vulnerabilities who would need extra support. The outages affected all parts of the county and many residents were without power for several days before power was restored to all properties on Thursday 9 December.
- 10 In response to the storm, the **County Durham and Darlington Local Resilience Forum (LRF)** implemented its multi-agency incident

procedures on the morning of Saturday 27 November, to coordinate response to storm damage incidents. Durham County Council, in partnership with the police and fire services, responded to fallen trees and debris affecting the highways network, damaged and dangerous structures and snow drifts on the A66. Services also responded to requests for help from residential care homes affected by power outages.

- 11 A major incident was declared on 30 November and military support was agreed in order to support residents and also to ensure consistent communication.
- 12 Effective partnership working through the LRF (including Area Action Partnerships) took place directly with communities, the voluntary and faith sectors and those affected residents were provided with help and support ranging from welfare centres, hot meals, food, stoves, heaters and support supplies and where required, arranging alternative temporary accommodation.

### **Recommendation**

- 13 Cabinet is recommended to:
  - (a) note the contents of this update.

## Background

- 14 The **County Durham Partnership** including the board and forum (which bring together the board and local communities), five partnerships (**Health and Wellbeing Board, Safe Durham Partnership, Economic Partnership, Environment and Climate Change Partnership** and **County Durham Together Partnership**), **Durham Safeguarding Children Partnership** and the **Durham Safeguarding Adults Partnership, Better Together VCS Forum** and all **Area Action Partnerships** lead on key initiatives being carried out in partnership across the county.

## County Durham Partnership board and forum

- 15 The **County Durham Partnership** Board met in September and November 2021. At the meetings, partners were updated on work taking place to address Covid-19 as well as an update on how the flu vaccine programme has been delivered to support the expected increase in flu cases over the winter. 'Contain' Outbreak Management Fund (COMF) was received from the government totalling £19.4 million. Partners received some examples of how funding had been spent, including children and young people's emotional wellbeing and bereavement counselling, reopening of school swimming pools, mutual aid and VCS emergency support and community grant schemes.
- 16 At the September meeting, partners looked at the work taking place to support our Better Health at Work Award. The scheme has reached over 40,000 employees with 79 signatory organisations.
- 17 At the November meeting partners discussed how the **Poverty Action Steering Group** was supporting those residents/families experiencing poverty issues in the County. Taking a holistic view of issues relating to the pandemic whilst delivering targeted interventions to support the poorest household in greatest need, has been key. This approach has had a focus on preventative work to avoid households getting into financial difficulties, where possible. Some examples of partnership working were shared, including:
- (a) Advice in County Durham Referral portal as a one stop shop to signpost and refer residents for support;
  - (b) Private landlords "stop before you serve" in relation to housing evictions;
  - (c) GP – Warm Homes Referrals for support with insulation and other heating related issues;

- (d) “The Bread and Butter Thing” grant funding to support those who require food for the fraction of the price;
  - (e) Credit Union – promoting safe credit.
- 18 A revised Poverty Action Strategy and Plan will be developed for 2022/23 to outline the actions partners will take to support those in greatest need in terms of the impact of deprivation and poverty, given that 21.5% of County Durham resident population are said to be living in relative poverty (before housing costs) compared to the North East average of 21.5% and the England average of 17.1%.
- 19 This wider work is supported by the **Advice in County Durham (AiCD) Partnership** which held a Development Day virtually in December with a good mix of partners in attendance. The revised Terms of Reference were agreed, and the main focus of the day was the development of a AiCD Members’ Survey that will be distributed in the new year. The AiCD is also carrying out implementation of the next phase of the Advice Referral Portal refresh. This is looking at user journeys and ensuring a smooth transition from the existing portal to the new and improved one. Other workstreams are looking at further web development as well as communications and engagement.

### County Durham Partnership Annual Event/Durham COP

20 Following the COP26 conference in Glasgow in November 2021, which saw global leaders discussing what actions are needed to protect the planet for future generations, our local events to support Environment and Climate Change activities in County Durham took place.

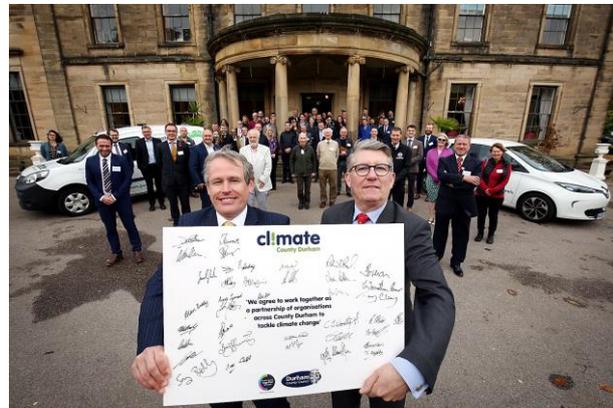
21 Culminating in our County Durham Partnership event on 26 November 2021, our keynote speaker was television presenter, podcaster and author, Tom Heap who was joined by representatives from the County Durham Partnership at an event aimed at strengthening County Durham’s response to climate change.



Tom Heap speaking at the CDP annual event

22 Durham County Council was among the first local authorities in the country to declare a climate emergency in 2019 and at the event partners discussed further actions that could help the county reach its target of being carbon neutral by 2050. They also looked at ways to conserve natural assets for future generations to enjoy and how to ensure County Durham is more sustainable and resilient.

23 In addition, at the beginning of November, leaders from key organisations across the North East signed the County Durham Climate Change Agreement, demonstrating their commitment to tackling climate change. A new website



County Durham Climate Change Agreement

[www.climatecountydurham.org.uk](http://www.climatecountydurham.org.uk) was also launched for members of the public, community organisations and small businesses to find out how they can play their part.

## UK City of Culture 2025

24 County Durham is among the eight locations to have been selected from the 20 bidding locations and now has until January 2022 to finalise its bid.

25 We submitted the initial expression of interest with principal partner Durham University on behalf of Culture Durham. Our bid is on behalf of the whole of County Durham and we believe it is our diverse heritage, landscapes and communities that make it so special. Our aim is to deliver an inclusive cultural programme that resonates with our communities and reflects our desire to innovate, inspire and grow. This exciting opportunity can support the county's efforts in becoming carbon neutral by 2050 by utilising the breath-taking landscapes, outstanding cultural attractions, unparalleled grassroots sport, world-first heritage, spectacular events, world class research and a growing sector of artists and entrepreneurs.

26 As one of the final eight locations, County Durham will receive £40,000 from the government department for Digital, Culture, Media and Sport to develop its bid.

27 It is expected that the overall winner will be declared in May 2022. The winning location will then take on the baton from Coventry, UK City of

Culture 2021, which has so far attracted more than £100 million in capital investment to support cultural projects.

## Lumiere

28 Lumiere took place from 18 to 21 November 2021. It is 12 years since the County Durham Partnership agreed to the first Lumiere, and for the first time the festival took world-class light art across the county for people to view in their immediate surroundings, both in the city and the surrounding countryside and coast.

29 For Marks in the Landscape, international artists have responded to iconic landmarks spanning 500 years of history, from the 13<sup>th</sup> century ruins of Finchale Priory to the Penshaw Monument, a 70ft Victorian structure which can be seen from 20 miles away. Other locations which have been transformed include Raby Castle, Ushaw Historic House, the Apollo Pavilion and Seaham Marina.



'Solitude' artwork at Finchale Priory

30 Commissioned by Durham County Council and produced by Artichoke, Lumiere wouldn't be possible without the support of major event partners that include Durham University and Durham Cathedral; backing from a wide range of local businesses for example Believe Housing and Atom Bank; and the assistance of partners Durham Constabulary and County Durham and Darlington Fire and Rescue Service. However, key to the success of the festival has been the support of more than 12,000 local people across County Durham, who have been involved in making Lumiere happen since the UK's leading light festival began in 2009. In 2021 alone, Lumiere has worked with community groups including school children, mental health service users, veterans and young carers through creative projects. This includes 685 individuals, 25 schools, six BRILIANT artists, across five Learning and Participation projects.

31 This community focused approach is also at the heart of County Durham's bid to be UK City of Culture 2025, which aims to build on the success of events like Lumiere to create even more opportunities for people to engage in the arts.

## Covid-19

- 32 The **Health and Wellbeing Board** received an update at its November 2021 meeting, outlining the inequalities of the Covid-19 vaccine take up across the county, which is driven by multiple factors, and identifying where we can do more to encourage people to get vaccinated.
- 33 Uptake at County level is comparable in Durham to anywhere in the North East, however mapping at sub county level shows that there is significant variation in Durham for both doses across age, gender and social gradient, and this information has been used to identify where targeted work should take place, for example, pop up vaccination centres.
- 34 The County Durham Vaccine Inequalities Group has been established and a comprehensive action plan has also been developed to underpin this work to ensure no one is left behind.
- 35 Much of the focus across all 14 AAPs is on being visible and supporting communities to recover from the impacts of the Covid-19 pandemic. **Durham AAP** has funded the Waddington Street Centre, which provides essential support for young people living with mental health issues. Last year, it piloted online sessions for young people who were moving from child to adult services very successfully, but this still left a gap for 22-25 year olds. The online support sessions have been now extended to ensure that this service continues. As one service user put it, "I'm 21 now but I'm 22 in a few weeks and I do worry that this is the end of the road for me, I'd be so grateful if there was another group like this so it could continue."
- 36 **Stanley AAP** provided a grant to PACT House to support it in the delivery of its Weekend Warmers project. PACT House has seen a dramatic increase of local people who require support either through food parcels, collection of prescriptions, providing community meals, and mental health support. More and more working age families are facing financial hardship, older residents are socially isolated and younger people are struggling to have active community lives. This has resulted in a culmination of anxieties and fears which is having a detrimental impact on people's health and wellbeing.
- 37 The Weekend Warmers project enables PACT House to re-engage with local people by offering two hot meals over the weekend period, one each day. This weekend opening allows people to reconnect with the world, breaks down isolation and brings a normality back into lives, whilst supporting those most vulnerable to food poverty. The project will be a mix of sit in / take away meals that will be offered depending on

Covid-19 guidance and numbers of people allowed to sit in or outside the premises.

- 38 Due to Covid restrictions, classroom cohesion has had a massive impact on the wellbeing of our children. In **Weardale AAP**, 550 school attending children have benefitted from a whole school enrichment programme, working with specialists, children have been engaging in team building, mindfulness and structured activities, with the desired output of preparing the school children to re-engage in the school environment.

### **Holiday activities with healthy food countywide programme**

- 39 As previously reported, the holiday activities with healthy food countywide programme continues with the Child Poverty Working Group responsible for coordinating the programme in County Durham to ensure that for children who attend provision:
- (a) eat more healthily over the school holidays;
  - (b) are more active during the school holidays;
  - (c) take part in engaging and enriching activities which support the development of resilience, character, and wellbeing along with their wider education attainment;
  - (d) are safe and not socially isolated;
  - (e) have greater knowledge of health nutrition;
  - (f) are more engaged with school and other local services and children and families develop their understanding of nutrition and food budgeting and are effectively signposted towards other information and support for example health, employment, and education.
- 40 Since the last report in July 2021, a total of 19,127 children and young people took part in activities including 984 children with additional needs. A total of 128 projects have been delivered over 243 community venues and 29 schools.
- 41 Provision over the summer holidays was predominantly face to face, delivery partners worked hard to develop a creative and engaging programme whilst supporting children and young people to feel safe and engage with activities in their community. Activities delivered

included gorge walking, woodwork, laser quest, dance, tennis, day trips, climbing, sailing and much more. A short video has been produced to showcase some of the fabulous projects that took place over the summer - [Summer 2021 Fun and Food Video](#).



- 42 DfE funding does not cover half term holidays, but additional funding of £47,000 was secured from the Poverty Action Steering Group (PASG) for the October half term, which supported 74 projects across the AAPs.
- 43 **Spennymoor AAP** provided Fun and Food funding to Step to the Occasion to operate a holiday club which operated during the October half term.
- 44 The sessions were oversubscribed and a total of 20-25 children attended the sessions on a daily basis. A variety of activities were undertaken with children which included:
- (a) **Physical activity** – including daily walk/jog in the park, stretching exercises, fun cardio activities, ball games, skipping games, crazy golf, football, tennis, cheer leading games, parachute activities;
  - (b) **Healthy Eating** – each day a healthy packed lunch was provided for each child along with free fruit and vegetables which were provided to families from Spennymoor Community Garden. Healthy eating advice was also provided to children and at the end of the programme and a leaflet was provided to each family which included information on healthy eating options and suggested recipes;
  - (c) **Mental Health with Poppy Bear** – using the organisations mental health mascot Poppy Bear the project also undertook a mental health and emotional well-being session with the children, discussing their feelings;
  - (d) **Arts & Craft Activities** – a selection of arts and craft activities were also undertaken with a focus on Autumn and Halloween. Activities included autumn canvas painting, Halloween mask making, colouring activities and clay model making;
  - (e) **Preparing Food** - the children also helped to prepare pumpkin soup which they had for their lunch during one of the sessions.

- 45 Following the project an evaluation report was produced and positive feedback was received from the children who attended the sessions.
- 46 A range of activities have been delivered at venues across the county and the wider region during the Christmas holiday period, including locally run Christmas parties, visits to the panto at the Gala theatre and ice skating at the Centre for Life in Newcastle. Information from the projects is currently being collated.

## **Safeguarding**

- 47 The Durham Safeguarding Adults Partnership (DSAP) continued working towards achieving the Strategic Plan for 2020-2022. The coronavirus pandemic continues to remain an area of focus. The DSAP regularly shares and promotes relevant key messages for safeguarding adults. Statutory and relevant partners, as well as wider stakeholders, continue to inform and assure the DSAP of local safeguarding adults' activity (including where Covid-19 may be a feature).

In recent months the DSAP has shared key briefings with all partners which include:

- (a) Practitioner Newsflash related to 'Professional Curiosity';
  - (b) Mental Capacity Act Assessments – 'what good looks like';
  - (c) DSAP newsletters (including Covid-19 themed updates).
- 48 The DSAP has shared more than 28 e-bulletins which include:
- (a) learning from national Safeguarding Adult Reviews and related analysis;
  - (b) briefings related to local and national emerged themes;
  - (c) Hate Crime Awareness Week and related e-learning opportunities;
  - (d) 16 days of action against Domestic Abuse.
- 49 In November 2021, the DSAP hosted its fourth safeguarding week, (and its second virtually). That week took place in parallel to the National Safeguarding Adults Week 15 to 22 November 2021. The event was supported by the Safe Durham Partnership and Durham Community Action. The DSAP Independent Chair launched the week reiterating the responsibilities for all statutory and relevant partners to ensure practitioners, professionals and volunteers who work with adults are confident in recognising and reporting abuse.

- 50 More than 20 learning opportunities were made available during the week and through a range of dedicated workshops which included Mental Capacity Act 2005, Safeguarding and Supporting Alcohol Dependent Drinkers, Understanding Safeguarding for Voluntary and Community Organisations, Workshop to Raise Awareness of PREVENT (and the related duty).
- 51 **Durham Safeguarding Children Partnership (DSCP)** continues to fulfil its obligations under the Statutory Guidance, Working Together to Safeguard Children 2018 which operate under a now well-defined set of Vision and Values:
- (a) **Prevention Through Early Intervention** – we will work together to prevent harm at the earliest opportunity;
  - (b) **Joined up Response** - we will respond promptly drawing on appropriate expertise of others;
  - (c) **Listening** – we will listen to and observe children to ensure their voice is heard even when they don't or can't speak out;
  - (d) **Identifying** – we will identify those most likely to be harmed by sharing information and data effectively;
  - (e) **Challenging** – we will challenge, learn and continuously improve.
- 52 In October 2021, the DSCP published its Annual Report, a statutory requirement every 12 months. The focus was around the achievements the DSCP made as a partnership and the impact this work was having on children and their families.
- 53 The report also gave an overview of the work of the various sub-groups and the intended focus for the coming year, with added emphasis on scrutiny and the assessment of the impact of our services in keeping children safe.
- 54 Additionally, in terms of communication, the DSCP is in the final stages of the development of a new website, due for launch in early 2022. The new e-bulletin is now well embedded with evidence that it improves stakeholder access to key information and DSCP messages.

## **Storm Arwen**

- 55 Storm Arwen hit the north east of England on the afternoon of Friday 26 November 2021 and that night caused extensive damage all the way across northern England. The storm was followed immediately by a period of cold weather with freezing temperatures and snow in the high Pennines areas.

- 56 As well as causing damage to property, trees and localised flooding, the storm caused significant and extensive damage to the power distribution network with widespread power outages affecting tens of thousands of properties across the wider region.
- 57 In County Durham, 14,891 utility customers were affected by a loss of power. This included 3,000 plus residents with multiple health and social vulnerabilities who would need extra support. The outages affected all parts of the county and many residents were without power for several days before power was restored to all properties on Thursday 9 December.
- 58 In response to the storm, the County Durham and Darlington Local Resilience Forum (LRF) implemented its multi-agency incident procedures on the morning of Saturday 27 November, to coordinate response to storm damage incidents. Durham County Council, in partnership with the police and fire services, responded to fallen trees and debris affecting the highways network, damaged and dangerous structures and snow drifts on the A66. Services also responded to requests for help from residential care homes affected by power outages.
- 59 Initially it was understood that most properties would be reconnected by midnight on Saturday 27 November and then Sunday 28 November. However, it was discovered that the damage was far more extensive than initially thought and by the beginning of the following week it was clear that it would take days to get customers onto temporary generated power, and weeks to rebuild and repair parts of the power distribution network.
- 60 On Tuesday 30 November, the LRF stood-up a strategic coordination Group (SCG) and on Wednesday 1 December it declared a major incident. A request for Military Assistance to Civil Authorities (MACA) was submitted and approved by the military and the Department for Levelling Up, Housing and Communities (DLUHC) on Thursday 2 December. From the morning of Friday 3 December, 100 plus troops from the Royal Lancers operated from two bases in the county to help with checks on isolated residents, vulnerable people and to distribute food and support packages.
- 61 The military deployment augmented the work which had been on-going throughout the week by the voluntary and community sector, local residents, the Council, the area action partnerships, County Durham and Darlington Fire and Rescue Service, Durham Constabulary, NHS trusts, the North East Ambulance Service, utility companies, housing providers, local Elected Members, town and parish councils and faith groups. The agencies worked together with local communities to

contact and visit vulnerable people, and to provide affected residents with help and support ranging from welfare centres, hot meals, food, stoves, heaters and support supplies and where required, arranging alternative temporary accommodation. The Council also assisted (and continues to assist) with welfare and hardship payments while people wait for compensation claims to be processed.

- 62 In total, over 5,000 visits were made to check on vulnerable residents. This was in addition to checks made on people in receipt of social care packages via commissioned services and the Council's in-house social care teams. 330 care packs containing heaters, stoves, torches, batteries and other emergency items were issued where they were required. The Council commissioned 41 visits by mobile catering units to 11 different localities across the county between 1 and 8 December and helped place 14 households in emergency alternative accommodation.
- 63 As with previous incidents and the response to Covid-19, community, voluntary and faith groups across the county were outstanding in rallying-round and providing rapid and spontaneous support, which ranged from checking on isolated people, providing food and supplies, to opening-up community centres, halls and churches to provide places for shelter, company and warmth. Given the duration and widespread nature of the outages, community, voluntary and faith groups responses were invaluable in helping people affected by the storm.

### **Vision 2035: More and better jobs**

- 64 The **Economic Partnership** is continuing to develop an economic statement setting out the county's high-level economic strengths and challenges. A robust consultation process will take place in January to March 2022 ensuring that local businesses, and the public have the opportunity to meaningfully contribute to the strategy at the early stages to ensure ownership. A 12-to-18-month timetable is proposed to consult, develop, sign off and launch the strategy, utilising various and innovative methods of engagement will be key to this process.
- 65 The UK Government published the UK Innovation Strategy, setting out its vision to make the UK a global hub for innovation by 2035:
- (a) The Strategy makes clear that research and innovation are central to the UK's domestic plan for growth and its global aspirations. The Strategy lays out a long-term vision, while also providing a plan for action for the next three to twelve months. The Innovation Strategy recognises the UK Government's role in creating an effective innovation system across four pillars;
  - (b) The four pillars of the strategy are:

- (i) **Unleashing Business** - Fuelling businesses who want to innovate;
- (ii) **People** - Creating the most exciting place in the world for innovation talent, individuals and teams;
- (iii) **Institutions and Places** - Ensuring that research, development and innovation institutions serve the needs of businesses and places across the UK;
- (iv) **Missions and Technologies** - Stimulating innovation in technology to tackle societal and global challenges.

- 66 The £220 million UK Community Renewal Fund was launched by the Government as part of a number of funding measures, including the Levelling Up Fund in the Budget Statement 2021. The aim of the fund is to trial new approaches to support communities and the local economy and help areas prepare for the UK Shared Prosperity Fund, due to launch in 2022.
- 67 On 8 November, Durham County Council received confirmation it was successful in its £800,000 bid for an Emerging Markets Innovation Accelerator, working in partnership with Durham University and CPI (Centre for Process Innovation). The project comprises four work packages designed to further develop an innovation culture in County Durham, focusing on opportunities in emerging markets and harnessing the capabilities of the three key innovation partners in the County – Durham University, CPI and Durham County Council (Business Durham).
- 68 The four work packages are:
- (a) Durham Advanced Materials Innovation Alliance (DAMIA);
  - (b) Innovation Acceleration Plans;
  - (c) Emerging Markets Animation;
  - (d) Apprenticeship Programme Development Fund.
- 69 The **Derwent Valley Partnership AAP** is financially supporting the ‘Fit for The Future’ project being delivered by the Do Business Network. This is an intensive programme of support for micro and small businesses in Derwent Valley delivered by local experts and comprising of 24 online business training workshops to enable businesses to:
- (a) plan for the future;
  - (b) improve risk management and efficiency;

- (c) improve adaptability;
- (d) win new customers and trade over a bigger area;
- (e) enter new markets;
- (f) enhance business resilience for the future;
- (g) build management confidence and impact.

This project will also deliver business resilience and continuity tests and action planning with 30 businesses, offer 1-1 advice to any small business in the Derwent Valley such as signposting and links to support and grants, facilitate peer to peer mentoring and expand a video training library for small businesses to access on-demand training.

- 70 Through **Teesdale AAP's (TAP)** Town and Village funding a targeted business improvement scheme will be offered to businesses throughout Teesdale. TAP is contributing £65,000 to the scheme, with a further £46,000 in match funding contributions coming from DCC and grant beneficiaries.
- 71 Durham County Council Regeneration Team has run a business improvement grant scheme for the last 7 years mainly in Barnard Castle and latterly also Middleton in Teesdale. In the last 3 years this has supported 12 new businesses, creating 10 new FTEs, and gaining match funding of £124,901. TAP funding will be used to enhance and expand the current Barnard Castle and Middleton in Teesdale Targeted Business Improvement Scheme to cover the smaller retail centres in Staindrop, Evenwood, Cockfield and Gainford. Typically grants are offered at a maximum contribution of 70% or a grant average figure which is set each year. Teesdale Business Improvement Grant Scheme will provide grants to local businesses to carry out capital works to vacant premises or to improve/develop existing business premises. The overriding aim of the scheme is to support new or existing businesses to improve premises or bring vacant premises back into use for retail/office or overnight accommodation uses. Works can include exterior improvements as well as internal works to lower and upper floors. The project will look to support local businesses in major employment sectors such as retail, tourism, and services.
- 72 **Bishop Auckland and Shildon (BASH) AAP**, supported by other AAPs funded the Employability, Upskilling & Discretionary Project. This project is delivered by Bishop Auckland College and provides funding support to individuals to help them overcome barriers and move closer to, or into employment, further training, or volunteering. The amount of funding that can be applied for is capped at £1,000 and funds available are:

- (a) Employability Skills Fund aimed at responding to specific training needs, where there is no mainstream funding available, for example, forklift truck training, tiling, plumbing and plastering, security training etc;
- (b) Upskilling Fund, aimed at responding to specific training needs, where there is no mainstream funding available to upskill and acquire skills/qualification to be able to change career, direction or gain additional work in a new sector;
- (c) Discretionary Fund aimed at removing barriers, for example, travel, childcare, resources that prevent clients from accessing training.

### **Case Study**

Ron was unemployed, after being made redundant, and had just relocated to the North East. He was determined to gain employment, but finances were an issue to complete relevant training to secure available jobs.

Ron said "Thankfully through the BASH funding, I was able to undertake forklift truck training, and secure relevant qualifications. I completed the training with Forklift Truck Academy, Seaham, and Scott Court and his team were brilliant and would highly recommend them, without hesitation. This training has assisted me tremendously in my current employment. I am very grateful, to say the least, for the assistance I have received. This included Bishop Auckland College, National Career Service, Funding Provider, Course Tutors etc. I'm very happy working for my employer and can actually see myself retiring there. Again, much appreciation for the assistance, support and funding provided."

### **People live long and independent lives**

- 73 The **County Durham Together Partnership (CDT)** met in November and invited updates from the number of workstreams actively progressing the work previously agreed. The co-production workstream is now progressing and there is a focus on rolling out varying levels of training initially so that partners understand how to work with residents

to ensure they help shape services and initiatives. Evaluation is also important for this area of work as it will be integrated into many other areas of the broader work. A key role of the workstream will be to look at DCC forward plans and those of partners to identify potential for co-production of these. This will be presented in more detail at the January meeting. An element that may also be co-produced is the 'Community Book', engaging with potential users of a digital solution for signposting to community and health information as to the current options and any gaps before developing any potential solution.

- 74 Another key area of the CDT work is around Connecting Communities with several different elements to this. A Link Workers Network for those who work with residents, patients and services users in the community has been developed and evaluation and engagement work are continuing, with Teesside University supporting on this.
- 75 Sam Allen has been appointed as Chief Executive of the Integrated Care Board for the North East and North Cumbria Integrated Care System (ICS). It is anticipated that she will take up the post at the end of January 2022 ahead of the ICS becoming a statutory organisation from April 2022.
- 76 As reported previously, the County Durham Care Partnership Executive (CDCPE) arrangements to further integrate health and social care service are formalised. As part of this, it has been agreed that a Forum will meet 2/3 times a year as an informal meeting of governing body lay members, ICS leads, senior Councillors and NHS Trust non-executives. The Forum will focus on the ICS and health inequalities across the County, which will feed into the CDCPE to influence the place-based integration work. The first Forum took place on 29 November where it was agreed that the focus of the Forum would be to have a joint voice for Durham, to communicate key messages and be an influencing Forum in relation to the integration of health and care. The next Forum is scheduled for March 2022. **Health and Wellbeing Boards** will continue to have a leadership role at the place-based level in these new arrangements to represent the views of County Durham.
- 77 A Health and Wellbeing Framework for schools and education settings has been launched to develop 'healthy settings' and improve outcomes for children and young people, staff, and the education settings. This aligns into the 'starting well' and 'living well' priorities in the Joint Health and Wellbeing Strategy.
- 78 **Great Aycliffe and Middridge (GAMP) AAP** supported the development of a new Sensory Room at St Mary's Primary School in Newton Aycliffe, facilitated outside the main school building to create a safe environment and a space for children to feel their needs are being

met through nurture and sensory support. Additionally, there will be a separate facility to make this easily accessible to the wider community, other schools and external users. This will provide a facility to the local community for parental groups, toddler groups, and parent/carers outreach support to cater for the needs and emotional wellbeing of individuals. The project will



St Mary's Sensory Room in Newton Aycliffe

help the emotional wellbeing for families and their children, having a sensory building provides an enriched learning environment and a place for children and families to access throughout the day.

- 79 **Mid Durham AAP** has supported the Handcrafted Care Leaver Support project specifically aimed at care leavers to support them during the lockdowns and help transition those young people who are struggling with a wide range of issues into a healthier lifestyle.

- 80 The project engaged with Care Leavers in the Mid-Durham area who lacked some basic living skills and confidence and ran a two weekly dedicated woodwork and cooking session at their Langley Moor hub. From the skills, training and self-esteem built by this project this helped care-leavers improve their mental health, enter employment and build self-sustaining lives.



Handcrafted Care Leaver Support staff

Since the lockdown began in March 2020, the project will have housed a minimum of 6 care leavers in a stable living environment to break the patterns of a chaotic lifestyle.

- 81 The Premier Foundation secured funding from the **4 Together AAP** to deliver a school holiday programme of multi-sport activity, to traditionally 'hard to engage' young people (5-12 years). The programme has provided a total of 20 days' worth of provision, during school summer holidays. Sessions were attended by 707 young people across the 20 days.

- 82 Young people took part in a range of activities such as soft archery, football, cricket, scooter-board games, dodgeball, and other multi-skill games. The programme worked with 10 local schools to target young people who would not normally have access to such activities due to their socio-economic status. All activities were developed and delivered to support children in a collaborative, community-focused environment via these themes: resilience, perseverance, having a 'Can do' attitude, try something new, make new friends, and respect each other. The activities had a positive impact on young people's physical and mental wellbeing following lack of opportunities during the Covid-19 pandemic and lockdown.
- 83 There are clear links between the quality of housing and the influence this has on a person's health and wellbeing, for example physical housing conditions such as cold and damp can affect health, as can factors such as accessibility.
- 84 **Chester-le-Street AAP** has provided funding to "Moving On" Durham, which provide transitional housing in local communities for young people who find themselves homeless. Its accompanying support programme is intended to enable each young person to live independently when their stay with the charity has finished. Support workers, part funded through the AAPs in the North of the County, help their clients to build up independent living skills whilst maintaining close contact to prevent social isolation.
- 85 Our **Voluntary and Community Sector (VCS)** is rooted in local people, places and in action. We have a stable, creative and resilient sector, working effectively together and sharing resources, insight and support. County Durham is a great place to volunteer because of it. We have launched a 'Talking Heads' [video](#) to showcase our wide and varied voluntary and community sector and volunteering opportunities.
- 86 The **Better Together VCS Forum** held an online policy conference bringing together VCS leaders with public sector commissioners. This was an opportunity to hear some of the key asks from Health and Social Care, as well as show case examples of current work which is supporting vulnerable people in our communities and which adds value to the range of NHS and Local Authority care and support services. The aim was to explore connections and ways of working which can help the sector to engage effectively. Also, to identify what we need to be in place to make relationships between commissioning and operational delivery of community support, more responsive and targeted to where it is needed most.

## Connected communities

- 87 Anti-Social Behaviour is a key priority for the **Safe Durham Partnership** (SDP) and the Police and Crime Commissioner, and both are working together to review the way in which we deal with anti-social behaviour across the County including a strategic approach to set the direction for a new Crime and Anti-Social Behaviour Risk Assessment Conference to complement the Local Multi-Agency Problem Solving Group and work across the Area Action Partnerships. A directory of diversionary services has been shared across the partnership so that partners are aware what is available in communities for children and young people in order to provide places to go and things to do for young people. The SDP continue to provide reports through to the **Safer Stronger Communities Overview and Scrutiny Committee** in relation to this issue.
- 88 **East Durham AAP** have supported Durham Constabulary with over £65,000 for the purchase of ANPR surveillance cameras giving police the opportunity of covering a number of avenues into East Durham not previously covered.
- 89 One specific area of anti-social behaviour included in the Safe Durham Partnership Plan is nuisance off-road motorcycles and quads. A Time Limited Action Plan Group has been established to address the issue and includes partners from a range of agencies including Durham Constabulary, County Durham and Darlington Fire and Rescue Service, Housing providers, Durham County Council departments and many others. The key messages of the action plan are:
- (a) the improper use of motorbikes, mopeds and quads is illegal;
  - (b) they are a public nuisance;
  - (c) often linked to other crime and disorder issues;
  - (d) often cause damage and are uninsured;
  - (e) risk to public safety.
- 90 The action plan will be continually reviewed over its lifetime and the outcomes reported back to the Safe Durham Partnership once completed and fully assessed.
- 91 Durham Constabulary hosted virtual events as part of this year's National Hate Crime awareness week which took place from 9 to 16 October. National Hate Crime Awareness Week is a week of action to raise awareness of hate crime, to remember those we have lost and

support those who need our ongoing support. The events held included:

- (a) What happens when you report a hate crime?
- (b) The Criminal Justice System and how your experience then translates into an offence going through the various stages to court.
- (c) What support is available to victims of hate crime.

92 A cyber security event was held at New College Durham by members of the Safer Cyber Group (subgroup of Safe Durham Partnership) on Wednesday 17 November (digital safeguarding day as part of National Safeguarding Adults Week). Various sessions took place including Cyber Lego, password resilience and online safety. Feedback noted *“Fantastic event which was very informative and well received by all of the students present”*.



Students at a Cyber Lego event

93 **East Durham Rural Corridor (EDRC) AAP** supported its Youth Forum with a project that involves Cyber Harm Reduction Officers from Durham Constabulary working with young people to divert them away from cybercrime, advise the public on how to stay safe online and prevent it from happening. A high number of those that commit cyber offences are teenagers, so they work along the line of PREVENT to ensure that they are aware of cybercrime and divert them away from getting involved in it. Work is taking place with the existing EDRC AAP Youth Forum to help them learn about cybercrime, and to train them to be able to support others to learn about it.

94 The EDRC AAP Youth Forum had already developed a Facebook group ‘Live, Listen, Speak Project’ to allow relevant information to be circulated quickly and enable children and young people in the area to have continuous dialogue and have a say. Working with the Cyber Harm Reduction Officers has made sure that the online Youth Forum is safe and secure.

95 The Domestic Abuse and Sexual Violence Executive Group (a subgroup of the Safe Durham Partnership) delivered the 16 days of action against domestic abuse campaign started in November 2021 to support workplaces to be better equipped to acknowledge the signs that indicate it may be going on. The 16 days of action against domestic abuse campaign started on 25 November, the International Day for the

Elimination of Violence against Women, and ran until 10 December, Human Rights Day. Several online events took place which highlighted what multi agency partners and companies can do to aid their employees who endure domestic violence, to train those who witness it, and to protect staff, with the goal of securing safety.

96 The domestic abuse workplace champions programme was also relaunched during the 16 days to offer greater support to all its employees, regardless of age, gender and sexuality, as part of its commitment to support employee health, wellbeing and safety at work.

97 The Council commissions Harbour Support to help families and individuals affected by domestic abuse. Harbour Support Services offers advice, guidance and support to people across the county experiencing abuse, as well as those displaying abusive behaviour. As part of the 16 days campaign, Harbour has also worked with children across the county to produce artwork and poems which highlight the impact of domestic abuse. Some of the artwork was shared on social media during the campaign to help raise awareness of the issue and develop a better understanding of abuse among members of the public.



Children's artwork from the 16 days campaign

98 The 32<sup>nd</sup> County Durham Environment Awards, run by the **Environment and Climate Change Partnership (ECCP)**, were launched on 10 June with a litter pick at the entrance to Kynren, in Bishop Auckland. The categories for 2021 were climate change, community partnership, craftsmanship, greener business, natural environment, places and spaces, schools and colleges and volunteer groups. Entries were submitted throughout the Summer and the judging panel met in the Autumn to consider the applications. The panel shortlisted 35 entries as either category winners or highly commended entries. The winners will be announced at a virtual ceremony, which will be broadcast on the Council's You Tube channel, in early February 2022.

99 The ECCP has been successful in a joint bid to the European Union Cities Fund to support a project to 'green' underutilised car parks across the county, adding renewable energy and biodiversity features. The

Durham bid was the only successful UK application, one of 60 across Europe, and will receive €60,000 to support the project.

- 100 The **3 Towns AAP** has supported a number of environmental projects in its area to support a sense of civic pride and community spirit as well as support resident's health and wellbeing. This includes the Willing to Bloom project which includes a year-round "Welcome to Willington" display, rainbow of hope on the town green, healing and calm garden, midwinter fire feature and snowdrop path. The project links in with the local primary schools who will be involved in the planting.



Young people creating a Willing to Bloom display

- 101 The **County Durham Faith Network** which seeks to promote, and foster inter faith dialogue in an atmosphere of mutual respect and to help people from different faith, traditions and those with none, to engage with one another to increase mutual understanding, held an evening of virtual inter faith encounter in November to celebrate Inter Faith Week. Contributors from six different faiths addressed the topic of 'Human Flourishing: Living Well in Challenging Times'.
- 102 A new and refreshed **Armed Forces Covenant** has been signed by the Leader of the Council. This demonstrates our continuing commitment to ensuring that members of the Armed Forces Community are treated fairly and that no one is disadvantaged in accessing public services by their military service.
- 103 **The Armed Forces Forum** held a meeting hosted by 8<sup>th</sup> Battalion the Rifles in Bishop Auckland. The Forum heard about the development of a new Veterans Community Hub in Newton Aycliffe which brings together seven different organisations to support veterans in the community with their health and wellbeing.

## Conclusion

- 104 The impact of the coronavirus pandemic is set to remain for the foreseeable future. As we continue to follow Government guidance, we will work in partnership to ensure we do our collective best for our communities.

- 105 The County Durham Partnership, including our Safeguarding Boards, Better Together VCS Forum and our 14 Area Action Partnerships will continue to work together to prevent health and wellbeing inequalities widening even further and work with our communities as true and equal partners through this difficult time. Our relationships with other agencies and with our communities are built on a robust foundation and will continue to provide a basis for improving outcomes for our local people.

### **Background papers**

- None.

### **Other useful documents**

- None.

### **Author**

Julie Bradbrook

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## **Appendix 1: Implications**

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### **Legal Implications**

None.

### **Finance**

Area and neighbourhood budgets are utilised and delivered through the 14 AAPs and ensure the Council (and AAPs) receive improved information on the outputs achieved through use of locality budgets.

### **Consultation**

The County Durham Partnership framework is a key community engagement and consultation function of the Council and its partners. The recommendations in the report are based on extensive consultation with AAP partners.

### **Equality and Diversity / Public Sector Equality Duty**

The actions set out in this report aim to ensure equality and diversity issues are embedded within the thematic partnerships and the working practice of AAPs.

### **Climate Change**

This is recognised throughout partnership activities.

### **Human Rights**

None.

### **Crime and Disorder**

The Crime and Disorder Act 1998 placed a statutory duty on local authorities to form a Community Safety Partnership (CSP) to tackle crime, disorder, anti-social behaviour, substance misuse, other behaviour adversely affecting the local environment and to reduce re-offending. In County Durham, the CSP is the Safe Durham Partnership.

### **Staffing**

None.

### **Accommodation**

None.

**Risk**

None.

**Procurement**

None.

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**Cabinet**

**19 January 2022**

**Transport Asset Management Plan -  
Annual Update**

**Ordinary Decision**



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**Report of Corporate Management Team**

**Alan Patrickson, Corporate Director of Neighbourhoods and  
Climate Change**

**Councillor John Shuttleworth, Cabinet Portfolio Holder for Rural  
Communities and Highways**

**Electoral division(s) affected:**

Countywide.

**Purpose of the Report**

- 1 To provide Cabinet with an annual update on the 2020-2021 Transport Asset Management Plan (TAMP).

**Executive summary**

- 2 The adopted highway is the Council's largest and highest value asset. The TAMP sets out the long-term plan for managing the highway asset so that the condition is maximised for the available budget. The report highlights the substantial investment by the Council and Central Government, through the Local Transport Plan, which has contributed to the reduction in the maintenance backlog over the past year.
- 3 The TAMP details the Council's performance in respect of highway asset management benchmarked against other local authorities.
- 4 This report provides a framework for potential new investment in highways to address asset condition and make improvements to the existing network.

## **Recommendations**

5 Cabinet is recommended to:

- (a) approve the annual update report;
- (b) note the substantial investment in programmed capital maintenance and the ongoing work to maximise funding going forward; and
- (c) note the priorities and investment strategy highlighted by the TAMP.

## Background

- 6 The adopted highway network is the Council's largest and highest value asset. Across the county it includes 3,803 kilometres (2363 miles) of carriageway, 3572 kilometres (2219 miles) of footways, 487 road bridges and 82,423 street lighting columns. It is used every day by nearly all County Durham residents and businesses together with many visitors. The highway network is therefore fundamental to economic and social activity in County Durham.
- 7 The asset is of course in a continual process of change. Not only is the infrastructure ageing, bringing with it demands for maintenance and capital improvement, but the inventory also grows with new developments. With finite resources, it is vital to ensure that investment is well directed to ensure a safe, serviceable, and sustainable highway network. This approach helps maximise the condition of the highway for the available budget delivering the right treatment at the right time to maximise longevity of the network.
- 8 A TAMP is a key tool in delivering this. It provides an opportunity to systematically understand the condition of the highway asset, and to establish policy and priorities regarding investment. It applies a whole life cost approach and considers the asset in the long term as part of an effective asset management approach.
- 9 The TAMP for Durham County Council has been developed to achieve the following best practice standards:
  - British Standard BS ISO 55001:2014 Asset Management. The Council was the first council in the UK to achieve this accreditation in 2015 and has consistently achieved this standard to date;
  - The Chartered Institute of Public Finance & Accountancy (CIPFA) - Code of Practice on Transport Infrastructure Assets; and
  - Highways Maintenance Efficiency Programme (HMEP) - Highway Infrastructure Asset Management Guidance Document.
- 10 Throughout the country there are more demands on highways than there are resources to maintain and improve them. Indeed, the Annual Local Authority Road Maintenance (ALARM) Survey 2020 estimates the backlog for England and Wales at £10.24 billion for carriageways and footways. Having a TAMP does however put the Council in a good position for establishing a clear case for investment, particularly from the Department for Transport.

## **Key Findings of the TAMP**

- 11 The TAMP is set out in full in Appendix 2 and 3. It is divided into two separate sections;
  - (a) Section one being the policy which set out the principles of the TAMP; and
  - (b) Section two being an annual update report.

### *Condition*

- 12 The condition of A, B and C principal roads have improved in recent years and are better than the national average. This reflects that the Council has prioritised budgets at maintaining the principal road network which have the highest vehicle usage.
- 13 The unclassified network however remains at a lower standard overall, and lower than the national average, with 22.5% of the network requiring maintenance.
- 14 Footways also remain at a lower level of overall condition with 22.5% classified as being in need of maintenance. Many of the footways visually inspected are rural links that have typically become overgrown with vegetation over time impacting their functionality as an accessible footway. This is in addition to urban footways that have been in decline and in need of repair and maintenance.
- 15 Structures are generally in 'good to fair' condition and the backlog has now stabilised after increasing in recent years due to updated and more accurate condition surveys. However, it is recognised that as a result of these surveys further investment will be required to maintain structures in the future.
- 16 Although the Public Rights of Way network is not routinely inspected and isn't given a condition rating, there are 3,524 kilometres (2190 miles) of public footpaths, public bridleways, public and restricted byways used by residents and tourists. The network is an important element of the transport asset and require significant ongoing maintenance and repair.

17 The key issues are:

- unclassified roads: the condition continues to deteriorate due to severe weather episodes and limited investment. They have slightly declined over the past year and are worse than the national average. Concentrating efforts on unclassified roads to achieve a better than national average condition score requires additional investment while maintaining the condition scores of the classified network. Given that this asset is used daily by residents as they go about their everyday lives, and represents a high proportion of the overall network, this is perhaps where a longer-term investment strategy needs to be applied to improve the overall condition of this asset condition;
- footways: a high proportion require resurfacing to bring their condition into a satisfactory rating. There has been an improvement over the past 5 years and the on-going programme of resurfacing works is in place to continue with this improvement. Given that footways are fundamental to accessing communities, leisure, retail and tourism, additional investment will be required to bring the condition of footways above the national average;
- street lighting columns: a significant number of columns have reached the end of their service life. There is an on-going column replacement programme in place funded through additional DCC capital investment;
- the Public Rights of Way network integrates into coastal heritage paths, railway and countryside paths, the National Cycle Network and are an asset that contributes to the visitor economy and the health and wellbeing of the public. Their condition deteriorates rapidly with use, and there are over 350 annual reports from members of the public associated with the overall condition of the surface, signage, bridges and gates across the network that require repair and maintenance. Usage across the network has increased across the last two years as more people have been enjoying and making use of local amenities. Additional investment would be required to improve the overall condition and support tourism policies and contribute to the Strategic Walking and Cycling Delivery Plan and other physical and mental health related policies.

### *Maintenance Backlog*

18 The maintenance backlog is the value of maintenance required to bring the entire highway asset up to good condition. Good condition represents where the maintenance backlog will be zero with no defects.

This is an ideal theoretical target which is not realistic in practice and therefore nearly every Highway Authority has a significant maintenance backlog.

19 The maintenance backlog as at 2020-2021 is summarised as follows:

Maintenance Backlog									
	2012	2013	2014	2015	2016	2017	2018	2019	2020
Carriageways	67.5	67.7	66.8	59.2	57.3	52.8	52.7	51.6	52.3
Footways	48.1	48.4	47.0	47.7	47.5	44.8	40.5	35.1	34.9
Street Lighting	24.8	25.6	23.3	23.5	22.1	19.2	17.1	17.2	17.2
Structures	9.9	9.9	9.9	22.4	36.0	42.0	40.6	40.6*	38.8*
Traffic Management	1.1	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.0
Kerbing	18.1	18.2	20.2	18.4	18.5	18.5	18.5	18.5	18.4
Drainage	5.4	5.4	5.8	5.6	5.6	5.6	5.6	5.6	5.6
Road Markings	0.8	0.8	0.5	0.9	0.9	0.9	0.9	0.9	0.9
Street Furniture	2.3	2.5	2.4	2.4	2.8	2.8	2.8	2.1	2.1
<b>Total (£M)</b>	<b>178.0</b>	<b>179.6</b>	<b>177.0</b>	<b>181.1</b>	<b>191.7</b>	<b>187.6</b>	<b>179.7</b>	<b>172.6</b>	<b>171.2</b>

\*Projected

- 20 As can be seen from the above, the overall maintenance backlog in relation to carriageways, footways and street lighting has reduced since 2012.
- 21 The Council's maintenance backlog is broadly in line with other councils on average taking into account the size of the highway network. However, this still represents a challenge to achieve better than national average condition of assets and to maintain a downward backlog figure.
- 22 The completion of the ALARM (Annual Local Authority Road Maintenance Survey) details the performance of Councils across the country in addressing highway maintenance. The annual average carriageway backlog as detailed in the ALARM survey per LA is £85.4 million compared to Durham's carriageway backlog of £78.5 million. This is against a total highways backlog of £171.2 million for all our highway assets.

### Investment Levels – Council and Department for Transport Funding

- 23 Despite unprecedented reductions in Government funding since 2010, the Council has protected and continued to prioritise investment in programmed capital maintenance. Indeed, funding has steadily risen - the Council's contribution to programmed capital maintenance in 2010/11 was £0.7 million, however, this has increased to £10.43 million

in 2020-2021 and included contributions towards highway maintenance, drainage, streetlighting, and unadopted streets.

24 The DfT provides the majority of the funding for programmed capital maintenance. In 2019/20 this is £12.2 million and in 2020/21 this increased to £24 million owing to the Challenge Fund award for New Elvet Bridge and additional Pothole Funding. This funding is not ring-fenced but the Council has always allocated it fully to highway maintenance and every opportunity is taken to secure additional funding. Central Government funding consists of 4 elements awarded during 2020-2021:

- (a) Local Transport Plan;
- (b) Challenge Fund – allocation for New Elvet Bridge;
- (c) Incentive Fund, and
- (d) Pothole Fund.

The additional funding awarded through the Pothole Fund has been used towards delivery of capital maintenance schemes that benefit the long-term condition of the network.

25 The Council has achieved the maximum Band 3 efficiency rating under the DfT's Incentive Fund which was introduced in 2016. Durham was one of only two highway authorities to achieve this maximum efficiency rating out of 119 participating highway authorities in England in 2016 and has maintained the maximum Band 3 efficiency rating in 2020/21. This rating will help ensure the Council maximises funding from the DfT's Incentive Fund going forward.

26 The TAMP measures the current and projected condition of the highway asset for a given level of investment in programmed capital maintenance. A range of investment levels (condition or budget led) are provided to allow stakeholders to select the most appropriate investment level to meet their objectives.

27 The key investment levels are summarised below:

Investment Level – Programmed Capital Maintenance	1 April 2017 Prices (£ millions)		
	One Off Capital Cost	Annual Average Capital Cost	Annual Average Capital Cost (Once Backlog Cleared)
Projected Budget	N/A	£17.8	N/A
Steady State Condition	N/A	£20.8	N/A
Eliminate highway maintenance backlog over 1 year then maintain at steady state condition	£171.2	N/A	£20.3
Eliminate highway maintenance backlog over 30 years then maintain at steady state condition	N/A	£27.9	£20.3

- 28 The Projected Budget is an indicative annualised figure of the expected budget and the actual budget may be greater or less depending upon DfT and Council funding. The total budget for programmed capital maintenance in 2019/20 was £21.0 million.
- 29 The steady state condition investment level is where the budget is set to keep the current condition constant after allowing for annual average deterioration. The steady state condition investment level is calculated using nationally accredited lifecycle planning models which are based on current condition projected forward for average annual deterioration over a period of 30 years.
- 30 In the short term, the annual movements in the maintenance backlog are affected by inflation, increased material costs, annual variations in deterioration due to the severity of the weather, cycle for collecting condition data which is up to 6 years and the accuracy of the nationally accredited deterioration model when applied to County Durham. Therefore, the annual movements in the maintenance backlog in paragraph 16 do not necessarily reconcile to the investment levels above.
- 31 Current investment levels, including those over the last few years and those projected over the next few years are allowing the maintenance backlog to be broadly stable, and indeed condition improvements across several highway categories through a process of prioritisation. This will however get more challenging in the longer term, as the asset ages further. The financial climate at this time may be better or worse, but there will be a continued strong case for investment.

- 32 Any investment in the highway network, and the collation of inspection data, will have a positive impact on the Council's ability to robustly defend highway claims. Given that a number of claims are recorded on the unclassified network, any proposed investment in this asset will contribute to a reduction in claims.
- 33 Durham County Council has an excellent repudiation rate based on our ability to defend highway claims. In an audit undertaken by our insurers, they reaffirmed the Council's ability to defend claims, the policies, procedures, and systems in place to monitor, record and repair our network as being "in the top 10%" of Councils they insure.
- 34 Given the Council's repudiation rate of between 90-95%, against a national average, as identified by CIPFA, as 82%, this confirm that our highway assets are managed effectively. Any investment in highway infrastructure will sustain and enhance these levels.

### **Complementary Work to the TAMP**

- 35 The Council has led the development and implementation of the North East Highways Alliance which was formally established in September 2013. This is a forum for collaborative working for all 12 north east councils. The North East Highways Alliance has delivered a number of initiatives that are helping all councils involved, including Durham, maximise efficiencies in highways through sharing resources, collaborative procurement and knowledge sharing.
- 36 This partnership working together with on-going collaborative working of our in-house Highway Services team with our supply chain of competitively procured external sub-contractors has led to the Council being one of the first in the UK to be awarded British Standard BS11000 – Collaborative Business Relationships. This again will assist in maximising funding from the DfT.
- 37 In addition to the TAMP the Council has a Highway Maintenance Plan (HMP) which sets out the Council's service levels for inspections, reactive maintenance and routine maintenance in accordance with national codes of practice. This includes the highway safety inspection regime which helps ensure that the adopted highway throughout the county is maintained in a safe condition as far as reasonably practicable.

### **Innovation in Highways**

#### *Plastic and Crumb Rubber Surfacing*

- 38 In 2019 Durham County Council declared a climate emergency with a pledge to reduce carbon emissions from our operations by 80% by

2030, and to take necessary action to make County Durham carbon neutral by 2050.

- 39 Many of the processes associated with general highway maintenance generate carbon and we are keen to minimise the impact that that construction has on the environment.
- 40 The Council has continued working with Rainton Construction in ensuring that plastic and rubber crumb is used in surfacing schemes throughout the county.
- 41 The Council continues to review opportunities for further improvement and innovation including the use of new materials, recycling of existing pavements, trialling emerging technologies and using alternative products in construction. All of which could bring about additional environmental benefits and carbon savings.
- 42 Using plastic and rubber crumb in roads reduces the amount of bitumen required in the binder. The benefits of this are:
- provide an outlet for single use plastic and rubber that would otherwise be sent to landfill or incinerated; and
  - reduces the amount of bitumen required which reduces fossil fuels and carbon emissions and thus contributing to arresting climate change.

#### *Use of Artificial Intelligence – National Govtech Project*

- 43 In 2019 Durham County Council and Blaenau Gwent Council jointly supported a central government Govtech Catalyst project aimed at using merging technologies to support highways asset management.
- 44 The use of Artificial Intelligence (AI) technology has been at the forefront of two projects using vehicle mounted cameras to monitor the condition of the highway and identify defects.
- 45 After 18 months of research and development, the project has provided a reliable, effective, and efficient data capture system of highway condition that could be used in the future to assist in service delivery.
- 46 Two companies (GPCA and Viapontika) have developed systems that could be used to assist in delivery and both Durham and Blaenau Gwent are assessing how best to take this project to forward.
- 47 Using AI and video technologies including depth analysis, reduces the need to use motor vehicles to assess and reassess network condition,

thus reducing the amount of emissions emitted by transport in the management of highway assets.

## **Conclusion**

- 48 Like most highway authorities, the Council has a highways maintenance backlog and faces considerable challenges to maintain the condition of the highway network. However, the TAMP demonstrates that work is progressing well in helping to maximise the condition of the highway for the available budget.
- 49 The Council has been steadily increasing its own investment and has also been proactive in attracting considerable funding from DfT. This TAMP, together with the top efficiency rating, will ensure that it is well placed to maximise the much-needed funding from the DfT going forward.
- 50 It is accepted that to address the backlog, and in particular the unclassified network, whose condition is worse than the national average, additional resources will be required to address the rate of decline of this asset.
- 51 Footways would benefit from additional investment. As a high proportion of the network consists of rural linked footways linking settlements, additional resources will also be required to arrest the decline in this asset.
- 52 Public Rights of Way are an area where, during the Covid pandemic have been highlighted as requiring additional investment. However, many assets are under-resourced and rely on improvement grants and other external sources of funding.

## **Appendices**

- Appendix 1: Implications
- Appendix 2: Transport Asset Management Plan - Section 1 – Policy.
- Appendix 3: Transport Asset Management Plan - Section 2 - Annual Update Report 2020.

## **Background papers**

- British Standard BS ISO 55001:2014 Asset Management.
- The Chartered Institute of Public Finance & Accountancy (CIPFA) - Code of Practice on Transport Infrastructure Assets.

- Highways Maintenance Efficiency Programme (HMEP) - Highway Infrastructure Asset Management Guidance Document.

### **Other useful documents**

- None.

### **Author**

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## **Appendix 1: Implications**

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### **Legal Implications**

The Highways Act 1980 sets out the main duties of the Local Highway Authority in respect of highways maintenance. In particular, Section 41 imposes a duty to maintain the adopted highway at public expense. The Highways Act does not specify the level of maintenance although national Codes of Practice offer guidance in line with best practice.

### **Finance**

The TAMP informs the capital bids for programmed capital maintenance. The TAMP also provides the methodology for prioritising the programmed capital maintenance budget.

### **Consultation**

None.

### **Equality and Diversity / Public Sector Equality Duty**

The public highway is maintained in a safe way for the benefit of all highway users.

### **Human Rights**

None.

### **Crime and Disorder**

Street lighting helps reduce the fear of crime.

### **Staffing**

Highway maintenance is delivered by the Council's in-house provider, Highway Services, which is supported by an extensive supply chain of competitively procured external sub-contractors.

### **Accommodation**

None.

### **Risk**

The investment level in programmed capital maintenance directly affects the condition of the highway asset, maintenance backlog, number of defects, number of public liability claims and public satisfaction.

## **Procurement**

Highway maintenance is delivered by the Council's in-house provider, Highway Services, which is supported by an extensive supply chain of competitively procured external sub-contractors.

## **Climate Change**

Highway maintenance is delivered with carbon reduction in mind. The introduction of single use plastic and rubber crumb from tyres into the construction process reduces the need for fossil fuels and ultimately carbon emissions.

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## **Appendix 2: Transport Asset Management Plan - Section 1 – Policy**

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See separate document attached.

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## **Appendix 3: Transport Asset Management Plan - Section 2 - Annual Update Report 2020**

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See separate document attached.



# Transport Asset Management Plan (TAMP)

## Section 1 - Policy



<b>Date</b>	December 2021
<b>Status</b>	Full
<b>Prepared by</b>	Andrew Blanckley, Senior Engineer – Highway Assets
<b>Approved by</b>	Paul Watson – Interim Strategic Highways Manager

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## Foreword

***By Councillor John Shuttleworth, Portfolio Holder for Rural Communities and Highways.***



The highway network is the Council's largest and most valuable tangible asset and is used daily by nearly all County Durham residents and businesses together with many visitors. It is fundamental to economic and social activity in County Durham.

Our Transport Asset Management Plan (TAMP) was updated in 2021 to look at the quantity and quality of our existing transport assets infrastructure to determine how best to efficiently manage them now and in the future.

The Council is committed to applying resources that are used efficiently and cost effectively in the management of our highway assets. We appreciate that almost every resident in County Durham uses our highway as a pedestrian, cyclist, passenger or driver/rider. Therefore, having a safe well managed highway is important as our users go about their everyday lives.

I appreciate that there are areas that require additional investment to improve the overall condition. As a Cabinet Member for Rural Communities and Highways, it is my ambition to assist in identifying additional investment opportunities to help deliver safe and sustainable infrastructure projects.

This report also demonstrates that Durham County Council is continuing in its commitment to investing in maintaining the highway infrastructure. I commend the work being undertaken by our highway teams in delivering a high-quality service for the benefit of all highway users.

## 1. Introduction

1.1 The TAMP is divided into two separate sections:

- Section 1 - Policy (which sets out the principles of the TAMP); and
- Section 2 - Annual Update Report.

1.2 The Annual Update Report provides an update on the inventory, condition, maintenance backlog, public satisfaction, performance, valuation and options to achieve the specified investment levels. The Annual Update Report is scheduled to be produced in the summer each year.

1.3 The TAMP measures the current and projected condition of the asset for a given level of investment in programmed capital maintenance. It applies the 'right maintenance treatment at the right time' to minimise whole life costs subject to the available budget.

1.4 The right treatment at the right time minimises whole life costs as it is less costly than letting the asset continue to deteriorate and undertaking a more extensive treatment at a later date.

1.5 The TAMP aims to minimise whole life costs but this is not always possible as budget constraints may result in not all the right treatments being undertaken at the right time particularly where there is an existing maintenance backlog. In this case the budget is prioritised based on the following criteria:

- Safety;
- Return on investment; and
- Network hierarchy.

1.6 The main types of highway maintenance are as follows:

Type of Maintenance	Funding	Description
Reactive	Revenue	Responding to inspections, complaints or emergencies
Routine	Revenue	Regular consistent schedule, generally for patching, cleaning, grass cutting and landscape maintenance
Programmed	Capital	Flexibly planned schemes primarily of resurfacing, reconditioning or reconstruction

1.7 The Highway Maintenance Plan (HMP) sets out the Council's inspection, condition survey, reactive maintenance and routine maintenance service levels and can be found at the following link:

<http://www.durham.gov.uk/article/22768//Road-maintenance-schemes>

1.8 This TAMP sets out the Council's long term plan for managing the highway asset by applying programmed capital maintenance subject to available budgets to maintain the condition of the asset. The TAMP applies asset management principles to ensure that the right maintenance treatment is selected at the right time to ensure a safe, serviceable and sustainable highway network.

## **2. British Standard BS ISO 55001: Asset Management (ISO 55001)**

2.1 The Council has a comprehensive system of asset management in place and was the first Council in the UK to be awarded ISO 55001 accreditation in December 2015.

2.2 This accreditation has been successfully maintained and renewed since originally issued. This year it is subject to a second re-accreditation, showing the Council's commitment to up holding its position as a practitioner of good asset management.

## **3. Legal Responsibility and Duties**

### **3.1 *Adopted Highway***

3.1.1 The Highways Act 1980 sets out the main duties of the Local Highway Authority in respect of highways maintenance. In particular, Section 41 imposes a duty to maintain the adopted highway at public expense. The Highways Act does not specify the level of maintenance although national Codes of Practice offer guidance in line with best practice.

### **3.2 *Private Streets***

3.2.1 Private streets are the responsibility of the land owner and they are responsible for very limited reactive maintenance.

3.2.2 Private streets can be adopted by the Council but only if the street is made up by the land owners at their own cost to adoptable standards.

3.2.3 If you would like to enquire about making up a private street please contact our Customer Services team whose contact details are provided at Section 9 of this document.

## **4. Objectives**

4.1 The purpose of highway maintenance is to maintain the highway network for the safe and convenient movement of people and goods.

4.2 The primary and secondary objectives are summarised as follows:

<b>Primary Objectives</b>	<b>Secondary Objectives</b>	<b>Performance Measure</b>
Safety	Complying with statutory obligations	Public liability claims repudiation rate
	Meeting user's needs for safety	Completion of Highway Safety Inspections Response to Category 1 and 2 safety defects versus target
Serviceability	Ensuring availability	NHT Public Satisfaction Survey
	Achieving integrity	Condition surveys
	Maintaining reliability	NHT Public Satisfaction Survey
	Enhancing condition	Programmed maintenance
Sustainability	Minimising whole life costs	Lifecycle plans
	Maximising value to the community	Not quantifiable
	Minimising environmental impact	Maintaining accreditation and compliance with ISO 14001 Environmental Management

4.3 The Annual Update report measures performance against the objectives above.

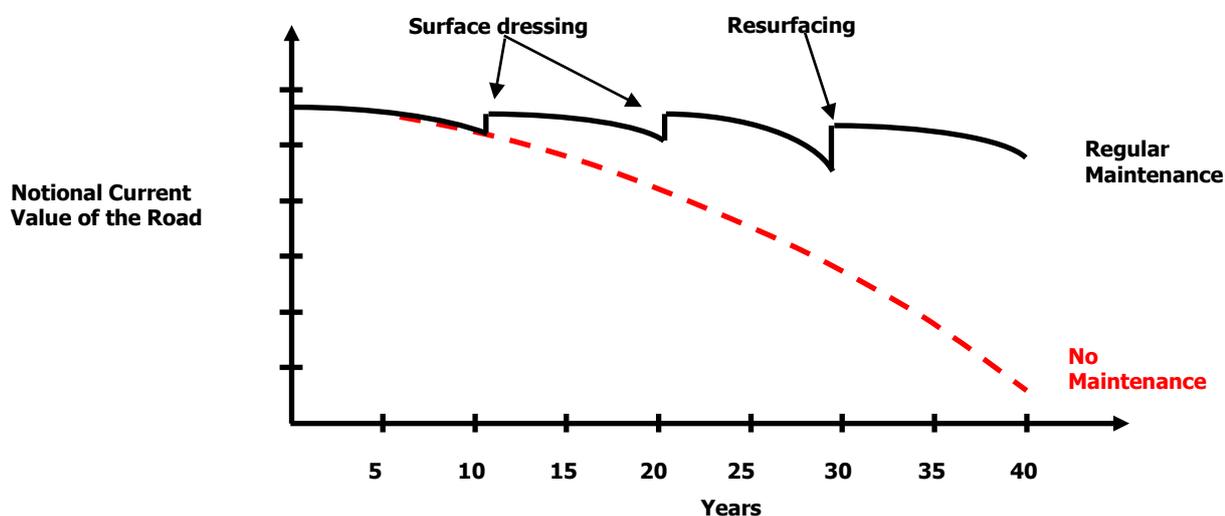
## 5. Condition Performance

5.1 The TAMP measures the current and projected condition of the asset for a given level of budgetary investment in programmed maintenance. The TAMP applies the right maintenance treatment at the right time to minimise whole life costs subject to the available budget.

5.2 The right treatment at the right time minimises whole life costs as it is less costly than letting the asset continue to deteriorate and undertaking a more extensive treatment at a later date. Further if the asset is in poor condition then additional costs will be incurred in terms of reactive maintenance, routine maintenance and public liability claims.

5.3 The diagram below shows the typical deterioration curve of a carriageway surface if no programmed maintenance is carried out compared to the right programmed maintenance treatment at the right time. This intervention arrests the decline of the surface and extends the life and reduces the subsequent whole life cost.

## STRUCTURAL MAINTENANCE DEPRECIATION CURVES



5.4 The concept is illustrated further below for a 100m section of carriageway over 40 years:

Right Treatment at Right Time	Description	1 April 2020 Prices	
		Total £	Net Present Value @ 3.5% Real £
Reactive Maintenance – Potholing	1% of area in year 7 and 0.5 % in subsequent years @ £33.65 metre <sup>2</sup> prior to resurfacing. Total potholed area is 8% over the 40 year period.	2,477	1,268
Routine maintenance-Patching	4% patching prior to surface dressing @ £25.57 metre <sup>2</sup>	2,823	1,378
Routine maintenance-surface dressing	Surface dressing after 10, 20 and 40 years @ £2.82 metre <sup>2</sup>	7,783	3,798
Programmed maintenance-resurfacing	Plane out and inlay at year 30 @ £15.68 metre <sup>2</sup>	14,425	5,139
Programmed maintenance-reconstruction	Not applicable	N/A	N/A
<b>Total</b>	-	<b>27,508</b>	<b>11,583</b>

Reconstruction	Description	1 April 2020 Prices	
		Total £	Net Present Value @ 3.5% Real £
Reactive Maintenance – Potholing	Pot holing @ £33.65 metre <sup>2</sup> with increasing incremental area % over the 40 years. Total potholed area is 20% over that 40 year period.	6,192	2,440
Routine maintenance- Patching	Not applicable	N/A	N/A
Routine maintenance- surface dressing	Not applicable	N/A	N/A
Programmed maintenance- resurfacing	Not applicable	N/A	N/A
Programmed maintenance- reconstruction	Road is of new A road construction, 100 metres long and 9.2 metres width.  Rate @ £139.81 per metre <sup>2</sup>	128,625	32,487
<b>Total</b>	-	<b>134,817</b>	<b>34,927</b>

5.5 The TAMP aims to minimise whole life costs but this is not always possible as budget constraints may result in not all the right treatments being undertaken at the right time particularly where there is an existing maintenance backlog. In this case the budget is prioritised based on the following criteria:

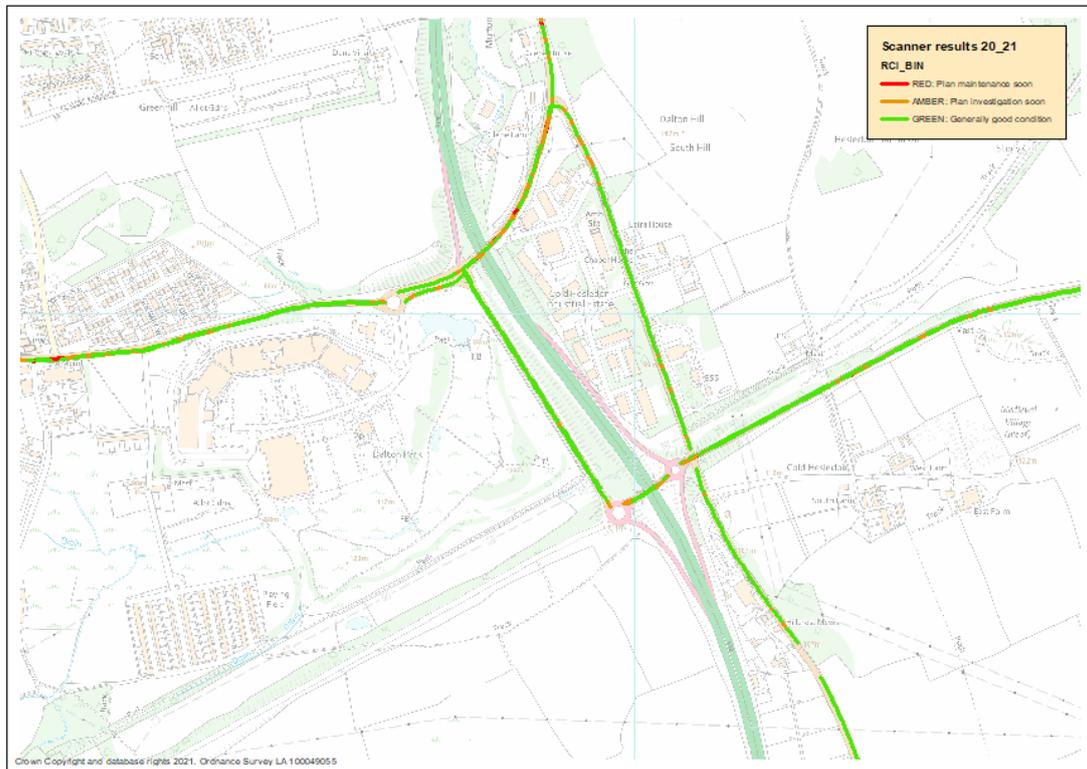
- Safety;
- Return on investment; and
- Network hierarchy.

5.6 The condition performance measures for each category of asset are summarised as follows:

<b>Asset</b>	<b>Survey</b>	<b>Frequency</b>	<b>Performance Measure</b>
A – Roads	Surface Condition Assessment for the National Network of Roads (SCANNER)	100% surveyed in one direction only annually	% where maintenance should be considered
B – Roads		100% surveyed in one direction only annually	
C – Roads		100% surveyed in one direction only annually	
Unclassified Roads	Coarse Visual Inspection (CVI)	Minimum 25% annually	% where maintenance should be considered
Kerbing	Not routinely surveyed	N/A	% where useful life has expired
Drainage	Not routinely surveyed	N/A	% where useful life has expired
Road Markings	Not routinely surveyed	N/A	% where useful life has expired
Footways	Footway Network Survey (FNS)	Minimum 25% annually	% functionally/ structurally impaired
Structures	Structures – General Inspections	Every 2 years	Bridge Condition Index – Principal roads  Bridge Condition Index – Non-Principal Roads
	Structures – Principal Inspections	Between 6 to 12 years depending upon risk assessment	
	Structures – Special Inspections	As required	
	Underwater Inspections	Every 2 years or following severe flood conditions	
Street Lighting	Age analysis of inventory	Annually	% columns > 40 years
	Age analysis of inventory	Annually	% lanterns > 20 years
	Visual Inspection	Annually	% lit signs where useful life has expired
Traffic Management	Age analysis of inventory	Annually	% sites > 15 years
Street Furniture	Not routinely surveyed	N/A	% where useful life has expired

The Public Rights of Way network condition is not monitored or inspected with any degree of frequency. However, we know that the rights of way assets do not receive the same level of investment as other assets on the adopted highway.

5.7 An example of an output from the SCANNER data is shown below detailing the carriageway condition:



## 6. Investment Levels

6.1 The TAMP measures the current and projected condition of the asset for a given level of investment in programmed maintenance. Investment levels can either be budget or condition led. We have determined the following investment levels:

Investment Level	Lead Factor
Existing budget	Budget led
Projected budget	Budget led
Steady state condition	Condition led
Eliminate highway maintenance backlog over 1 year then maintain at steady state condition	Condition led
Eliminate highway maintenance backlog over 30 years then maintain at steady state condition	Condition led

6.2 Other service levels can be modelled as required such as increases or decreases to the existing budget.

6.3 Investment in the rights of way network is predominantly on a reactive basis and the condition is not routinely recorded.

## 7. Programmed Capital Maintenance

7.1 Programmed capital maintenance involves planned schemes of resurfacing, reconditioning or reconstruction.

7.2 A 3 year rolling programme of schemes is retained for planning purposes and to co-ordinate schemes with statutory undertakers.

7.3 The annual programme scheme list is inspected between September and December each year to establish a programme of works to meet the budgets allocated. This list is signed off by the cabinet member and the confirmed list is communicated to all stakeholders. There are more areas requiring maintenance than we have budget available, therefore, a 3-year plan of potential schemes is produced should schemes be cancelled/deferred for any reason.

7.4 Examples of programmed capital maintenance schemes include:

Highway Asset	Treatment Type	Description
Carriageways and Footways	Reconstruction	Fully restores the condition of the highway that is showing serious signs of structural failure
	Partial Reconstruction	To halt the deterioration of a carriageway that is showing signs of structural failure
	Resurfacing	Halts the deterioration of highways that are starting to show the signs of structural failure before they get to the stage requiring reconstruction
	Surface Treatment	Halts the deterioration of highways showing the signs of surface failure only
	Flag Replacement	Replacement of flagged footway surfaces, usually with a bituminous surface, where the flags are showing signs of displacement
Kerbing	Replacement	Where the asset is life expired
Drainage	Replacement	Where the asset is life expired
Road Markings	Replacement	Where the asset is life expired
Structures	Repainting, Re-waterproofing and Resurfacing	Restore the condition
	Replacement	Where the asset is life expired

	Stabilisation	Works to stabilise areas of embankments or cuttings that have been identified as potentially failing in order to prevent a full failure resulting in the need for large scale reactive works
Street Lighting	Replacement	Where the asset is life expired
Traffic Management	Replacement	Where the asset is life expired
Street Furniture	Replacement	Where the asset is life expired

## 8. Lifecycle Assumptions

8.1 Lifecycle assumptions are required to plan when programmed maintenance will take place subject to available budgets.

Asset	Useful Economic Life - Years	Potential to Extend Useful Economic Life
<b>Carriageway</b>		
Sub strata (below 100mm)	Infinite	Maintain top 100mm
Hot rolled asphalt	20	Potential to surface dress (maximum two treatments)
Close graded Macadam	15	Potential to surface dress (maximum two treatments)
Surface dressing	10	Potential to surface dress (one treatment only)
Micro-asphalt	10	None, replacement only
High friction coatings	6	None, replacement only
<b>Kerbing</b>	40	None, replacement only
<b>Drainage</b>		
Gullies	40	None, replacement only
Ditches	40	Routine cleaning of ditch
Pipework	40	None, replacement only
<b>Road markings</b>		
Lines	7	None, replacement only
Other items	7	None, replacement only
<b>Footway</b>		
Bitumen	20	Footway Surface Treatment:- typically 15 years
Flagged	30	Prevention of vehicle over run/change to bitumen based surface
Concrete	40	Potential Footway Surface Treatment
Block paved	20	Prevention of vehicle over run/change to bitumen based surface
<b>Structures</b>		

Bridges - civils	120	None, replacement only
Bridges - pointing	50	
Bridges - bearings	30	
Bridges - waterproofing	20	
Bridges - paint	20	
Bridges - joints	20	
Retaining walls	40	
Culverts	40	
Subways	40	
Other	40	
<b>Street lighting</b>	40	
Columns	40	Structural testing of columns to extend life where safe to do so
Luminaires	20	None, replacement only
Lit signs	40	None, replacement only
<b>Traffic Management</b>		
Traffic lights	15	If physical asset is damaged replacement only. If electronic, probable up-grade of controllers.
Pedestrian crossings	15	
<b>Street Furniture</b>		
Safety fencing	25	None, replacement only
Bollards	40	None, replacement only
Salt/grit bins	20	None, replacement only
Waste bins	20	None, replacement only
Unlit signs	40	None, replacement only
PROW/ bridleway signs	40	None, replacement only
Trees	N/A	N/A
<b>Land</b>		
Urban	Infinite	N/A
Rural	Infinite	N/A

## 9. Feedback

9.1 The Council welcomes feedback on any aspect of this TAMP. If you would like to provide feedback please provide via Customer Services using the following contact details:

- Website: [www.durham.gov.uk](http://www.durham.gov.uk)
- Email: [help@durham.gov.uk](mailto:help@durham.gov.uk)
- Telephone number: 03000 260000

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# Transport Asset Management Plan (TAMP)

## Section 2 – Annual Update Report 2020



<b>Date</b>	December 2021
<b>Status</b>	Full
<b>Prepared by</b>	Andrew Blanckley, Senior Engineer – Highway Assets
<b>Approved by</b>	Paul Watson, Interim Strategic Highways Manager

## Appendix 3

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## Appendix 3

### 1. Introduction

1.1 The Transport Asset Management Plan (TAMP) is divided into two sections:

- Section 1 - Policy; and
- Section 2 - Annual Update Report.

1.2 This Annual Update Report provides an update to stakeholders on:

- Inventory;
- Condition;
- Maintenance backlog;
- Public satisfaction;
- Performance;
- Valuation;
- Budgets; and
- Investment levels.

### 2. Inventory

2.1 The inventory is a database containing details of the individual assets that make up the highway network.

2.2 It is vital to know what assets exist and where so they can be inspected, surveyed and maintained to appropriate service levels.

2.3 The inventory 2020-2021 is summarised in the table below:

Asset	Unit	Adopted	DCC Unadopted	Private Unadopted	Total	RAG Rating
<b>Carriageway</b>						
A	Km	415	0	0	415	G
B	Km	406	0	0	406	G
C	Km	695	0	0	695	G
Unclassified	Km	2,287	18	117	2,422	G
Sub-Total		<b>3,803</b>	<b>18</b>	<b>117</b>	<b>3,938</b>	
<b>Kerbing</b>	Km	4,606	23	153	4,782	R
<b>Drainage</b>						
Gullies	Number	110,633	1,371	3,864	115,868	R
Ditches	Km	263	16	44	323	R
Pipework	Km	378	4	12	394	R
<b>Road markings</b>						
Lines	Km	2,285	8	23	2,316	R
Other items	Number	23,048	179	503	23,730	R
<b>Footway</b>						
Bitumen	Km	3,348	81	93	3,498	G
Flagged	Km	274	8	21	313	G
Concrete	Km	106	3	20	130	G
Block paved	Km	23	1	2	26	G
Other	Km	1	10	5	16	G

## Appendix 3

Sub-Total		<b>3,752</b>	<b>103</b>	<b>141</b>	<b>3,996</b>	
<b>Structures</b>						
Road bridges	Number	487*	0	0	487	G
Footbridges	Number	51*	455	0	506	G
Retaining walls	Number	271*	0	0	271	A
Culverts	Number	65*	0	0	65	G
Subways	Number	34*	0	0	34	G
Other	Number	114*	6	0	120	G
Sub-total		<b>1022*</b>	<b>461</b>	<b>0</b>	<b>1,483</b>	
<b>Street lighting</b>						
Columns/Lanterns	Number	82,423*	0	0	82,423	G
Lit Signs	Number	5,737*	0	0	5,737	G
Sub-total		<b>88,160</b>	<b>0</b>	<b>0</b>	<b>88,160</b>	
<b>Traffic Management</b>						
Traffic lights	Number	69	0	0	69	G
Pedestrian crossings	Number	73	0	0	73	G
Sub-Total		142	0	0	142	
<b>Street Furniture</b>						
Safety fencing	Km	53	0	0	53	A
Bollards	Number	12,507	0	0	12,475	R
Salt/grit bins	Number	2,500	0	0	2,384	A
Waste bins	Number	7,094	0	0	7,085	R
Unlit signs	Number	63,460	808	2,277	66,381	R
PROW/bridleway signs	Number	4,312	0	0	4,312	R
Trees	Number	5,000	0	0	5,000	R
<b>Land</b>						
Urban	M <sup>2</sup>	19,556,741	388,476	608,600	20,553,817	G
Rural	M <sup>2</sup>	11,415,625	226,202	354,375	11,996,202	G
Sub-Total	M <sup>2</sup>	30,972,366	614,678	962,975	32,550,019	-

\*last years data has been used due to issues with obtaining current values

2.4 The RAG (Red, Amber, Green) Rating denotes the accuracy of the inventory where:

Inventory RAG Rating	Description
R (Red)	Low accuracy
A (Amber)	Moderate accuracy
G (Green)	High accuracy

2.5 There are gaps in the inventory and condition data relating to some minor assets. These gaps will continue to be addressed through further surveys as far as it is proportionate and economic to do so.

## Appendix 3

2.6 The inventory grows each year due to new developments. A summary showing the growth in the inventory is shown in Appendix 1.

2.7 The growth in the inventory puts pressure on maintenance budgets as they have to cover more assets each year.

### 3. Condition

3.1 Condition is summarised as follows in accordance with the policy:

Asset	Description	Performance							
		2015	2016	2017	2018	2019	2020	Good Condition Target	Fair Condition Target
<b>Carriageway</b>									
A – Roads	% where maintenance should be considered	4.9%	4.1%	2.6%	2.6%	3.0%	3.1%	0.0%	4.0%
B – Roads		7.5%	5.3%	4.7%	4.7%	3.3%	3.0%	0.0%	4.0%
C – Roads		5.0%	3.6%	3.7%	3.7%	2.3%	2.6%	0.0%	4.0%
Unclassified Roads	% where maintenance should be considered	19.0%	20.0%	20.0%	21.0%	21.3%	22.5%	0.0%	8.0%
All Roads	% where maintenance should be considered	13.6%	13.7%	13.5%	14.1%	11.7%	11.1%	0.0%	6.4%
<b>Kerbing</b>	% where replacement should be considered	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	0.0%	5.0%
<b>Drainage</b>	% where replacement should be considered	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	0.0%	5.0%
<b>Road Markings</b>	% where replacement should be considered	50.0%	55.0%	55.0%	55.0%	55.0%	55.0%	0.0%	10.0%
<b>Footways</b>	% structurally unsound	26.4%	24.1%	22.8%	21.5%	20.9%	22.5%	0.0%	5.0%
<b>Structures</b>	Bridge Condition Index – Principal roads	88.3	83.8	80.0	80.7	81.1	82.0	100.0	95.0
	Bridge Condition Index – Non-Principal Roads	86.4	83.7	81.0	79.9	80.1	81.0	100.0	95.0

## Appendix 3

	Other (using form of Bridge Condition Index)	66.0	66.0	66.0	66.0	66.0	66.0	100.0	85.0
<b>Street Lighting</b>	% columns > 40 years	17.7%	14.9%	15.3%	13.3%	13.9%	14.1%	0.0%	5.0%
	% lanterns > 20 years	45.9%	25.8%	18.3%	15.8%	15.3%	15.4%	0.0%	5.0%
	% lit signs where replacement should be considered	20.0%	17.9%	17.1%	17.1%	17.1%	17.1%	0.0%	5.0%
<b>Traffic Management</b>	No. sites > 15 years	22	19	19	19	19	19	0	10
<b>Street Furniture</b>									
Safety fencing	% where replacement should be considered	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	0.0%	5.0%
Bollards	% where replacement should be considered	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	0.0%	5.0%
Salt/grit bins	% where replacement should be considered	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	0.0%	5.0%
<b>Unlit Signs</b>									
Road signs	% where replacement should be considered	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	0.0%	5.0%
Street Name Plates	% where replacement should be considered	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	0.0%	5.0%
PROW signs	% where replacement should be considered	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	0.0%	5.0%

\*last years data has been used due to issues with obtaining current values

- 3.2 The good condition target represents where the maintenance backlog will be zero with no defects. This is an ideal theoretical target which is not realistic in practice.
- 3.3 The fair condition target represents a realistic target of acceptable condition subject to available funding.

## Appendix 3

### 3.4 **Department for Transport Statistics**

3.4.1 The condition of local roads is reported to and monitored nationally by the Department for Transport (DfT). The latest results published on 3 October 2019 for 2018/19 can be found at the following link:

<https://www.gov.uk/government/statistics/road-conditions-in-england-to-march-2019>

3.4.2 The results allow comparisons to be made between local Authorities across England and are summarised in Appendix 3 – Condition Benchmarking.

3.4.3 The key findings are that:

- DCC A Roads are slightly better than the national average condition (Rank 64/149);
- DCC B and C Roads are slightly better than the national average (Rank 65/148); and
- DCC Unclassified Roads are worse than the national average (Rank 101/119).

3.4.4 Due to the pressures and resource challenges faced by local authorities, the DfT decided to delay data collection for 2019/20. It is now planned that they will collect two years worth of data (2019/20 and 2020/21) together in Spring 2021.

### 3.5 **Conclusions**

3.5.1 The overall condition of the A, B, and C principal roads is good, stable and slightly better than the national average.

3.5.2 The condition of unclassified roads remains a key issue and the condition has declined slightly over the past year. The condition is worse than the national average.

3.5.3 The condition of footways is showing a gradual improvement but still remains a key issue.

## 4. **Maintenance Backlog**

4.1 The maintenance backlog is the value of programmed capital maintenance required to bring the highway asset up to good condition.

4.2 The method of calculation is as follows:

<b>Asset</b>	<b>Description</b>
Carriageway	The nationally accredited UK Pavement Management System (UKPMS) software system identifies the appropriate treatment for each 100m section of carriageway/footway.

## Appendix 3

	<p>UKPMS selects A, B and C classified carriageway surveyed by SCANNER in a Red condition for treatment but also some sections in an Amber and Green condition where it is justified on asset management principles.</p> <p>Unclassified roads are surveyed by Coarse Visual Inspection (CVI) and processed in a similar manner to that of Scanner via the UKPMS system.</p>
Footway	A Footway Network Survey (FNS) has been adopted whereby the condition of the surface is assessed into four conditions, 1 being 'as new', and 4 being 'structurally unsound'. This data can be put into UKPMS to identify the appropriate treatment and calculate required financial data.
Kerbing	The maintenance backlog is the % requiring replacement multiplied by the inventory and the unit rate.
Drainage	The maintenance backlog is the % requiring replacement multiplied by the inventory and the unit rate.
Road Markings	The maintenance backlog is the % requiring replacement multiplied by the inventory and the unit rate.
Structures	The backlog is calculated by completing a manual analysis of the Bridge Condition Indicator (BCI) and the routine inspection data, assessing each individual components needs and applying a unit rate to each. The cost of any overdue inspections, the renewal of individual components in excess of their useful life and upgrading of any underperforming structures is included.
Street Lighting	<p>Number of columns &gt; 40 years</p> <p>Number of luminaries &gt; 20 years</p> <p>Lit signs - maintenance backlog is the percentage requiring replacement multiplied by the inventory and the unit rate.</p>
Traffic Management	Number of sites > 15 years
Street Furniture	The maintenance backlog is the % requiring replacement multiplied by the inventory and the unit rate.
Safety Fencing	
Bollards	
Salt/grit bins	
Unlit signs	
Road signs	
Street Name Plates	
PROW signs	

4.3 The maintenance backlog as at 31 March 2020 is summarised as follows:

	Units	Adopted		Unadopted		Total	
		Amount	£M	Amount	£M	Amount	£M
<b>Carriageways</b>							
Strengthen	Km	73.1	6.1	50.8	24.4	123.9	30.5
Resurface	Km	231.9	15.6	15.4	1.4	247.3	17.0

## Appendix 3

Surface Improvement	Km	1,017.6	28.4	19.3	0.4	1,036.9	28.8
Edge Improvement	Km	24.2	2.2	0.0	0.0	24.2	2.2
<b>Sub-Total</b>		<b>1,346.8</b>	<b>52.3</b>	<b>85.5</b>	<b>26.2</b>	<b>1,432.3</b>	<b>78.5</b>
<b>Kerbing</b>	Km	460.6	18.4	20.7	0.7	481.3	19.1
<b>Drainage</b>	Number	11,063.3	5.6	524.0	0.2	11,587.3	5.8
<b>Road Markings</b>	Km	1,256.8	0.9	50.0	0.1	1,306.8	1.0
<b>Footways</b>							
Reconstruction	Km	71.0	5.3	11.3	2.5	82.3	7.8
Overlay/Relay/ Flagging	Km	292.2	5.1	26.5	0.5	318.7	5.6
Repair/Relay	Km	892.5	20.5	26.5	0.5	919.0	21.0
Surface improvement	Km	638.7	4.0	110.5	0.5	749.2	4.5
<b>Sub-Total</b>		<b>1,894.4</b>	<b>34.9</b>	<b>174.8</b>	<b>4.0</b>	<b>2,069.2</b>	<b>38.9</b>
<b>Structures</b>	Number	969.0	38.8*	479.0	9.7	1,448.0	48.5
<b>Street Lighting</b>							
Column replacements	Number	9,649.0	11.8	0	0	9,649.0	11.8
Luminaire replacements	Number	11,917.0	4.1	0	0	11,917.0	4.1
Lit signs	Number	971.4	1.3	0	0	971.4	1.3
<b>Sub-Total</b>		<b>22,537.4</b>	<b>17.2</b>	<b>0</b>	<b>0</b>	<b>22,537.4</b>	<b>17.2</b>
<b>Traffic Management</b>							
Replacements	Number	19.0	1.0	0.0	0.0	19.0	1.0
<b>Street Furniture</b>							
Safety fencing	Km	3.2		0		3.2	
Seats, litter bins etc.	Number	10,759.3	2.1	430.0	0.1	11,150.9	2.9
<b>Total</b>	-	-	<b>171.2</b>	-	<b>41.0</b>	-	<b>212.2</b>

\*estimated due to issues with obtaining current values

4.4 The maintenance backlog for the adopted highway over the past 7 years is summarised as follows:

Maintenance Backlog	31 March £Millions						
	2014	2015	2016	2017	2018	2019	2020
<b>Carriageways</b>							
Strengthen	19.6	16.0	13.0	9.1	5.7	5.5	6.1
Resurface	36.4	31.6	27.5	22.0	16.1	12.1	15.6
Surface Improvement	7.8	8.8	13.0	18.5	27.6	31.4	28.4
Edge Improvement	3.0	2.8	3.8	3.2	3.3	2.6	2.2
<b>Sub-Total</b>	<b>66.8</b>	<b>59.2</b>	<b>57.3</b>	<b>52.8</b>	<b>52.7</b>	<b>51.6</b>	<b>52.3</b>
<b>Kerbing</b>	<b>20.2</b>	<b>18.4</b>	<b>18.5</b>	<b>18.5</b>	<b>18.5</b>	<b>18.5</b>	<b>18.4</b>
<b>Drainage</b>	<b>5.8</b>	<b>5.6</b>	<b>5.6</b>	<b>5.6</b>	<b>5.6</b>	<b>5.6</b>	<b>5.6</b>
<b>Road Markings</b>	<b>0.5</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>
<b>Footways</b>							

## Appendix 3

Reconstruction	24.9	25.9	21.7	17.4	16.3	5.8	5.3
Overlay/Relay/Flagging	7.0	6.4	6.2	5.6	5.7	5.2	5.1
Repair/Relay	11.1	11.8	17.0	19.0	15.5	20.1	20.5
Surface improvement	4.0	3.6	2.6	2.8	3.0	4.1	4.0
<b>Sub-Total</b>	<b>47.0</b>	<b>47.7</b>	<b>47.5</b>	<b>44.8</b>	<b>40.5</b>	<b>35.2</b>	<b>34.9</b>
<b>Structures</b>	<b>9.9</b>	<b>22.4</b>	<b>36.0</b>	<b>42.0</b>	<b>40.6</b>	<b>40.6</b>	<b>38.8*</b>
<b>Street Lighting</b>							
Column replacements	11.0	14.7	12.5	12.7	11.3	11.6	11.8
Luminaire replacements	10.9	7.5	8.3	5.3	4.6	4.3	4.1
Lit sign replacements	1.4	1.3	1.3	1.2	1.2	1.3	1.3
<b>Sub-Total</b>	<b>23.3</b>	<b>23.5</b>	<b>22.1</b>	<b>19.2</b>	<b>17.1</b>	<b>17.2</b>	<b>17.2</b>
<b>Traffic Management</b>	<b>1.1</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>
<b>Street Furniture</b>	<b>2.4</b>	<b>2.4</b>	<b>2.8</b>	<b>2.8</b>	<b>2.8</b>	<b>2.8</b>	<b>2.1</b>
<b>Total</b>	<b>177.0</b>	<b>181.1</b>	<b>191.7</b>	<b>187.6</b>	<b>179.7</b>	<b>172.6</b>	<b>171.2</b>

\*estimated due to issues with obtaining current values.

4.5 In recent years, the maintenance backlog has steadily decreased, this is due in part to the investment made in carriageways and footways resurfacing.

4.6 Nearly every Local Highway Authority has a highway maintenance backlog apart from those that have received extra funding from the Government to undertake Highway Maintenance PFI Projects to clear their maintenance backlogs.

4.7 The maintenance backlog should be considered in the context of the overall value of the highway asset.

4.8 Durham County Council's backlog is broadly in line with other Councils based on the latest Annual Local Authority Road Maintenance (ALARM) Survey 2021 which estimates the backlog for England and Wales at £10.24 billion for carriageways and footways. The ALARM Survey can be found at the following link:

<http://www.asphaltuk.org/alarm-survey-page/>

4.9 The Public Right of Way network is not routinely surveyed and we do not have detailed condition data covering the many assets on this network. However, we appreciate that this is an area that requires a system of routine inspections and the development of a Rights of Way Improvement Plan.

## 5. Public Satisfaction

5.1 The Council participates in the National Highways & Transportation (NHT) Public Satisfaction Survey which is undertaken by IPSOS/MORI. The details of the survey can be found at the following link:

<http://www.nhtnetwork.org/nht-public-satisfaction-survey/findings/>

## Appendix 3

5.2 The results are summarised as follows:

Key Benchmark Indicator (KBI)	% Public Satisfied (Year)							
	2009	2010	2011	2012	2014	2016	2018	2020
<b>Overall</b>								
<b><i>KBI 01 - Overall (local)</i></b>								
Durham County Council	57.9	55.9	54.6	58.4	57.0	58.0	57.0	55.0
North East	58.7	57.8	55.5	57.9	57.5	57.0	56.0	54.0
National Average	56.2	56.2	55.4	55.9	55.3	55.0	53.0	54.0
<b><i>KBI 02 - Overall (national)</i></b>								
Durham County Council	57.8	55.8	54.4	58.3	57.0	58.0	57.0	55.0
North East	58.6	57.7	55.4	57.8	57.4	57.0	56.0	54.0
National Average	56.2	56.2	55.4	55.9	55.3	55.0	53.0	54.0
<b>Highway Maintenance</b>								
<b><i>KBI 23 - Condition of highways</i></b>								
Durham County Council	45.1	37.5	33.8	37.7	38.2	45.0	38.0	41.0
North East	46.6	40.3	32.6	38.4	37.5	41.0	33.0	36.0
National Average	42.8	38.6	34.7	36.6	34.4	38.0	31.0	36.0
<b><i>KBI 24 - Highway maintenance</i></b>								
Durham County Council	55.1	48.3	46.2	47.8	49.4	55.0	53.0	51.0
North East	54.8	50.7	47.0	49.1	49.4	53.0	51.0	50.0
National Average	52.1	50.2	49.3	49.0	49.4	53.0	51.0	50.0
<b><i>KBI 25 - Street lighting</i></b>								
Durham County Council	72.8	70.6	70.6	72.9	69.7	65.0	62.0	60.0
North East	72.9	72.6	70.8	71.1	70.3	68.0	67.0	64.0
National Average	68.1	68.8	68.2	67.4	66.9	66.0	65.0	64.0
<b><i>KBI 26 - Highway enforcement/obstructions</i></b>								
Durham County Council	51.9	47.9	49.3	49.8	47.7	50.0	51.0	47.0
North East	52.2	51.0	50.3	51.0	48.5	50.0	50.0	45.0
National Average	50.6	50.5	52.2	50.4	48.2	49.0	49.0	45.0

5.3 The Council did not participate in 2008, 2013, 2015 or 2017. The Council agreed in 2012 to participate on a bi-annual basis.

## Appendix 3

5.4 The results above show that there is low satisfaction with the condition of the highway nationally and across the North East. However, the results for 2020 for five of the six indicators show Durham to be above both the regional and national averages.

### 6. Customer Feedback

6.1 The customer feedback in terms of service requests, complaints, compliments and suggestions received is summarised as follows:

Customer Feedback		Year Ending 31 March 2020	
		Number	Responded within Target %
Service Requests	Category 1 Safety Defects	9,578	92%
	Category 2.1 Safety Defects	42,296	96%
	Category 2.2 Safety Defects	7,065	96%
	Category 2.3 Safety Defects	7,783	88%
	Structures	120	N/A
	Street Lighting	5,671	96%
	Winter Maintenance	2,793	100%
	Flooding	2,226	100%
	Traffic	1,227	100%
	Network Management	578	N/A
Complaints - Service Review	Number investigated	162	57%
	Fully upheld	94	
	Partially upheld	26	
	Not upheld	42	
Complaints - Independent Investigation	Number investigated	10	50%
	Fully upheld	0	
	Partially upheld	4	
	Not upheld	6	
Compliments and Suggestions	Compliments	88	N/A
	Suggestions	37	N/A

6.2 The above is also monitored through the Council's quarterly performance reports which are available on our website at the following link:

<http://www.durham.gov.uk/article/2427/Quarterly-reports>

6.3 Service requests are responded to in accordance with the service levels set out in our Highway Maintenance Plan and Winter Maintenance Plan.

6.4 Complaints are considered in line with the Council's Complaints Policy.

## Appendix 3

6.5 The Council also participates in the National Highways and Transportation Public Satisfaction Survey as detailed in Section 5.

6.6 Highway officers provide regular updates to Councillors and Area Action Partnerships who also provide feedback. All this customer feedback helps inform the Transport Asset Management Plan including investment levels and priorities.

### 7. Performance

7.1 The performance against the objectives set out in TAMP Section 1 - Policy is as follows:

Primary Objectives	Secondary Objectives	Performance Measure	Year Ending 31 March						
			2014	2015	2016	2017	2018	2019	2020
Safety	Complying with statutory obligations	Public liability claims repudiation rate	95%	94%	93%	92%	94%	95%	95%
	Meeting user's needs for safety	Completion of Highway Safety Inspections	100%	100%	100%	100%	100%	100%	100%
		Response to Category 1 and 2 safety defects (Target 95%)	Cat1 75%	Cat1 95%	Cat1 92%	Cat1 92%	Cat1 92%	Cat1 93%	Cat1 93%
Serviceability	Ensuring availability	Effective Streetworks Licensing system to minimise number of unplanned utility overruns	<1%	< 1%	<1%	<1%	<1%	<1%	<1%
		Achieving integrity	See Table 3.1						
	Maintaining reliability	NHT Public Satisfaction Survey	See Table 5.2						
	Enhancing condition	Programmed maintenance	See Table 9.4						
	Sustainability	Minimising whole life costs	Lifecycle plans	See Appendix 2					
Maximising value to the community		Not quantifiable	N/A	N/A	N/A	N/A	N/A	N/A	N/A

## Appendix 3

	Minimising environmental impact	Maintaining accreditation/compliance with ISO 14001 Environmental Management  Gully cleansing	Achieved  98% of all road gullies cleansed as part of the annual programme
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### 8. Valuation

- 8.1 The Code of Practice on Local Authority Accounting in the United Kingdom requires that the adopted highway is included in the Council's Financial Statements as a fixed asset in the balance sheet. This is part of the Government's Whole of Government Accounts (WGA) initiative to align with International Financial Reporting Standards (IFRS).
- 8.2 The benefit of including the adopted highway as an asset in the financial statements is that it informs stakeholders of the true cost of holding and maintaining the asset which in turn supports good asset management.
- 8.3 The asset is included within the financial statements at depreciated Replacement Cost (DRC). Depreciated replacement cost is a method of valuation that provides the current cost of replacing an asset with its modern equivalent asset (gross replacement cost), less deductions for all physical deterioration and impairment (accumulated depreciation).
- 8.4 The difference between the gross and depreciated cost is the cost of restoring the asset from its present condition to 'as new'.
- 8.5 The condition of assets with a finite economic life will deteriorate each year due to the wearing out and using up of the asset. The deterioration of assets such as carriageways and footways may be accelerated where episodes of severe weather are greater than average.
- 8.6 Annual depreciation is calculated by identifying all the capital treatments needed to maintain assets or key components over their life cycles and then spreading the total cost evenly over the number of years in the life cycle. Calculated in this way, annual depreciation not only represents the annual consumption of economic benefits embodied in the asset but also provides a measure of what on average needs to be spent year on year on programmed maintenance to maintain the assets in a steady state.
- 8.7 The valuation as at 31 March 2020 is as follows:

## Appendix 3

Asset – Adopted Highway	£ Millions							
	Carriageway	Footway	Street Lighting	Structures	Traffic Management	Street Furniture	Land	Total
<b>Gross Replacement Cost</b>								
B/F 1 April 2019	4,141.0	799.1	144.1	428.3	2.8	41.8	2,798.5	8,055.6
Additions								
- Adoptions	4.2	1.9	0.0	0.0	0.0	0.0	1.7	7.8
- Programmed Maintenance	15.9	3.2	1.8	1.9	0.3	0.2	0.0	23.3
- Improvements	0.0	0.0	2.0	2.3	0.3	0.0	0.0	4.6
Revaluation Adjustment	19.9	-2.9	12.5	5.8	-0.6	0.0	17.3	51.8
Disposals	-0.9	-0.7	0.0	-10.0	0.0	0.0	0.2	-11.4
C/F 31 March 2019	4,180.1	500.6	160.4	428.3	2.8	41.8	2,817.7	8,131.7
<b>Accumulated Depreciation</b>								
B/F 1 April 2018	163.5	39.1	85.3	191.4	1.6	25.0	0.0	505.9
Revaluation Adjustment	-13.8	-8.4	6.7	-8.4	0.0	-1.5	0.0	-25.5
Depreciation Charge	16.3	9.2	4.8	18.4	0.1	1.5	0.0	50.3
Disposals	-0.9	-0.7	-1.4	-10.0	0.0	0.0	0.0	-13.0
C/F 31 March 2019	165.1	39.2	95.4	191.4	1.7	25.0	0.0	517.8
<b>Depreciated Replacement Cost</b>								
B/F 1 April 2018	3,977.5	460.0	58.8	236.9	1.2	16.8	2,798.5	7,549.7
Additions	20.1	5.1	3.8	4.2	0.6	0.2	1.7	35.7
Revaluation Adjustment	32.8	4.8	5.8	14.2	-0.6	1.3	17.3	75.6
Depreciation Charge	-16.3	-9.2	-4.8	-18.4	-0.1	-1.5	0.0	-50.3
Disposals	0.9	0.7	1.4	0.0	0.0	0.0	0.2	3.2
C/F 31 March 2019	4,015.0	461.4	65.0	236.9	1.1	16.8	2,817.7	7,613.9

### 9. Budgets

9.1 The budget for programmed capital maintenance is summarised as follows:

Funding Stream	Year Ending 31 March £'000s										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023*
<b>Department for Transport Funding</b>											
Local Transport Plan	10,679	10,132	9,780	11,886	10,896	10,567	9,564	9,564	9,564	6,596	6,596*
Challenge Fund	0	0	0	0	0	0	0	0	4,000	0	0
Incentive Fund	0	0	0	0	666	1,016	2,008	1,992	1,992	1,649	1,649*
Section 31	0	1,836	1,007	0	0	0	0	0	0	0	0

## Appendix 3

Severe Weather	0	0	1,242	1,100	0	0	0	0	0	0	0
Potholes Fund	0	0	2,197	0	784	1,580	1,297	662	8,448	6,596	6,596*
Productivity Fund	0	0	0	0	0	1,830	0	0	0	0	0
Additional Highway Maintenance Fund	0	0	0	0	0	0	5,269	0	0	0	0
<b>Sub-Total</b>	<b>10,679</b>	<b>11,968</b>	<b>14,226</b>	<b>12,986</b>	<b>12,346</b>	<b>14,993</b>	<b>18,138</b>	<b>12,218</b>	<b>24,004</b>	<b>14,841</b>	<b>14,841</b>
<b>Durham County Council Funding</b>											
Highway Maintenance	3,012	2,912	5,404	4,811	6,911	9,054	7,486	8,864	10,431	9,100	6,000*
<b>Total</b>	<b>13,691</b>	<b>14,880</b>	<b>19,630</b>	<b>17,797</b>	<b>19,257</b>	<b>24,047</b>	<b>25,624</b>	<b>21,082</b>	<b>34,435</b>	<b>23,941</b>	<b>20,841</b>

\*Projected

9.2 The above budget rebased for construction inflation (BCIS Civil Engineering 1990 Series) at 1 April 2017 prices is summarised as follows:

	Year Ending 31 March £'000s										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021*
<b>Nominal</b>											
Budget	12,294	13,271	13,691	14,880	19,630	17,797	19,257	24,047	25,624	34,435	25,354
Inflation %	2.01%	3.49%	5.08%	1.40%	2.70%	1.50%	4.20%	3.50%	3.05%	3.00%	3.00%
Index	228.18	236.14	248.13	251.44	258.23	262.10	273.11	282.67	291.29	300.03	309.03
<b>Real 1 April 2017 Prices</b>											
Budget	14,125	14,734	14,466	16,162	20,761	18,544	19,257	23,234	24,025	31,345	22,407

\*BCIS Civil Engineering Forecast

9.3 It can be seen that the above outturn spend is significantly less than the annual depreciation charge.

9.4 The above budgets have purchased the following quantities of programmed capital maintenance:

Programmed Capital Maintenance Quantities	Unit	Steady State Condition Benchmark	Year Ending 31 March									
			2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Carriageways	Km treated	7.0%	122 3.2%	156 4.1%	168 4.4%	165 4.4%	178 4.7%	205 5.4%	213 5.6%	197 5.2%	210 5.5%	150 4.0%
Kerbing	Km treated	2.5%	4.8 0.1%	4.8 0.1%	4.8 0.1%	4.8 0.1%	4.8 0.1%	4.8 0.1%	4.8 0.1%	4.8 0.1%	4.8 0.1%	4.8 0.1%
Drainage (Gullies)	No.	2.5%	130 0.1%	130 0.1%	130 0.1%	130 0.1%	130 0.1%	200 0.2%	250 0.2%	250 0.2%	250 0.2%	250 0.2%
Road Markings	Km treated	14.3%	286 12.8%	287 12.8%	285 12.7%	285 12.7%	285 12.7%	285 12.7%	287 12.7%	287 12.7%	287 12.7%	287 12.7%
Footways	Km treated	5.0%	84 2.2%	88 2.3%	108 2.8%	95 2.5%	103 2.7%	122 3.3%	117 3.1%	121 3.2%	117 3.1%	117 3.1%
Structures	No. of bridges treated	5.0%	66 6.9%	50 5.2%	26 2.7%	26 2.7%	46 4.8%	47 4.9%	47 4.9%	47 4.9%	47 4.9%	47 4.9%
Street lighting	No. columns replaced	2.5%	836 1.3%	841 1.3%	802 1.2%	830 1.3%	2,213 3.4%	1,040 1.7%	954 1.6%	1,000 1.6%	1,000 1.6%	1,000 1.6%
	No. luminaires replaced	5.0%	7,423 8.9%	8,137 9.8%	11,971 14.4%	12,302 14.8%	11,904 14.3%	12,006 14.4%	2,918 3.5%	1,500 1.8%	1,500 1.8%	1,500 1.8%

## Appendix 3

	No. lit signs replaced	2.5%	100 1.8%	100 1.8%	100 1.8%	105 1.8%	105 1.8%	105 1.8%	105 1.8%	106 1.8%	106 1.8%	106 1.8%
Traffic Management		6.7%	3 2.1%	2 1.4%	1 0.7%	2 1.4%						
Street Furniture	Items replaced	3.2%	2,099 2.2%	2,300 2.4%	1,550 1.6%	2,010 2.1%	1,680 1.7%	1,603 1.7%	1,605 1.7%	1,607 1.7%	1,621 1.7%	1,700* 1.8%

\*estimated

9.5 It can be seen that the quantity of programmed capital maintenance purchased is less than the steady state condition benchmark and this explains why the condition of the highway asset has deteriorated over the period.

### 10. Investment Levels

10.1 The TAMP measures the current and projected condition of the asset for a given level of investment in programmed capital maintenance.

10.2 A range of investment levels (condition or budget led) are provided to allow stakeholders to select the most appropriate investment level to meet their objectives within available budgets.

10.3 We have modelled the following investment levels as stated in the policy:

Investment Level – Programmed Capital Maintenance	1 April 2017 Prices (£ millions)		
	One Off Capital Cost	Annual Average Capital Cost	Annual Average Capital Cost (Once Backlog Cleared)
Projected Budget	N/A	£17.8	N/A
Steady State Condition	N/A	£20.8	N/A
Eliminate highway maintenance backlog over 1 year then maintain at steady state condition	£171.2	N/A	£20.3
Eliminate highway maintenance backlog over 30 years then maintain at steady state condition	N/A	£27.9	£20.3

10.4 It is assumed that budgets will be uplifted for inflation to maintain purchasing power at 1 April 2017 prices.

10.5 The Projected Budget is an indicative annualised figure and the actual budgets may be greater or less depending upon Department for Transport and Council funding.

10.6 The above does not take account of any growth in the inventory from new developments which will increase the above values.

10.7 The projected condition and maintenance backlog for the Projected Budget service level is provided in Appendix 2.

## Appendix 3

10.8 The investment levels are calculated using nationally accredited lifecycle planning models which are based on current condition projected forward for average annual deterioration over a period of 30 years. In the short term the annual movements in the maintenance backlog are affected by:

- Inflation;
- Annual variations in deterioration due to the severity of the weather;
- Cycle for collecting condition data which is up to 6 years; and
- The accuracy of the nationally accredited deterioration model when applied to County Durham.

10.9 If investment is less than the steady state condition investment level then in the medium term:

- The condition of the highway asset will deteriorate;
- The maintenance backlog will increase;
- The number of defects will increase and put pressure on the reactive and routine revenue maintenance budgets;
- The number of public liability claims will increase and put pressure on the insurance budget; and
- Public satisfaction will decrease.

10.10 If investment is more than the steady state condition investment level then in the medium term:

- The condition of the highway asset will improve;
- The maintenance backlog will reduce;
- The number of defects will reduce;
- The number of public liability claims will reduce; and
- Public satisfaction will improve.

## 11. Feedback

11.1 The Council welcomes feedback on any aspect of this TAMP. If you would like to provide feedback please provide via Customer Services using the following contact details:

- Website: [www.durham.gov.uk](http://www.durham.gov.uk)
- Email: [help@durham.gov.uk](mailto:help@durham.gov.uk)
- Telephone number: 03000 260000

## Appendix 3

### Appendix 1 - Inventory Summary

Adopted Highway	Unit	Year Ending 31 March										
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Carriageways</b>												
A Roads	Km	416	416	416	416	416	415	415	415	415	414	415
B Roads	Km	407	407	407	407	406	406	406	406	403	406	406
C Roads	Km	698	698	697	697	697	697	697	696	696	693	695
Unclassified	Km	2,200	2,212	2,224	2,236	2,255	2,262	2,276	2,279	2,280	2,283	2,287
Sub-Total	Km	3,721	3,733	3,744	3,756	3,774	3,780	3,794	3,796	3,797	3,793	3,803
<b>Kerbing</b>	Km	4,462	4,478	4,493	4,539	4,573	4,588	4,605	4,611	4,612	4,606	4,606
<b>Drainage</b>												
Gullies	Number	105,034	105,428	105,805	107,488	108,340	110,054	110,462	110,606	110,750	110,633	110,633
Ditches	Km	262	262	262	262	262	262	262	262	263	263	263
Pipework	Km	358	359	360	365	368	376	377	377	378	378	378
<b>Road Markings</b>												
Lines	Km	2,237	2,241	2,240	2,243	2,242	2,242	2,250	2,253	2,287	2,285	2,285
Other items	Number	20,035	20,085	20,129	22,167	22,271	22,271	22,331	22,360	23,072	23,048	23,048
<b>Footways</b>	Km	3,543	3,600	3,656	3,783	3,837	3,828	3,886	3,719	3,719	3,739	3,752
<b>Structures</b>	Number	1,398	1,399	1,402	1,402	1,402	1,448	1,476	1,473	1,483	1,483	1,483*
<b>Street Lighting</b>	Number	87,173	87,803	88,491	89,008	89,085	88,675	88,504	89,413	88,782	88,160	88,160
<b>Traffic Management</b>	Number	123	127	129	133	136	138	139	142	142	142	142
<b>Street Furniture</b>												
Safety fencing	Km	53	53	53	53	53	53	53	53	53	53	53
Other	Number	90,462	91,560	92,658	93,757	95,320	95,385	94,320	94,436	94,552	95,360	95,689
<b>Land</b>	M <sup>2</sup>	30,326,800	30,499,600	30,891,150	31,326,522	31,353,145	30,939,856	31,019,148	30,852,356	30,874,676	30,959,847	30,972,366

\*last years data has been used due to issues with obtaining current values.

# Appendix 3

## Appendix 2 - Projected Condition and Maintenance Backlog

Projected Condition - Asset	Description	Year Ending 31 March															
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
A - Roads	% where maintenance should be considered	3.1	3.1	3.1	3.1	3.1	3.0	3.1	3.3	3.4	3.5	3.7	3.8	3.9	4.0	4.1	4.2
B – Roads		3.0	3.0	3.0	3.0	3.0	2.8	3.0	3.4	3.9	4.5	5.2	5.9	6.7	7.5	8.3	9.2
C – Roads		2.6	2.6	2.6	2.6	2.6	2.4	2.2	2.5	2.8	3.2	3.7	4.2	4.7	5.3	6.0	6.6
Unclassified Roads	% where maintenance should be considered	22.5	20.6	20.6	20.6	20.6	21.2	21.8	22.5	23.1	23.7	24.3	24.8	25.4	26.0	26.6	27.2
Footways	% functionally/ structurally impaired	21.6	22.2	22.6	22.8	22.9	22.8	22.6	22.4	22.0	21.6	21.1	20.5	19.9	19.3	18.7	18.0
Kerbing	% where replacement should be considered	10.0	10.1	10.2	10.3	10.4	10.5	10.6	10.7	10.8	10.9	11.0	11.1	11.2	11.3	11.4	11.5
Drainage	% where replacement should be considered	11.0	11.5	11.9	12.4	12.8	13.3	13.7	14.1	14.6	15.0	15.4	15.8	16.2	16.6	17.1	17.5
Road Markings	% where replacement should be considered	66.0	58.3	56.9	55.9	55.2	54.7	54.3	54.1	54.0	54.0	54.0	54.2	54.3	54.5	54.7	54.9
Structures	Bridge Condition Index – Principal roads	82.0	78.6	81.6	81.6	81.1	80.9	80.2	80.3	79.8	79.1	78.6	77.7	77.7	77.5	77.0	76.6
Structures Street Lighting	Bridge Condition Index – Non-Principal Roads	81.0	81.3	81.3	81.1	81.3	81.0	80.4	81.0	80.7	80.1	79.6	79.8	79.4	78.0	77.5	77.0
	% columns > 40 years	13.9	18.2	16.8	16.6	16.8	16.9	16.9	16.8	16.7	16.6	16.4	16.2	16.0	15.7	15.4	15.1
Street Lighting Traffic Management	% lanterns > 20 years	15.3	22.1	21.1	20.2	19.3	18.4	17.5	16.5	15.6	14.7	13.8	12.9	12.1	11.2	10.3	9.4
	Lit signs	16.8	23.0	24.0	24.9	25.8	26.7	27.6	28.4	29.3	30.1	30.9	31.6	32.4	33.1	33.8	34.5
	% traffic signals > 15 years	19.0	23.5	23.8	24.2	24.6	24.9	25.3	25.8	26.2	26.6	27.1	27.5	28.0	28.4	28.9	29.3
Street Furniture	% where replacement should be considered	8.0	7.9	7.7	7.6	7.4	7.3	7.3	7.2	7.1	7.1	7.0	6.9	6.9	7.0	7.0	7.1
Maintenance Backlog	(£ millions)	<b>171.2</b>	<b>174.2</b>	<b>174.7</b>	<b>175.0</b>	<b>175.5</b>	<b>176.0</b>	<b>176.6</b>	<b>178.8</b>	<b>180.5</b>	<b>182.2</b>	<b>184.0</b>	<b>185.6</b>	<b>187.5</b>	<b>189.3</b>	<b>191.3</b>	<b>193.3</b>

## Appendix 3

### Appendix 2 - Projected Condition and Maintenance Backlog (Continued)

Projected Condition - Asset	Description	Year Ending 31 March														
		2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
A - Roads	% where maintenance should be considered	4.3	4.5	4.6	4.7	4.8	4.9	5.1	5.2	5.4	5.6	5.8	6.0	6.3	6.6	6.9
B – Roads		10.2	11.1	12.1	13.1	14.2	15.3	16.4	17.5	18.7	19.9	21.2	22.5	23.9	25.4	26.9
C – Roads		7.3	8.0	8.7	9.5	10.2	11.0	11.8	12.7	13.5	14.4	15.3	16.2	17.2	18.1	19.1
Unclassified Roads	% where maintenance should be considered	27.9	28.4	29.0	29.6	30.1	30.6	31.0	31.5	31.9	32.3	32.6	33.0	33.3	33.6	33.9
Footways	% functionally/ structurally impaired	17.4	16.7	16.0	15.3	14.7	14.0	13.4	12.7	12.1	11.5	10.9	10.3	9.8	9.2	8.7
Kerbing	% where replacement should be considered	11.6	11.7	11.7	11.8	11.9	12.0	12.1	12.2	12.3	12.4	12.5	12.6	12.7	12.7	12.8
Drainage	% where replacement should be considered	17.9	18.2	18.6	19.0	19.4	19.8	20.1	20.5	20.9	21.2	21.6	22.0	22.3	22.7	23.0
Road Markings	% where replacement should be considered	55.1	55.3	55.5	55.7	55.9	56.1	56.3	56.5	56.6	56.8	56.9	57.0	57.2	57.3	57.4
Structures	Bridge Condition Index – Principal roads	75.8	75.0	74.9	75.7	74.1	73.8	71.9	72.6	74.2	73.1	72.1	71.4	71.7	70.3	68.7
Structures Street Lighting	Bridge Condition Index – Non-Principal Roads	75.9	75.5	75.7	75.4	73.7	73.3	71.5	70.1	71.5	70.1	69.5	69.0	69.4	68.2	66.6
	% columns > 40 years	14.9	14.7	14.4	14.1	13.8	13.5	13.1	12.7	12.2	11.8	11.3	10.8	10.3	9.8	9.3
Street Lighting Traffic Management	% lanterns > 20 years	8.6	7.7	6.8	6.0	5.1	5.0	4.9	4.8	4.7	4.6	4.5	4.4	4.3	4.2	4.1
	Lit signs	35.2	35.9	36.5	37.1	37.8	38.3	38.9	39.5	40.1	40.6	41.1	41.6	42.1	42.6	43.1
	% traffic signals > 15 years	29.8	30.3	30.7	31.2	31.6	32.1	32.5	33.0	33.4	33.8	34.2	34.7	35.1	35.5	35.9
Street Furniture	% where replacement should be considered	7.2	7.4	7.5	7.6	7.7	7.8	8.0	8.1	8.3	8.4	8.6	8.7	8.9	9.0	9.1
Maintenance Backlog	(£ millions)	<b>195.4</b>	<b>197.4</b>	<b>199.8</b>	<b>202.3</b>	<b>204.0</b>	<b>206.2</b>	<b>207.8</b>	<b>210.0</b>	<b>213.3</b>	<b>215.2</b>	<b>217.5</b>	<b>220.0</b>	<b>223.3</b>	<b>225.6</b>	<b>228.0</b>

## Appendix 3

## Appendix 3 - Condition Benchmarking

*Measured Road Condition Weighted by Road Length*

Road Class	Year Ending 31 March											
	2017			2018			2019			2020		
	Network Lane Length (Km)	Length where maintenance should be considered (Km)	Percentage where maintenance should be considered %	Network Lane Length (Km)	Length where maintenance should be considered (Km)	Percentage where maintenance should be considered %	Network Lane Length (Km)	Length where maintenance should be considered (Km)	Percentage where maintenance should be considered %	Network Lane Length (Km)	Length where maintenance should be considered (Km)	Percentage where maintenance should be considered %
A Roads	719.4	18.0	2.5	719.3	17.6	2.4	719.5	18.7	2.6	719.5	21.9	3.0
B Roads	802.3	26.7	3.3	802.3	35.8	4.5	802.5	35.2	4.4	802.5	24.8	3.1
C Roads	1,289.6	27.7	2.1	1,289.6	36.9	2.9	1,289.6	43.0	3.3	1,289.3	29.4	2.3
U Roads	2,278.9	432.8	19.0	2,280.0	465.1	20.4	2,281.3	550.8	24.1	2,282.9	520.1	22.8
All Roads	5,090.2	505.2	13.3	5,091.2	555.3	10.9	5,092.9	647.7	12.7	5,094.2	596.2	11.7

## Appendix 3

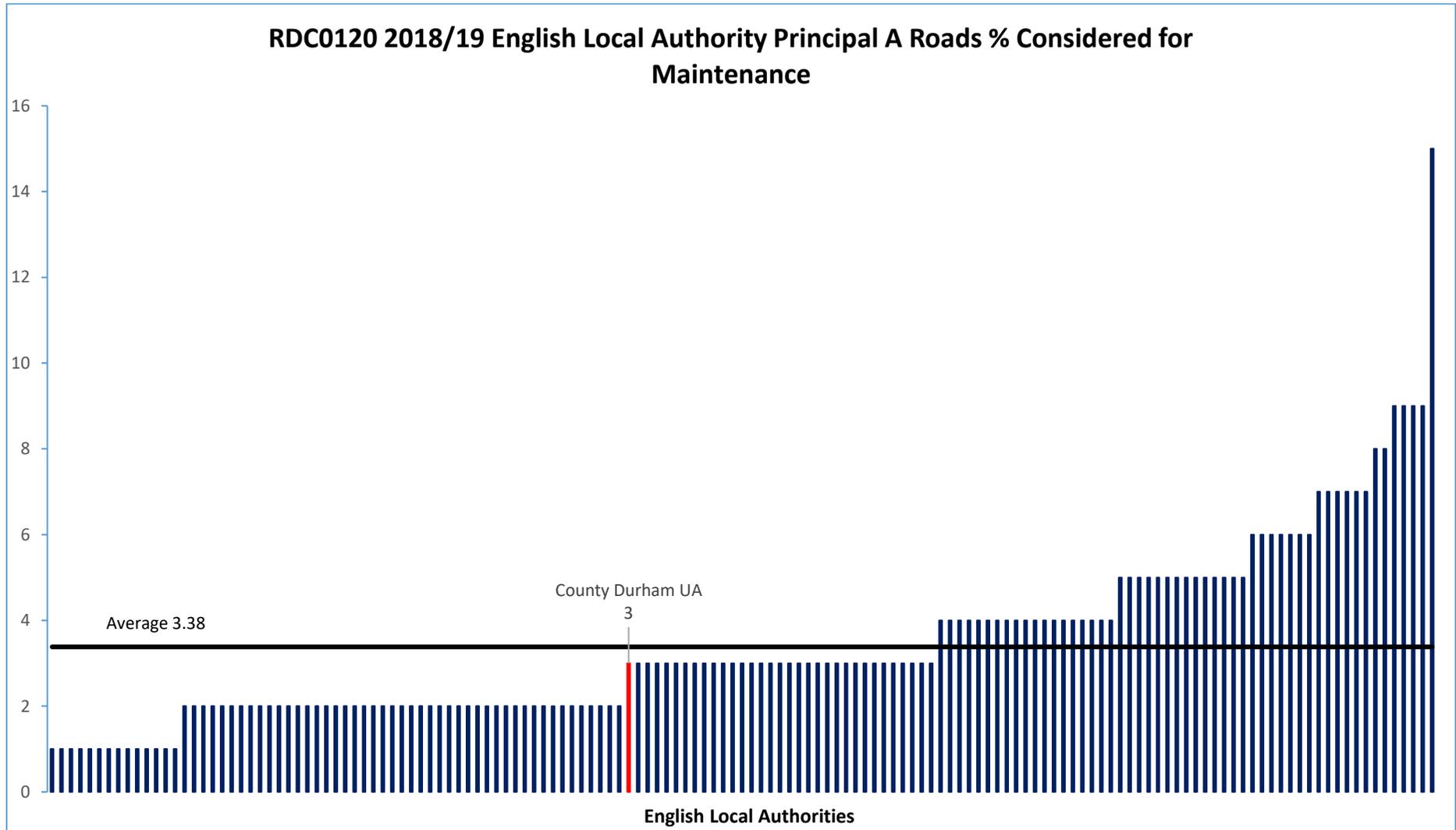
### Department for Transport Statistics

#### Principal and non-principal classified roads where maintenance should be considered (RDC0120)

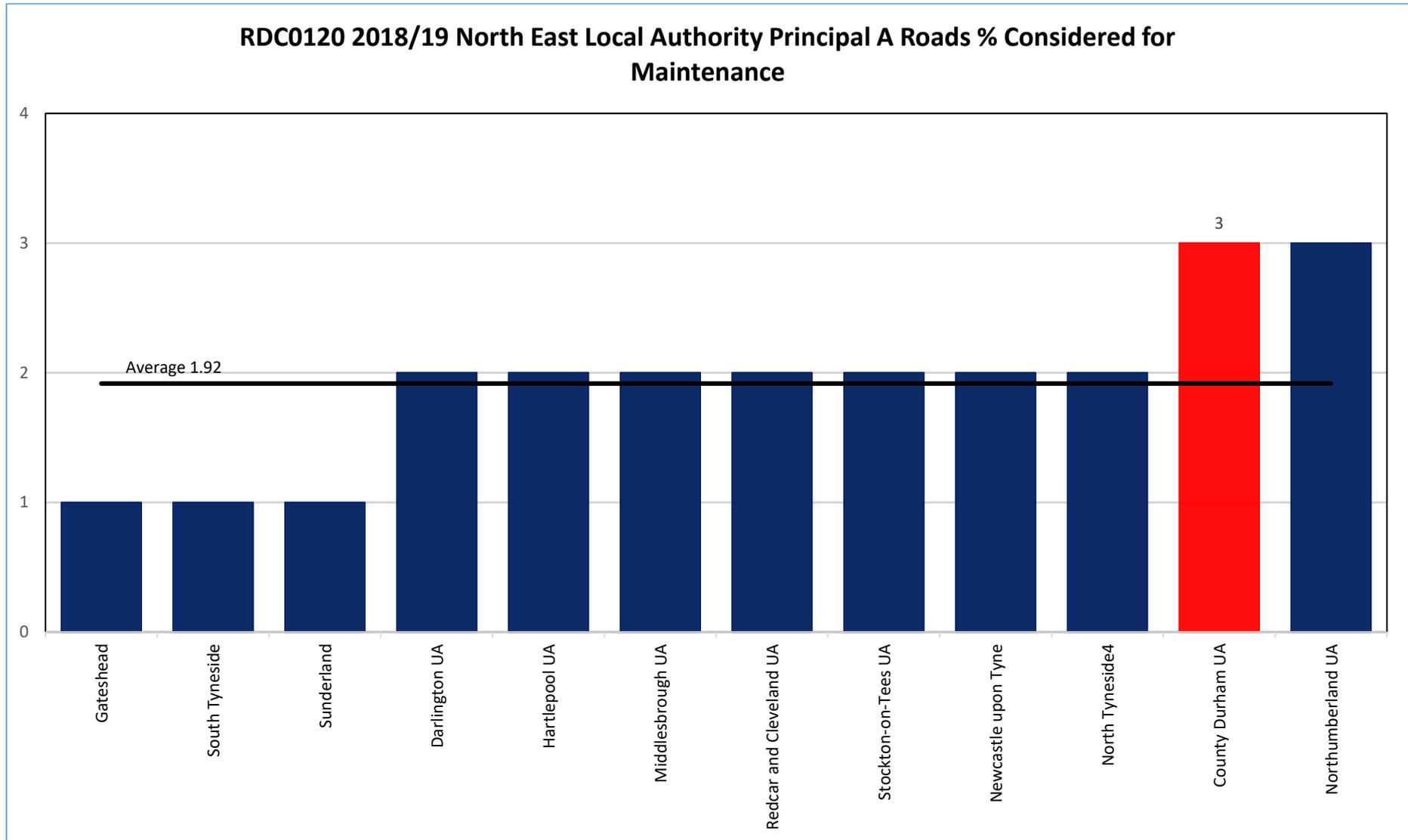
Principal (LA maintained 'A' roads)	Year Ending 31 March							
	2012	2013	2014	2015	2016	2017	2018	2019
<b>National</b>								
DCC %	6	6	5	5	4	3	3	3
Average %	5.95	6.16	6.10	3.99	3.81	3.84	3.46	3.38
Mode %	4.00	3.00	2.00	2.00	2.00	3.00	3.00	2.00
Minimum %	1.00	1.00	1.00	1.00	0	1	0	0
Maximum %	21.00	32.00	24.00	13.00	10.00	11.00	11.00	15.00
Number of Returns	146	143	149	147	149	150	148	149
DCC Rank (Low to High)	78	78	76	99	83	47	55	64
<b>North East</b>								
DCC %	6	6	5	5	4	3	3	3
Average %	4.00	3.33	3.33	3.75	2.92	2.17	1.58	1.92
Mode %	3.00	2.00	2.00	2	3.00	2.00	1.00	2.00
Minimum %	2.00	2.00	2.00	2	1	1	1	1
Maximum %	6.00	6.00	5.00	7	6	3	3	3
Number of Returns	12	12	12	12	12	12	12	12
DCC Rank (Low to High)	11	12	9	9	10	9	11	11

Non-principal (LA maintained 'B' and 'C' roads)	Year Ending 31 March							
	2012	2013	2014	2015	2016	2017	2018	2019
<b>National</b>								
DCC %	10	9	8	6	4	3	4	4
Average %	8.34	8.34	7.81	6.43	4.89	4.82	4.59	4.57
Mode %	10.00	5.00	3.00	4	5.00	4.00	4.00	4.00
Minimum %	2.00	2.00	1.00	1	1	1	1	0
Maximum %	22.00	26.00	27.00	21	17.00	18.00	22.00	25
Number of Returns	144	143	149	146	149	148	146	148
DCC Rank (Low to High)	95	83	86	70	51	26	55	65
<b>North East</b>								
DCC %	10	9	8	6	4	3	4	4
Average %	7.17	6.25	6.25	5.50	4.58	3.42	2.83	2.83
Mode %	3.00	9.00	8.00	6	4.00	2.00	1.00	1.00
Minimum %	3.00	2.00	2.00	1	1	1	1	1
Maximum %	13.00	12.00	14.00	11	10	8	7	7
Number of Returns	12	12	12	12	12	12	12	12
DCC Rank (Low to High)	9	8	8	7	7	7	9	9

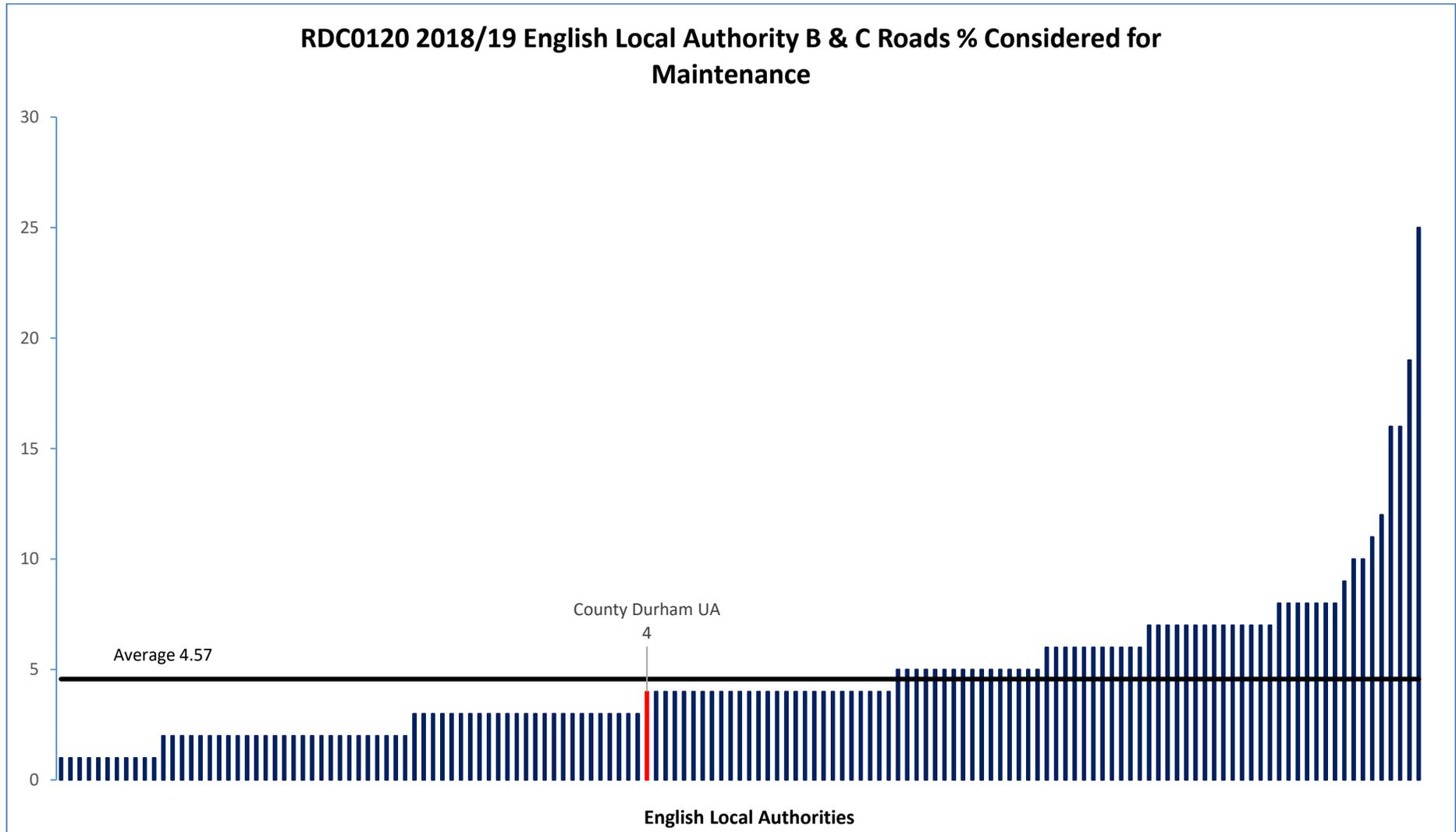
### Appendix 3



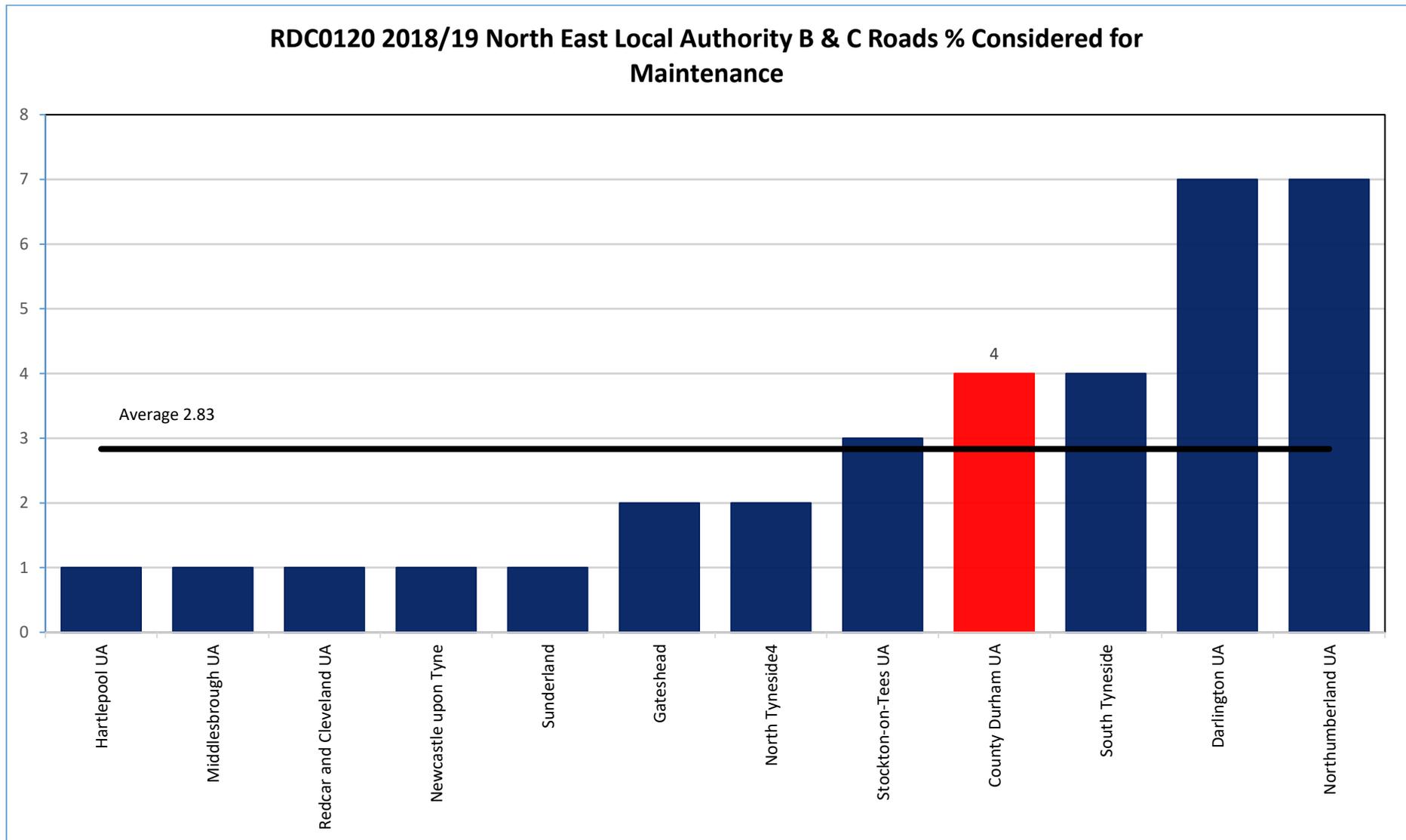
### Appendix 3



### Appendix 3



### Appendix 3



## Appendix 3

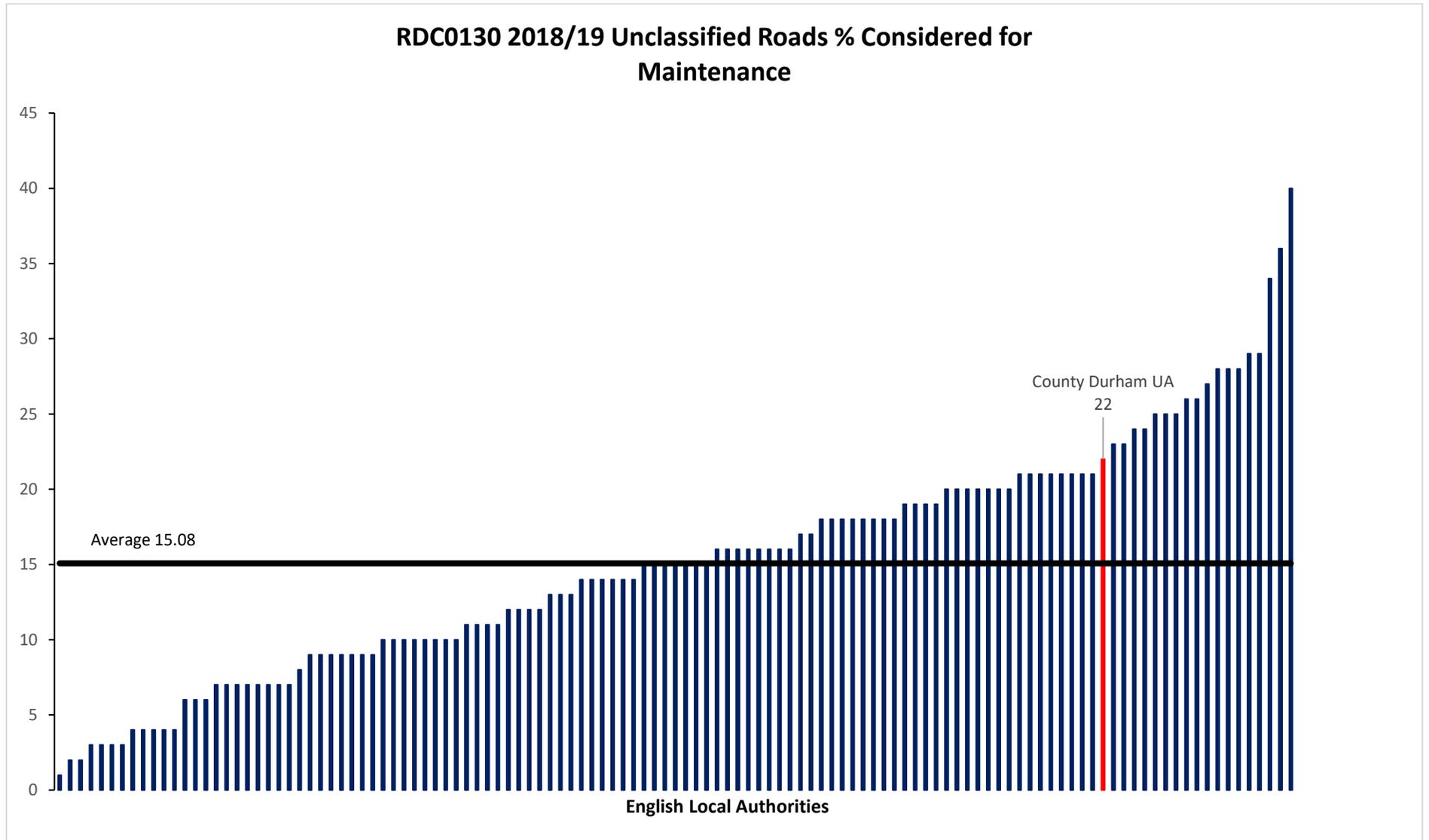
### Department for Transport Statistics

#### Percentage of unclassified roads where maintenance should be considered (RDC0130)

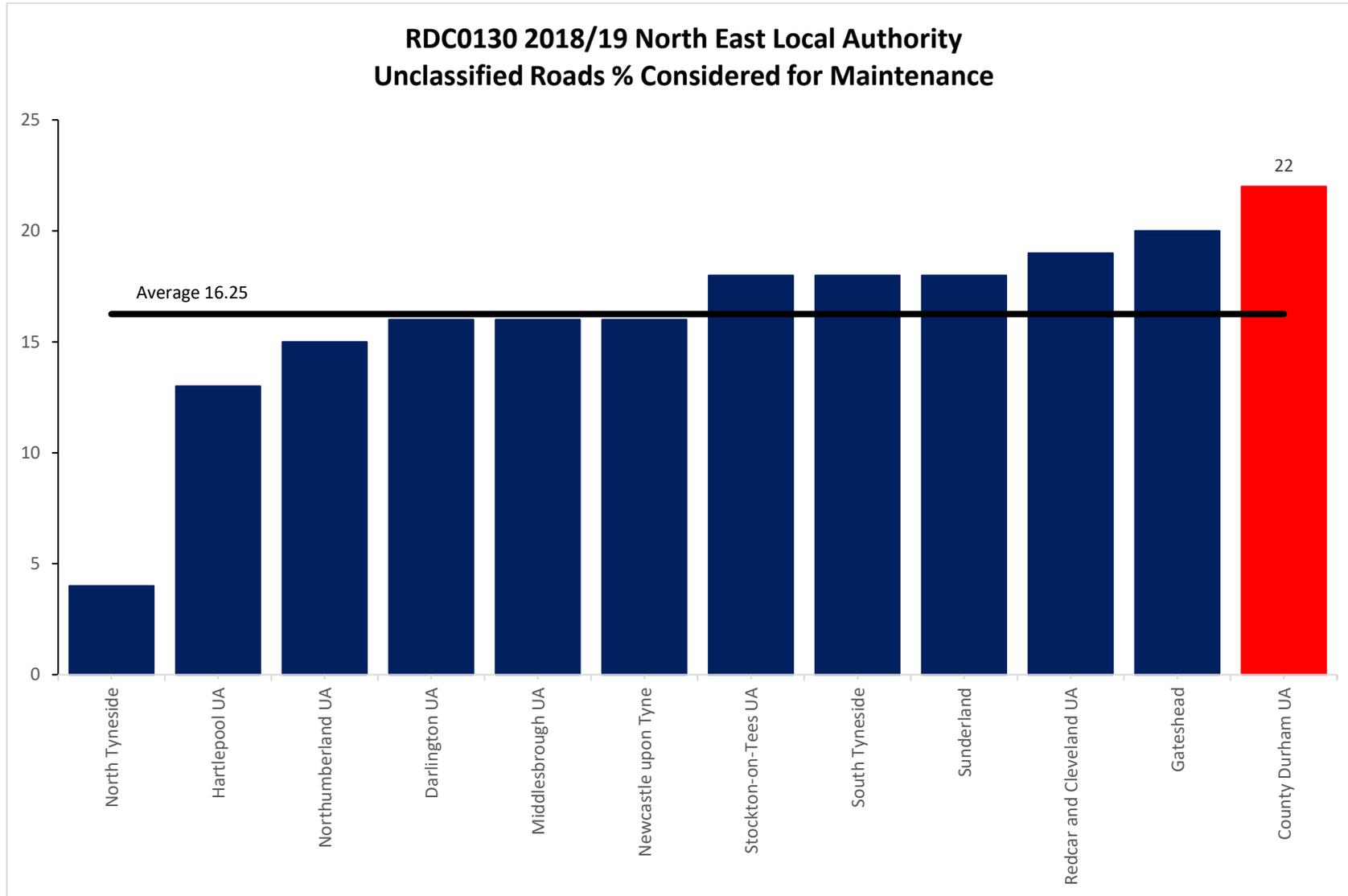
Unclassified Roads	Year Ending 31 March								
	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>England</b>									
DCC %	17	20	21	22	19	20	20*	21	22
Average %	14.74	15.49	15.81	17.71	16.46	16.13	15.59	14.89	15.08
Mode %	11.00	12.00	7.00	8.00	10.00	12.00	12.00	18.00	16.00
Minimum %	3.00	2.00	3.00	3.00	3.00	2.00	1	1	1
Maximum %	43.00	41.00	45.00	74.00	70.00	75.00	60.00	40.00	40.00
Number of Returns	115	113	112	130	128	129	129	116	119
DCC Rank (Low to High)	74	86	86	96	87	92	91	91	101
<b>North East</b>									
DCC %	17	20	21	22	19	20	20*	21	22
Average %	8.33	9.91	9.91	11.18	11.42	13.50	13.83	15.42	16.25
Mode %	6.00	7.00	7.00	10.00	10.00	12.00	12.00	13.00	16.00
Minimum %	4.00	6.00	7.00	4.00	8.00	10	4	5	4
Maximum %	17.00	20.00	21.00	22.00	19.00	20	20	22	22
Number of Returns	12	11	11	11	12	12	12	12	12
DCC Rank (Low to High)	12	11	11	11	12	12	12	11	12

\* Our return to the Department for Transport initially reported 17% but following a review to ensure accuracy and consistency with prior years was revised to 20%

# Appendix 3



### Appendix 3



**Cabinet**

**19 January 2022**

**School Loans Scheme**

**Ordinary Decision**



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**Report of Corporate Management Team**

**Paul Darby, Corporate Director of Resources**

**Councillor Richard Bell, Deputy Leader and Cabinet Portfolio Holder for Finance**

**Councillor Mark Wilkes, Cabinet Portfolio Holder for Neighbourhoods and Climate Change**

**Councillor Ted Henderson, Cabinet Portfolio Holder for Children and Young People's Services**

**Electoral division(s) affected:**

Countywide

**Purpose of the Report**

- 1 To recommend changes to the council's loan scheme for schools, to take account of energy efficiency, carbon emission and sustainability issues.

**Executive summary**

- 2 The school loan scheme allows schools to borrow to fund one-off capital projects that will benefit them for more than one year. This is the only form of borrowing that schools can access.
- 3 The council's loan scheme has operated since 2015 and there are currently five outstanding loans, with a total value of £379,000.
- 4 The loan scheme is only available to maintained schools, but loans transfer to academy trusts when schools convert. A school with a loan that closed would have to be written-off by the council.

- 5 Loans cannot be used to fund revenue deficits with loans being charged interest and a premium to cover administration and the risk of changes in interest rates.
- 6 Loans are assessed taking into account the ability of schools to repay and the appropriateness in the context of schools' plans for future education provision.
- 7 There is presently a need to update the scheme, to take account of increasing demand for loans to fund energy efficiency projects and to ensure that loans are for projects that take account of concerns about energy efficiency, carbon emissions and sustainability. Schools were able previously to access SALIX funding to support energy saving initiatives but this funding has been discontinued.
- 8 The ability for schools to invest energy reduction initiatives in this manner is in harmony with the council's aim to achieve 80% carbon reductions by 2030.
- 9 Energy efficiency projects can be self-financing with borrowing costs being financed from savings on energy consumption. One of the proposed scheme revisions is to enable schools that previously would not have been able to access loans to apply for loans that would allow them to reduce their energy costs and be self-financing.
- 10 A second proposal is to require schools to explain how building works projects will affect their energy efficiency, carbon emissions and sustainability.
- 11 A final proposal is to impose a minimum size of advance of £5,000.

### **Recommendation(s)**

- 12 Cabinet is recommended to:
  - (a) remove the restrictions on loans for projects designed to increase energy efficiency where savings are expected to at least equal to the cost of loan repayments and interest from the first year in which a loan repayment is due thus supporting the council's aim to reduce carbon emissions by 80% by 2030;
  - (b) require that for building works not directly linked to carbon reduction or energy efficiency, schools should describe the effect of the proposed works on energy efficiency, carbon emissions and sustainability;
  - (c) require that for building works not directly linked to carbon reduction or energy efficiency, proposals should incorporate

energy efficiency measures where appropriate and within the scope of the proposed works;

- (d) allow loans to be extended to 15 years in exceptional circumstances for loans linked to carbon reduction or energy efficiency interventions and linked to payback periods on reductions in energy costs;
- (e) clarify that the council has the discretion to offer a lower interest rate to loans linked to carbon reduction or energy efficiency; and
- (f) add a provision that the minimum advance through the loans scheme shall be £5,000.

## **Background**

- 13 In normal circumstances, schools can only borrow from external sources with the express permission of the Secretary of State. However, statutory guidance allows local authorities to set up an internal loan scheme for schools to access, though this cannot be financed through the utilisation of Dedicated Schools Grant or schools' retained balances.
- 14 The council operates a loan scheme for schools which was approved in September 2015. This scheme is financed by the council from its own funds. The loan scheme is restricted to maintained schools, but where a school converts to become an academy the liability for the loan transfers to the academy trust that takes on the school. This applies to all conversions, including schools that are directed to become sponsored academies, although the council does have the option to write-off a loan if it thinks that conversion is in the interests of the school and the loan is a barrier to conversion.
- 15 Where any school is required to close, any loan would be written-off by the council.
- 16 Schools can use loans to finance capital expenditure, including building works and ICT, but cannot use loans to finance revenue expenditure, (which means that they cannot borrow to finance a deficit balance).
- 17 The current loan scheme includes limits on the value of loans, based on the accumulated revenue balances and revenue funding of schools, along with limits on the life of loans. Applications in respect of building works require landlord approval, or a feasibility study for Voluntary Aided schools, (which are owned by the Diocese).
- 18 Loans are charged interest, at fixed rates, based on borrowing costs that would be incurred by the council to borrow over the number of years over which the loan will be repaid. A 0.5% premium is charged, to cover the costs of administering the scheme and the risk of changes in interest rates. Loans can be repaid early without penalty.
- 19 There are currently five loans outstanding, including one to a school that has now converted to an academy. The total value of loans outstanding is £379,000. All the existing loans will be repaid by 31 March 2025.

## **Carbon Reduction and Energy Saving**

- 20 In conjunction with the council's Low Carbon Economy Team, schools are looking at ways to increasing their energy efficiency. This can take several forms, including LED lighting and solar panels. Until recently, schools could borrow from Salix, a government owned company, which was the only external source that the Secretary of State had authorised

for schools to borrow from. This source of funding is no longer available and schools wanting to invest in these projects must either use their revenue resources or borrow from their local authority.

- 21 A major factor in the council reducing carbon emissions relates to the school estate. Any reduction in carbon emissions will assist the council in meeting the target of reducing carbon emissions by 80% by 2030.
- 22 Unlike other loans, loans for energy efficiency have the potential to generate savings which can more than offset the costs of repaying the loan. This needs to be taken into account when assessing applications for loans, because it may be appropriate to approve a loan for a school that is in financial difficulties, because the loan will generate savings which will help the school with its budget difficulties.
- 23 Recent significant increases in energy costs have made it much more likely that an energy reduction project will generate savings over and above the cost of repaying the loan and there has been increased interest in this sort of project from schools.
- 24 In response to this situation, the loan scheme has been reviewed, to allow an appropriate response to applications for loans for these purposes, and to make some other improvements to the scheme. Proposals are set out in the following section.

## **Proposals for Updates to the Loan Scheme**

### *Criteria for assessing school context statement*

- 25 Schools applying for a loan are required to provide information to demonstrate that a loan is appropriate in the context of the school's educational and financial position. This should demonstrate that the school can afford to borrow and that the project is consistent with the school's plans for future educational provision.
- 26 The proposed scheme amendment would mean that where a loan is for the purpose of increasing energy efficiency and the annual forecast saving covers the cost of the annual loan repayment then the requirements about the context statement would not apply. This would result in schools that would not otherwise be able to apply, are able to do so and access the long-term savings that these projects can bring and deliver benefits in terms of reduced carbon emissions. For this to apply, the council's Low Carbon Economy Team would have to confirm that this condition is met.

### *Purpose of loan*

- 27 Schools applying for a loan for building works require landlord approval and a feasibility study from Voluntary Aided or foundation schools. The proposed change is to require schools to describe the effect of the proposed works on energy efficiency, carbon emissions and sustainability. Proposals would be expected to incorporate energy efficiency measures and be sustainable where appropriate and within the scope of the proposed works.
- 28 BREEAM (Building Research Establishment's Environmental Assessment Method) would not apply to school loan projects, because these projects would generally involve a major extension or refurbishment. Loans could be used to supplement funding for a new build project, in which case the overall project would be expected to be BREEAM certified only where the building requires BREEAM Very Good as part of County Durham Planning requirements for new builds over 1,000sqm.

### *Limits on the length of loans*

- 29 Loans are normally limited to a maximum of ten years. The revised scheme will allow this limit to be extended to 15 years in exceptional circumstances where the loan is linked carbon reduction and energy efficiency measures taking into account asset life and payback periods.

### *Interest rates*

- 30 The loan scheme gives the council discretion to set interest rates. Usual practice is to use the relevant rate available for loans from the Public Works Loans Board, with a 0.5% premium to cover the cost of administration and interest rate risk. The revised scheme includes the discretion to offer a lower rate where the loan is to fund the installation of carbon reduction and energy efficiency measures.

### *Minimum limit on advances*

- 31 At present there is no minimum advance. In future there would be a £5,000 minimum advance, with schools expected to fund smaller projects from within their revenue funding.

### *Revised scheme*

- 32 A copy of the revised scheme information is included in Appendix 2.

## **Main implications**

- 33 The proposed changes would allow the loan scheme to be updated to take account of the increasing importance of energy efficiency, reducing carbon emissions and sustainability. The scope of the scheme would be widened to include schools that would otherwise not be eligible for a loan, but which would benefit from investment to reduce energy costs.
- 34 This strategy will support the council aim of reducing carbon emissions by 80% by 2030.

## **Conclusion**

- 35 This report sets out proposals for updates to the council's loan scheme. This is the only source of borrowing available to schools. The proposals would address issues about carbon emissions and sustainability, which are increasingly relevant to applications for loans, particularly in the context of rising energy prices.

## **Background papers**

- None

## **Other useful documents**

- Previous Cabinet report, 16 September 2016

## **Author(s)**

David Shirer

Tel: 03000 268 554

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## **Appendix 1: Implications**

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### **Legal Implications**

Statutory guidance given by the Secretary of State pursuant to s.48(4) and paragraph 2A(2) of Schedule 14 to the School Standards and Framework Act 1998, requires local authorities to have a scheme of delegation to schools and permits such schemes to include arrangements for making loans to schools to fund large one-off items of a capital nature that have a benefit to a school lasting more than one financial or academic year.

### **Finance**

The report sets out proposals to amend the school loans scheme currently available to maintained schools.

The scheme is operated by the council on a self-financing basis through the charging of interest on the loans, with a 0.5% premium to cover the cost of administration and interest rate risk. The revised scheme includes the discretion to apply a lower premium of 0.3% to loans to fund the installation of photovoltaic solar panels, LED lighting or other energy conservation measures.

The interest charged on the loan is based on the prevailing rates that could be earned on an investment over the period of the loan requested, measured by the cost of borrowing through the Public Works Loans Board.

Schools are encouraged to make contributions towards projects and part finance schemes from their retained balances where it is prudent to do so.

There are no provisions for this scheme to be financed and underwritten from the Dedicated Schools Grant or schools retained balances, but the interest charged and the application of an additional premium ensures that the Council suffers no financial detriment on its investment income.

Loans are normally limited to a maximum of ten years. The revised scheme will allow this limit to be extended to 15 years in exceptional circumstances where the loan is linked carbon reduction and energy efficiency measures taking into account asset life and payback periods.

### **Consultation**

None.

## **Equality and Diversity / Public Sector Equality Duty**

None.

## **Climate Change**

The proposed changes will increase the scope of the scheme to lend to schools for projects that will reduce carbon emissions and will require schools to consider energy efficiency, carbon reduction and sustainability in developing proposals for building works.

## **Human Rights**

None

## **Crime and Disorder**

None.

## **Staffing**

None.

## **Accommodation**

Potential for loans to be used for building works to maintain or improve school accommodation or works to improve energy efficiency and reduce carbon emissions.

## **Risk**

There is a risk that loans may not be repaid if schools or academies get into financial difficulties. This can be partly mitigated by limiting the value of loans and scrutiny of applications, but a residual risk will remain. Safeguards are built into the application process with regards to the need to produce feasibility studies and obtain sign off of the scheme via Asset Management, the Low Carbon Economy Team and Resources.

## **Procurement**

None.

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## **Appendix 2: School loans scheme**

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### **Background**

- 1 Schools can only borrow from external sources with the express permission of the Secretary of State, which is only granted in exceptional circumstances, or for specific loan schemes set up to allow investment in environmental improvements. However, statutory guidance allows local authorities to set up an internal loan scheme for schools.
- 2 The council has established a loan scheme for schools, funded from Council resources. This paper sets out the terms of the scheme and sets out the process for applying for a loan.

### **Eligibility**

- 3 All maintained schools are eligible to apply for a loan, within the restrictions of the scheme (see below). Maintained schools include the following categories:
  - Nursery
  - Primary (including infant and junior)
  - Secondary
  - Special
  - The Woodlands (PRU)
- 4 Academies are not eligible to apply for loans.
- 5 Schools will not be eligible to apply for a loan where the governing body or Interim Executive Board has made an application to become a sponsored academy or where the school becomes eligible for intervention by the Secretary of State, unless the academy trust sponsoring the academy has agreed to take on the liability for repaying the loan according to the loan schedule.

### **Purpose of loans**

- 6 Loans are only available for the purpose of funding expenditure on building works and new furniture or equipment, including ICT. Loans are not available for the purpose of:

- a) covering a temporary revenue funding problem (separate arrangements exist where schools can apply for permission to run a budget deficit temporarily); or
- b) funding works needed for a trading venture, such as altering a room to allow its use by a stand-alone nursery company.

### **Limits on advances**

- 7 The maximum amount that can be lent to a school is 5% of a school's current budget share.
- 8 Schools do not have to repay an existing loan (or loans) before applying for other loans, but the total value of loans outstanding will not be allowed to exceed the 5% of the school's current budget share, as described in the previous paragraph.
- 9 Loans will not be provided where the value requested is less than or equal to £5,000.

### **Period of loan**

- 10 The maximum period for loans is:
  - a) Seven years where the loan is to funding building works;
  - b) Four years, where the loan is to fund furniture;
  - c) Four years or the useful life of the asset, where the loan is to fund equipment;
  - d) For loans where the loan is to fund the installation of energy efficiency or carbon reduction measures, the maximum loan period will normally be ten years, but the council will consider extending this to a maximum of fifteen years in exceptional circumstances, linked to asset life and payback periods.

### **Interest**

- 11 The Council will determine the interest rate for new loans from time-to-time. The interest rate applied to a loan will be fixed for the life of the loan. The Council has the discretion to apply a lower rate to loans to fund the installation of installation of energy efficiency or carbon reduction measures.

### **Repayments**

- 12 Repayments will be annually in advance by journal transfer, debiting the school's delegated budget.

- 13 Schools may choose repayments on either an annuity or equal instalment of principal basis
- 14 Schools may decide whether to start repayments in the year of the loan or the year after.
- 15 Loans may be repaid early without penalty.

### **Transfers of loans**

- 16 Any outstanding loans will transfer to:
  - a) Any successor school, in the event that the school is included in an amalgamation to form a new maintained school; or
  - b) An academy trust, in the event that the school converts to academy status, whether by choice or as a sponsored academy.

### **Applying for a loan**

- 17 Applications should be submitted to the School Funding Team in the first instance, copied to both:

[david.shirer@durham.gov.uk](mailto:david.shirer@durham.gov.uk)

- 18 Applications should provide the following information:

#### *Purpose of loan*

- a. A description of the works to be funded by the loan.
- b. For building works:
  - i. Applications from maintained community schools must have prior approval from Asset management:  
[propertyhelpdesk@durham.gov.uk](mailto:propertyhelpdesk@durham.gov.uk)
  - ii. In addition, projects linked to carbon reduction / energy efficiency measures must have prior approval from the Council's Carbon Management Team as a viable and cost-effective solution  
[carbon.management@durham.gov.uk](mailto:carbon.management@durham.gov.uk)
  - iii. For building works not directly linked to carbon reduction or energy efficiency, schools should describe the effect of the proposed works on energy efficiency, carbon emissions and sustainability. Proposals should incorporate energy efficiency measures where appropriate and within the scope of the proposed works.

- iv. Schools should note that, depending upon the nature of the works, there may need to be a feasibility study prior to approval; where this is necessary the school will be responsible for funding the cost of the study;
- v. Applications from voluntary aided schools should be accompanied by a feasibility study from the Diocese for review by the Council;
- vi. Foundation schools should submit a feasibility study procured by the Trust.

**Voluntary aided and foundation schools should note that there may be a charge for the review of their feasibility studies.**

- c. For equipment, Council approval is not required, but schools are encouraged to seek advice from Corporate ICT:

[ictschoolservices@durham.gov.uk](mailto:ictschoolservices@durham.gov.uk)

### *School context statement*

- d. Schools should provide a context statement to address the criteria set out below. The statement will be evaluated by officers from Children and Adults Services and the School Funding Team:

#### Criteria

- i. The loan should be used to fund expenditure that is appropriate in the context of the school's forward planning for educational provision
- ii. The loan can be funded without cuts to other areas of expenditure that will harm standards of education or inhibit necessary improvements to standards;
- iii. The school carried forward a surplus balance at the end of the last financial year and that the current budget plan is for a surplus at the end of the current financial year of at least 2.5% of the current year's budget share plus Pupil Premium income;
- iv. The school has submitted a robust three-year budget plan, which demonstrates that the school can afford the annual cost of the loan over that period without going into deficit or reducing its surplus balance to less than 2.5% of the total of funding plus income from the Pupil Premium;

- v. That the school has an appropriate plan for managing its surplus and has given consideration to making a contribution towards the cost of the project from its balance.
- e. These requirements shall not apply where:
- i. loans are for the purpose of increasing the energy efficiency of a school; and
  - ii. the council's Low Carbon Economy Team confirm that the savings on energy costs to the school's delegated budget are expected to be at least equal to the cost of the loan (repayment and interest) from the first year in which a loan repayment is due.

### *Approval*

- a. Applications must include minutes confirming that the application has been approved by both the governing body and the finance committee of the governing body.
- b. These approvals should take the form of resolutions which acknowledge:
  - i. The financial commitment being made by the school, (with reference to a schedule of repayments and the three-year budget plan, both of which should be provided to governors in advance of their being asked to approve these resolutions);
  - ii. The transfer arrangements for any outstanding loan in the event of the school amalgamating or converting to an academy;
  - iii. Acknowledge the duties placed on the Council in relation to health and safety, and the Council policy on health and safety matters in the management of its budgets.<sup>1</sup>
  - iv. Acknowledge that where schools employ contractors directly that they then have a responsibility to ensure that:
  - v. The contractor is competent, adequately insured and that he/she has an appropriate health and safety policy in place

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<sup>1</sup> The Council has powers to issue directions to the governing body and head teacher of a Community, Community Special or Voluntary Controlled School on health and safety matters. These directions are enforceable on governing bodies via S.497 of the Education Act 1996 if not complied with. Section 39(3) of the School Standards and Framework Act 1998 enables LA to direct schools to take specific action (e.g. remedy a health and safety failing) or require a governing body or head teacher to comply with a specific aspect of the LA's Health and Safety policy.

- vi. The school undertakes all necessary risk assessments to ensure that the contractor can comply with safeguarding requirements for working in the school environment.

**Council's discretion**

- 19 The Council reserves the right to refuse any application at its absolute discretion.

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