



Cabinet

Date **Wednesday 16 March 2022**

Time **9.30 am**

Venue **Committee Room 2, County Hall, Durham**

Business

Part A

Items which are open to the public and press

1. Public Questions
2. Minutes of the meeting held on 9 February 2022 (Pages 3 - 8)
3. Declarations of Interest

Key Decision:

4. Feasibility Study Outcomes: Refurbishment and Re-use of the Former DLI Museum and Art Gallery Building at Aykley Heads - Report of Corporate Director of Regeneration, Economy and Growth [Key Decision: REG/02/22] (Pages 9 - 44)

Ordinary Decisions:

5. Quarter Three, 2021/22 Performance Management Report - Report of Corporate Director of Resources (Pages 45 - 122)
6. Forecast of Revenue and Capital Outturn 2021/22 - Period to 31 December 2021 and Update on Progress towards achieving MTFP(11) savings - Report of Corporate Director of Resources (Pages 123 - 174)
7. Bus Service Improvement Plan and Concessionary Fares Budget - Report of Corporate Director of Regeneration, Economy and Growth (Pages 175 - 184)
8. Public Space Protection Order - Durham City - Report of Corporate Director of Neighbourhoods and Climate Change (Pages 185 - 196)
9. Review of Community Engagement and Funding Processes - Report of Corporate Director of Neighbourhoods and Climate Change (Pages 197 - 210)

10. Such other business as, in the opinion of the Chair of the meeting, is of sufficient urgency to warrant consideration.
11. 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:

12. Feasibility Study Outcomes: Refurbishment and Re-use of the Former DLI Museum and Art Gallery Building at Aykley Heads - Report of Corporate Director of Regeneration, Economy and Growth [Key Decision: REG/02/22] (Pages 211 - 564)
13. 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
8 March 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 Council Chamber, County Hall, Durham on **Wednesday 9 February 2022 at 9.30 am**

Present:

Councillor A Hopgood, Leader of the Council, in the Chair

Cabinet Members:

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

Apologies:

Apologies for absence were received from Councillor A Shield

Also Present:

Councillors J Blakey, S Deinali, G Hood, G Hutchinson, P Jopling and M Stead

1 Public Questions

There were no public questions.

2 Minutes

The minutes of the meeting held on 19 January 2022 were confirmed as a correct record and signed by the Chair.

3 Declarations of Interest

There were no declarations.

4 Medium Term Financial Plan 2022/23 to 2025/26 and Revenue and Capital Budget 2022/23 (Key Decision: CORP/R/21/02)

The Cabinet considered a report of the Corporate Director of Resources which provided comprehensive financial information to enable Cabinet to agree the 2022/23 balanced revenue budget, details of significant investments in key front-line services, an outline Medium Term Financial

Plan MTFP(12) 2022/23 to 2025/26 and a fully funded capital programme to be recommended to Full Council on 23 February 2022 (for copy of report see file of minutes).

Councillor Bell thanked the Corporate Director of Resources and officers for the comprehensive report which represented the culmination of many months of work. It was the fifth and final report on the 2022/23 budget proposals and mtfp 12 forecasts in advance of the budget setting process at full council on 23 February 2022. He explained that it brings together the revenue and capital budget proposals for next year and is a set of budget proposals which he believed would be the envy of many councils. They have been able to balance the budget while making investments in key front-line services, with no increase in the core council tax, and no reliance on the use of reserves to balance the core budget next year. He explained there would be a proposal to increase the adult social care precept by 3% next year.

The budget included an ambitious capital programme with a £113m new investment, bringing the total capital programme of £602m over the next four years. He advised that there were significant investments which would produce visible and noticeable improvements to service delivery. He advised of the additional funding provided by government next year, and by having a thorough review of the council's earmarked reserves they have been able to release and re-prioritise £15m.

He explained that the cost pressures in adult and social care were enormous and even with the maximum increase in adult social care precept being applied this still fell short of the budget pressures faced.

It was disappointing that the settlement from government was only for one year, and with that and then not knowing the fair funding formula there was clearly significant uncertainty beyond 2022/23. He advised that this made financial planning difficult and depending on the outcome of the review and government funding it may require difficult choices to be made, however financial planning for next year would commence.

Councillor Hopgood thanked the Corporate Director and his team, and all officers for their work in producing the comprehensive report. She explained that this was the first set of budget proposals that they would be taking to full council as the joint administration, and that they demonstrate the scale of the ambition they had for the council and the county. She explained the scale of the budget pressures and of the significant investments they were making. She advised that the proposals were prudent and affordable which have been informed by community conversation, and consultation.

The one-year funding settlement from government was disappointing which along with the planned fair funding review was casting a shadow over

developing plans beyond next year. She pointed out that next year the budget was balanced and had been done so without the need to raise the core council tax or use reserves to balance it and advised that this would be a position that many other councils would be envious of.

The joint administration had undertaken a review of all of the council's earmarked reserves and other reserves, following which they had been able to re-prioritise and redirect some towards meeting the county's and the communities' priorities, which would make a huge difference to people's lives.

She explained that applying an increase in the adult social care precept had not been taken lightly, it had been borne out of financial necessity to help fund the significant budget pressures in those areas, and to meet needs of vulnerable people. She emphasised the importance of protection for those on low incomes and was pleased full council had supported the continuation of the council tax scheme, and the extension of the top up scheme into next year. She explained the difficult challenges ahead for the budgets from 2023 onwards which they would start to plan for immediately after the budget had been set.

Councillor Shuttleworth thanked the Corporate Director of Resources and his team for the report, and referenced the significant input required in producing it which is undertaken across the whole authority. He explained his support for the budget proposals and referenced those in particular in his portfolio area with the significant investment in highways services which would also help support investment into rural communities. The proposals would also address the maintenance of the unclassified road issues which had been highlighted in the TAMP report at the previous cabinet meeting. He agreed that making the decisions on the budget setting were not easy however believed the right balance had been struck, and would support the proposals to go to full council.

Councillor Wilkes advised of his support for the investment in front-line services and on tackling climate change. He thanked the officers involved in developing the report, and in particular thanked the Corporate Director of Neighbourhoods and Climate Change, and his team for their advice and support. He referenced the pressures in neighbourhood budgets, and welcomed investments in clean and green service, neighbourhood warden service, public rights of way and countryside management, pest control service, waste disposal, which would be a welcome investment in front line services and would make a noticeable difference. He also advised of the range of measures in the budget to tackle climate change which included investment to start to decarbonise the council's buildings and replace gas boilers, and in the low carbon team. He advised that the council was serious

about making the council one of the greenest in the country. He was pleased to support the proposals and recommend them to full council.

Councillor Sexton re-iterated thanks to Corporate Director of Resources and all of the Corporate Management Team for their working in producing the report. He referred to the size of social care service budgets for vulnerable adults and children, and that it was right to prioritise investment in these key statutory services. He welcomed the thorough review of the earmarked reserves and the re-prioritisation of these budgets. He explained that these decisions were difficult to make however there was no other option than to increase the adult social care precept to help to offset the significant cost pressures faced in social care.

Councillor Henderson thanked the Corporate Director of Resources for the work undertaken by him and his team. He welcomed the additional budget provision for looked after children and home to school transport. The areas have had significant budget uplifts in recent years but continue to be under increasing pressures. He welcomed the additional funding for schools, and special educational needs, and advised of the significant capital investment in schools.

Councillor Rowlandson in advising of his thanks to the Corporate Director of Resources and his team advised of his support for the budget proposals. He welcomed investments in allotments, countryside estate, the community protection service, and provision to address the current skills and enterprise gap. He also referenced the investments in playing pitches, and parks. He noted the matched funding for the councils ambitious levelling up bids which would enable the submission of bids for the investments in the other five constituency areas. The budget would improve lives and opportunities of local communities and businesses.

Councillor McDonnell thanked the Corporate Director of Resources and the team for the detailed report. She explained that over many years the council had supported to protect vulnerable people, and that this would continue by retaining the local council tax reduction scheme, and extending the top up scheme into next year. She advised of the support to the welfare assistance scheme, and through a range of interventions with the council's partners support people in crisis and also help address the underlying issues. She advised of her support for the proposals.

Resolved:

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

5 School Admission Arrangements Academic Year 2023/24 (Key Decision: CYPS/02/2022)

The Cabinet considered a report of the Corporate Director of Children and Young People's Services which sought approval of the proposed admission arrangements and oversubscription criteria for Community and Voluntary Controlled Schools for the 2023/24 academic year (for copy of report see file of minutes).

Resolved:

That the recommendations in the report be approved.

6 Tenancy Strategy 2022-2027

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth which sought approval to update the Tenancy Strategy 2022-27; elect to adopt an Introductory Tenancy Scheme for the Council's housing stock and approve the Council's Secure and Introductory Tenancy Agreement (for copy of report see file of minutes).

Resolved:

That the recommendations in the report be approved.

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Cabinet

16 March 2022

Feasibility Study Outcomes: Refurbishment and Re-use of the Former DLI Museum and Art Gallery Building at Aykley Heads

Key Decision No. REG/02/22



Report of Corporate Management Team

Amy Harhoff, Corporate Director of Regeneration, Economy and Growth

Councillor Elizabeth Scott, Cabinet Portfolio Holder for Economy and Partnerships

Councillor James Rowlandson Cabinet Portfolio Holder for Resources Investment and Assets

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 This report outlines the outcomes of the further feasibility studies that have been undertaken following agreement by Cabinet in September 2021 to consider the options for refurbishment and reopening of the former DLI Museum and Art Gallery (DLIMAG) and grounds and sets out an approach to bring it back into use as an exhibition centre, gallery and café venue with appropriate reflective and contemplative grounds.

Executive Summary

- 2 In June 2021, Cabinet agreed to review options to reopen and repurpose the DLIMAG and within this context, also consider the options for housing parts of the collection within the former site.
- 3 The initial review, concluded and considered by Cabinet in September 2021, identified that the preferred option to bring the building back into use was as an exhibition centre, gallery and cafe venue with appropriate reflective and contemplative grounds, incorporating a dedicated display space for items from the DLI Collection to complement plans for the exhibitions in the Durham History Centre, acknowledging that the new

History Centre would be the permanent home for the DLI Collection, its storage, care and curation.

- 4 Since the decision to review the site in September 2021, an intense period of feasibility studies has been conducted to support decision making on the options to reopen the site and the associated financial requirements.
- 5 Engagement with key stakeholders and partners alongside considerations from key council departments including planning, highways and equality and diversity, have informed considerations and options for the site. This builds on the stakeholder engagement carried out during July 2021, that was fully considered as part of the report presented to Cabinet in September 2021.
- 6 In October 2021, the Council, in partnership with Durham University and the Culture Durham Partnership, were long-listed with seven other places for the UK City of Culture 2025 competition, a key aspect of which is to support the sustainability of cultural assets.
- 7 Revival of the DLIMAG building, as part of the strategic re-development of Aykley Heads and in line with the county's emerging inclusive economic strategy, provides an opportunity for culture-led levelling up that will be open to all communities and free at the point of access.
- 8 Redevelopment of the site as an exhibition centre able to deliver world-class visual art along-side displays of our proud history is integral to not only the broad opportunities at the Aykley Heads development and the wider tourism offer of the country and the region, but a conscious programme to celebrate culture and heritage and the many positive impacts these can have for residents and visitors.
- 9 The feasibility study included the review of five options against a clear brief of objectives to be delivered at the site and for our communities, those options were:
 - (a) Option 0 - **Do Minimum** option comprising a refresh and 'clean up' of the existing building within the existing footprint, dedicated display space for the DLI Collection and baseline works to develop a contemplative garden;
 - (b) Option 1 – **Minimum Intervention** comprising complete transformation of the existing building, dedicated display space for the DLI Collection and baseline works to develop a contemplative garden, with the demolition of the existing single storey elements (including public toilets) and a small extension to the east of the property;

- (c) Option 2 – **Intermediate Intervention** similar to Option 1 but includes a much larger extension along the full extent of the eastern elevation increasing the net internal area of the building by approximately 47%. The amount of exhibition space, and dedicated display space for the DLI Collection, is increased and there is also an increase in the amount of flexible space for education and events. The café is also larger. Additional space is included for an artist in residence and bookable meeting rooms. Works to the garden are based on a mid-level scope;
- (d) Option 3 – **Maximum Intervention** similar to Option 2 but the extension along the eastern elevation doubles increasing the net internal area of the building by around 96%. This option has the most exhibition space and dedicated display space for the DLI Collection. The space for artists in residence / creative hub is also more than double the space provided in Option 2. In addition to a larger café this option also includes additional space for a new restaurant. Works to the garden are based on the top-level scope;
- e) Option 4 – **Do Maximum** as Option 3 in terms of geometries / space requirements but assumes new build rather than a refurbishment of the existing building.

10 Options 3 and 4 are the only options to fully meet the critical success factors. Based on the financial, commercial, economic and market analysis to date the report recommends Option 3 as providing the best value for money against the criteria while delivering a cultural and visual art venue that would raise the city and county’s profile against the regional and national cultural offer.

11 Construction costings and business plan analyses developed for each option have taken a risk-based approach and maximum expected financial commitments are presented.

Recommendation(s)

12 Cabinet, having regard to the corresponding exempt report, is recommended to:

- (a) agree to implement Option 3 of this report as the preferred redevelopment opportunity with a forecast additional MTFP revenue budget requirement, including revenue cost of prudential borrowing required, totalling £1.019 million to be built into MTFP (13) planning;
- (b) agree that a comprehensive capital and revenue fundraising strategy is developed with immediate effect to seek external funding in order to minimise the prudential borrowing and ongoing revenue commitment of the Council;

- (c) note need to further develop all aspects of the preferred option including the preferred delivery model and revenue implications.

Background

- 13 On 16 June 2021, Cabinet agreed to review options for the potential future use of the former DLI Museum and Art Gallery (DLIMAG) building and surrounding grounds. The review addressed two key questions:
 - (a) can the former DLI Museum be brought back into use to house the DLI collection?
 - (b) what are the options to repurpose the former DLI building/site for alternative uses?
- 14 Undertaken throughout July and August 2021, the review was underpinned by two separate independent reports from the Director of the National Conservation Service and global real estate advisor, s Avison Young, provided architectural, planning and market appraisals for the building and its prospective potential uses should it be brought back into use.
- 15 On 28 July 2021, a meeting of the Corporate Overview & Scrutiny Management Board (COSMB) provided an opportunity to consider the review questions and key stakeholders were invited to submit representations on the issues from their perspectives. The outcome of that meeting was fully considered as part of the review.
- 16 On 29 September 2021, Cabinet agreed with the findings of the review report which identified through evidence and analysis, that reopening the former DLIMAG building to house the whole DLI collection was not practicable.
- 17 The preferred solution identified was for the development of the former DLIMAG building as an exhibition centre, gallery and café venue, including dedicated space for display of DLI Collection items that will complement plans for exhibitions in Durham History Centre (DHC), noting the purpose built DHC will be the permanent base for the DLI Collection, its storage, care and curation.
- 18 The September Cabinet report also concluded that the grounds surrounding the former DLIMAG building should be considered sensitively, as they had been used over a number of years as an informal site for the scattering of veterans' ashes. The report identifies the opportunity to develop a peace or contemplation garden in the grounds.
- 19 The report recommended the commission of further detailed feasibility work into:
 - (a) refurbishment of the former DLIMAG building as an exhibition centre, gallery and café venue including dedicated space for display of DLI collection items that will complement plans for exhibitions in Durham

History Centre (DHC), noting the purpose built DHC will be the permanent base for the collection and its storage care and curation;

- (b) an appropriate funding strategy, operational model, and business plan, including a marketing strategy for the venue, and an assessment of the wider opportunities of connections to new and existing sites in the city such as Wharton Park and the new History Centre; and
- (c) an appropriate reflective garden in the grounds.

20 It was agreed that the outcome of the further feasibility (which was to include full consideration of the MTFP and revenue and capital budgetary impacts) of bringing the building back into use, should be presented to Cabinet for consideration in early 2022. This report satisfies that requirement.

Approach

- 21 The feasibility project has considered the current condition of the building and options for redeveloping the former DLIMAG building in line with the recommendations agreed by Cabinet in September 2021, including a full assessment of risks, financial, legal and value for money issues.
- 22 Key stakeholder and partner engagements took place between October and January to inform the development of the project brief; those involved in these engagements included sector and subject specialists, funders and appropriate national bodies, artistic practitioners, veterans and interested public campaign groups including: the Regimental and Chattels Charity of the Former Durham Light Infantry (referred to as the DLI Trustees), DLI Association, the Army Museums Ogilby Trust (AMOT), the National Army Museum (NAM), Arts Council England (ACE; the accrediting body for museums), Museums Development NE, Culture Durham Partnership and the Faithful Durhams campaign group.
- 23 Avison Young¹ were appointed to work with Durham County Council to assist with the development of the feasibility study, including a business case for the venue, and to oversee the appointment of technical consultants to inform this work.
- 24 Counterculture LLP² were appointed to assist with developing a funding strategy, operational model, and marketing strategy for the venue and have worked closely with Avison Young and Durham County Council to develop the business case.

¹ [UK commercial real estate agents | Avison Young](#)

² [Home - Counterculture \(counterculturellp.com\)](#)

Critical Success Factors

- 25 Building on the recommendations agreed by Cabinet in September 2021, the outcomes of early engagement with key stakeholders, and analysis for the likely market/ visitor needs the following success factors were identified:
- (a) bring a popular building back into active and sustainable use, as a community asset and visitor destination attracting between 60,000 – 150,000 visitors per annum;
 - (b) retain links to the building’s heritage and former uses including a dedicated space for part of the DLI Collection and explore opportunities to provide storage for other DCC collections complementing rather than conflicting with plans for Durham History Centre;
 - (c) enhance the grounds - preserve and enhance an important site of reflection and commemoration;
 - (d) provide a new cultural visitor attraction and cafe to address gaps in local cultural infrastructure and visitor economy assets in order to increase visitor numbers, dwell time and spend;
 - (e) support the ambitions of County Durham’s bid for UK City of Culture 2025 and the important role of culture-led regeneration in delivering key step changes to protect and enhance our heritage, grow our creative and visitor economies, empower communities and deliver greater wellbeing;
 - (f) support levelling up of the County as part of an inclusive economic strategy;
 - (g) consider the role of the former DLIMAG building as part of the broader Aykley Heads development;
 - (h) provide a pathway to Net Zero to minimise any negative environmental impacts of both refurbishment works and ongoing revenue operations – seeking out potential for decarbonisation whilst acknowledging that net zero may not be achievable in the short-term but that the building will be on a ‘pathway to net zero’;
 - (i) build on County Durham’s strong track record through the Durham Pound to deliver economic and social value, making a significant contribution to local communities.

Stakeholder Engagement

- 26 As part of the detailed feasibility work, and in order to provide transparency and inclusivity to the development process, engagement workshops with

key stakeholders and cultural partners were carried out in December 2021 and January 2022. The purpose of these engagements was to:

- invite key stakeholders to share their top three ambitions/aspirations for a new cultural venue and reflective grounds at Aykley Heads from their perspective;
- for cultural partners to share thoughts on how Art could play a significant role in a new exhibition centre, gallery, and café and garden venue at the Aykley Heads site;
- to seek views on any key considerations /technical requirements that the feasibility team should consider.

27 The views and feedback collected during these sessions, which are summarised below have been fully considered and used to inform the feasibility study.

Engagement with culture and heritage Stakeholder Organisations December 2021

- 28 A meeting of key partners and stakeholders including representation from: the Regimental and Chattels Charity of the Former Durham Light Infantry (referred to as the DLI Trustees), DLI Association, the Army Museums Ogilby Trust (AMOT), the National Army Museum (NAM), Arts Council England (ACE; the accrediting body for museums), Museums Development NE and the Faithful Durhams campaign group was held on 17 December 2021.
- 29 A number of key themes came out strongly during this engagement session and are summarised below:
- (a) **Sustainability and resilience** should be a core consideration for any future development. This was expressed from multiple perspectives, such as environmental, financial, visitor engagement and professional care of the collections. It was noted that the flexibility of internal spaces and the right food and beverage offer should be key considerations;
 - (b) Stakeholders were keen to see **an inclusive and engaging venue** which is open and accessible for all and can be a great day out for families;
 - (c) It was felt that the closure of the former DLIMAG had left a **gap in the visual arts sector** in Durham and a desire was expressed for a new venue that could address this and provide a space for art exhibitions, both touring, national loans and commissions;

- (d) Stakeholders were keen for the venue to have a clear identity and be seen as **a visitor destination in its own right**;
- (e) That the feasibility study should explore potential **opportunities for peace and reflective areas within the grounds around the building**;
- (f) Any plans for the wider landscape should take account of the need to use the grounds in a number of ways including for outdoor events, reference was made particularly to previous events such as summer concerts;
- (g) Stakeholders were clear that plans must complement the arrangements and plans for the DLI Collection at the Durham History Centre;
- (h) Potential synergies with, and support for, the City of Culture 2025 bid and programme should be explored, it was felt that **a new cultural venue could act as a gateway for different audiences to the Council's wider cultural offer**.

Engagement With Local Arts Sector January 2022

- 30 A meeting of artistic practitioners and arts organisations was held remotely on 24 January 2022.
- 31 A number of key themes came out strongly during this engagement session and are summarised below:
 - (a) Consideration should be given to **taking the building back towards the original architectural intent**, there was a feeling that the building had lost its visual impact and that interventions over the years had been unsympathetic;
 - (b) There is **a significant gap in the arts sector in Durham** (both city and county) that could be addressed through a new cultural venue;
 - (c) There is **demand and a gap in the market for artistically active spaces** e.g. artist studios, maker spaces etc;
 - (d) It is important to **get the technical requirements right** whether that be for object collections, art or performance. If technical requirements are not met it will not be possible to attract high profile artists, loans, exhibitions;
 - (e) Learning from the Covid-19 pandemic has shown that outdoor spaces can be used to engage with a wide range of audiences and break down barriers to engagement. A venue on this site should be a

visitor destination not just because of the building and its contents but for the grounds around it as well;

- (f) Important to build in as much **flexibility** as possible.

Current Building Condition

- 32 A condition survey of the building undertaken in April 2015, identified that significant capital investments would be required to replace or upgrade the heating systems, drainage, and lifts, together with major works required to the roof. The boiler plant, lifts and mechanical services have not been used extensively since the building closed and are not suitable for sustained use. The lifts are at end of life and likely to be deemed unacceptably small and narrow for human use under Building Regulations. Replacement is therefore required.
- 33 Asbestos is present in parts of the building and is currently managed in-situ in accordance with the Control of Asbestos Regulations 2012 (CAR 2012). A full Refurbishment and Demolition survey as defined in HSE guidance needs to be undertaken prior to any works to the venue and any asbestos which will be disturbed during the works will be removed in accordance with current legislation and industry guidance. These works will be commissioned and overseen by the Council's specialist Asbestos Unit.
- 34 The pumps serving the foul water drainage system are situated below ground, within the adjacent wood between the building and County Hall. A feasibility study, in 2015, concluded that the system was beyond its reasonable life expectancy, leading to regular breakdowns. A new pumping station and foul drainage system, including a new rising main connecting into the existing sewer network will be required for any future / alternative use.
- 35 The building is not currently fully compliant with Part M of the Building Regulations (access to and use of buildings). The building will need adjustment to meet the relevant standards.

Sustainability

- 36 In 2019 Durham County Council declared a climate emergency and pledged to:
 - (a) reduce carbon emissions from Durham County Council's operations by 80% from 2008/09 levels by 2030, making significant progress towards making Durham County Council and County Durham as a whole carbon neutral;
 - (b) Investigate what further actions are necessary to make County Durham Carbon Neutral by 2050 and pledge to achieve this.

- 37 A Climate Emergency Response Plan was subsequently presented to Council on 17 July 2019, with a public consultation carried out on this plan informing future actions, including the production of a Climate Change Emergency Action Plan to cover 2020-2022. This Plan was approved at a meeting of the Council's Cabinet in February 2020.
- 38 This plan stated the Council must embed carbon reduction in the culture of the organisation.
- 39 Significant numbers of both public (39%) and staff (41%), who took part in a survey asking respondents what the Council should prioritise in reducing emissions, felt the Council should seek to ensure new buildings are very low or zero carbon.³
- 40 In light of the Council's declared climate change emergency any refurbishment of the building will need to include measures /options which seek to reduce and or decarbonise the building and thereby contributing to making Durham County Council and County Durham as a whole carbon neutral. The following considerations must be clear:
- (a) It is unlikely the building will achieve 'zero carbon' status in the short-term as this can only be achieved once the National Grid has become decarbonised. The ambition is therefore to place the building on a 'path towards achieving net zero' carbon emissions;
 - (b) Priority is to remove all fossil fuel burning plant within the building (the building currently runs on oil fired boilers);
 - (c) Installation of a new ventilation system with heat recovery should be explored as should any opportunity for ground source heat pumps;
 - (d) The Solar PV installation on the roof should be retained and ideally supplemented where possible.

Planning and Highways Considerations

- 41 Discussions have been held with key Council departments along a range of themes to inform the feasibility studies that have been completed. Early engagement with planning, highways, and equality and diversity have taken place and are summarised below.
- 42 Consultation with Planning and Highways Officers yielded the following key points:
- (a) The building was originally designed as a pavilion set within a parkland landscape. The project presents an opportunity to recover

³ Climate Change Emergency Response Plan - Report of Interim Corporate Director of Regeneration and Local Services – Cabinet Wednesday 12 February 2020

the architectural significance of the building and re-establish the setting;

- (b) The building lies within a Conservation Area and Area of High Landscape Value;
- (c) The building is considered a non-designated heritage asset and any works to the building will need to demonstrate they are sympathetic to the building;
- (d) The building lies within designated Green Belt and therefore any proposals to extend the building must be proportionate;
- (e) The proposals should take into consideration the wider aspirations / vision for the Aykley Heads site;
- (f) Consideration should be given to a Green Travel Plan to understand the likely modes of transport visitors will use and locations they will travel from;
- (g) Car Parking requirements should be reviewed to determine whether the existing spaces will be sufficient;
- (h) Connectivity to and through the site for pedestrians should be examined in addition to links to other car parking options.

Equality, Diversity & Inclusion Considerations

43 Consultation with members of the Equality and Diversity Team yielded the following key points:

- (a) Achieving British Standard BS 8300 (design of buildings and their approaches to meet the needs of disabled people) as opposed to Part M of the Building Regulations may be a better long-term option;
- (b) Consideration should be given to Changing Places for adults with additional needs;
- (c) Consideration should be given to a rest & reflection or sensory room which can be used for a variety of purposes;
- (d) The venue should be as inclusive as possible;
- (e) Signage to and within the venue should be sensitive to users with additional needs;
- (f) Consultation should be carried out with the wider public including, target audience groups, the Disability Partnership, education providers and County Durham residents; consultation should cover

both the development of the building itself and the programmes delivered from the venue;

- (g) An Access Consultant from the National Register of Access Consultants should be appointed to support the development of the detailed building plans for the preferred option.

An initial Equality Impact Assessment (EIA) screening is at Appendix 2. Should the building be brought back into use a full EIA will be carried out aligned to the preferred option.

Market and Audience Analysis

- 44 Data from the Audience Agency⁴ suggest that County Durham Residents have lower levels of cultural engagement than experienced nationally and lower than experienced elsewhere in the North East.
- 45 Visiting audience analysis undertaken by Visit County Durham to support the City of Culture bid indicates that approximately 20 million people visited County Durham in 2019, supporting over 12,000 FTE jobs and contributing £955 million to the local economy. While the past two years have seen a significant reduction in visits due to the restrictions and impacts of the COVID-19 pandemic, visitor numbers are forecast to recover and increase by 2025, to 22.6 million, resulting in over £1 billion in total economic impact. Should the City of Culture bid be successful, visitor figures are expected to increase further.
- 46 Investment in a new cultural venue at Aykley Heads could therefore be reasonably expected to contribute to an increase in visits to Durham provided it is effectively programmed and marketed.
- 47 Integration into the wider tourism offer would encourage visitors to stay in the area for longer increasing spend per visit and overall local visitor economy benefits.
- 48 Stakeholder consultation has identified that the closure of the former contemporary art gallery aspect of the building left a gap in the arts sector in Durham. Additionally, there is a shortage of both nationally and internationally significant visitor attractions in Durham.
- 49 A mapping exercise exploring the extent of cultural provision in and around County Durham has also been carried out.
- 50 Economic modelling undertaken by Counterculture to support the Durham City of Culture bid forecasts creative industries sector growth of between 175 and 350 enterprises and between 2.2 and 4.4 thousand workers by 2028, depending on the outcome of the bid. All of these will need to be

⁴ [The Audience Agency Group | The Audience Agency](#)

accommodated. In the absence of other projects to develop the required infrastructure, and subject to further market-testing, this factor (among others) would appear to present a strong case for creative workspace to be incorporated within the venue.

Options Appraisal – Building Interventions

- 51 Using the success factors outlined a long list of potential building components was drawn up by CounterCulture and set against an initial business case comprising economic, commercial and financial considerations. The list included core requirements expressly stated in the project objectives (e.g. exhibition space, displays, storage, catering) along with other options that might contribute to wider project objectives based on stakeholder insights, comparator venues and/or past experience. Each option on the long-list was then evaluated in discussion with the DCC project team and the wider design team, with reference to the following:
- **Strategic Fit** – alignment of the option with strategic context and project cost and funding requirements and market analysis and demand from low to high. Core requirements (e.g. exhibition space) were rated highest on this measure, closely followed by other options that have the potential to address identified gaps in market provision and/or deliver clear strategic benefits to Durham (e.g. creative workspace, learning & engagement space). Options for which there was less explicit evidence of need or demand but the likelihood of achieving some strategic benefits were rated in the mid-range, with those that were deemed likely to compete or conflict with existing provision or policy objectives rated lowest;
 - **Achievability** – ability to deliver the project within resource constraints (budget, team), building constraints, and relevant legal or planning frameworks, were overlaid with ratings from low to high. Options that require small, simple and/or flexible space were rated highest on this measure, with those that had more demanding spatial requirements, technical specifications or planning implications (e.g. performance venue) rated lower;
 - **Sustainability** – ability to attract funding or income to cover operating costs, from low (expected deficit) to high (expected profit). Options that are expected not only to cover their own operating costs but deliver net income to support the overall business model were rated highest, with those that were more likely to require significant ongoing subsidy rated lowest. Those that could reasonably be expected to breakeven, or thereabouts, were rated in the mid-range.
- 52 A range of refurbishment and operating options have been considered in detail drawing upon the evaluation of potential building elements. From these five options were developed exploring a range of intervention levels

from baseline, do minimum works (option 0), to do maximum demolish and rebuild (option 4):

Option	Description
1	<p>1,560 sqm (GIA) of refurbished cultural, food & beverage, retail, and event space, providing:</p> <ul style="list-style-type: none"> • Flexible exhibition spaces with ancillary lift, transitional storage and workshops, including dedicated DLI Collection display • Café with adjacent kitchen and servery area • Visitor reception area incorporating gifts and merchandise for sale • Flexible space for meetings, events, projects and learning & engagement activities • Other (office, admin, circulation, welfare, plant and storage) spaces proportionate to building size & use
2	<p>1,965 sqm (GIA) of refurbished space, as in Option 1 with:</p> <ul style="list-style-type: none"> • Increase in GIA to all elements including dedicated DLI Collection display • Additional spaces including: <ul style="list-style-type: none"> ○ Lettable studio space for up to 4 artists-in-residence ○ Lettable retail / commercial space
3	<p>2,395 sqm (GIA) of refurbished space, as in Option 2 with:</p> <ul style="list-style-type: none"> • Further increase in GIA to all elements, including greater studio/workspace provision to accommodate additional artists and creative practitioners, also including dedicated DLI Collection display • Introduction of a restaurant with adjacent kitchen and servery area

Option 4 – Do Maximum, Demolition & Rebuild

53 In addition to reviewing options to remodel and refurbish the existing building the feasibility study has also considered a ‘do maximum’; Option 4. This option explored the costs and benefits of full demolition and rebuild to the geometry of Option 3. As the estimated cost of this option is significantly more than Option 3 which will bring the same spatial elements and benefits; Option 4 – demolition and rebuild is not advised.

Gardens

- 54 A key objective of this project is to enhance the grounds and create an appropriate reflective / contemplative garden; a high-level strategy for the remodelling of the existing grounds has been included in considerations and costings for each option.
- 55 Based on these elements three options landscaping have been developed:
- (a) **Baseline Scope:** includes repair, resurface and creation of new pedestrian footpaths, pond improvements, the creation of a contemplation area, soft landscaping, lighting for footpaths and feature locations and drainage;
 - (b) **Mid-Level Scope:** replicates what is included in the baseline but also includes a natural amphitheatre (earthworks and block seating) and children's play area (new paths and woodland themed play area);
 - (c) **Top-Level Scope:** replicates what is included in the mid-level scope but with additional elements including a new bridge across the pond (reinstating an original feature), improved soft landscaping and infrastructure for artwork pieces.

Economic Benefits

- 56 The options appraisal process has included an assessment of the relative economic benefits of the three short-listed options (Options 1 to 3). The main types of economic benefit of the project (regardless of option) are expected to include:
- Creative economy benefits through workspace, programming & procurement;
 - Visitor economy benefits through a new cultural visitor attraction;
 - Wider economic benefits through multiplier effects and access to bookable space;
 - Investment leveraged through fundraising and private sector partnership;
 - Education & skills increased through new learning activities;
 - Health & wellbeing increased through new engagement / participatory activities;
 - Asset value increased through investment in land and property;

- Cultural sector jobs created through new programme & operations roles;
 - Construction jobs supported through capital expenditure.
- 57 Benefits are expected to be of progressively greater value in Options 2 and Option 3 as a result of:
- Increased levels of capital investment / expenditure increasing the size, scope and opportunities available;
 - Enhanced public offer with additional space, facilities and amenities, leading to further growth in Durham's visitor economy;
 - Enhanced business offer with creative workspace and additional retail/F&B opportunities, leading to further growth in Durham's creative economy and hospitality sector.
- 58 An assessment of the types and number of new jobs that could be created or existing jobs which would be safeguarded under each option has been made and is explored further in the corresponding exempt from publication report considered later on the agenda.

Operating and Business Model

- 59 As part of the feasibility study two main options for the operation of the venue have been considered:
- (a) Operation by Durham County Council, this option would require the creation of new jobs and roles to deliver the programme and expected benefits; or
 - (b) Operation by a 3rd party organisation – this option would likely require creation or identification of an organisation with charitable status (for fundraising and other purposes) but could involve a trading subsidiary.
- 60 The business model will need to strike a balance between maximising public benefits to help drive footfall, engagement and impact while maximising income/ minimising subsidy to reduce net operating costs. In order to balance these priorities a mixed business model is proposed where access to some elements of the offer will be free of charge, some provided at reduced cost and others at commercial rates, the business model. Key to this mixed approach will be the extent, variety and quality of the offer.
- 61 A high-level assessment of fundraising and development opportunities for both capital and revenue has also been carried out during the initial feasibility stage.

- 62 The opportunity exists to raise private funds in support of the capital project at Aykley Heads. A primary source for potential capital funding are trusts and foundations which have a track record and history in funding large capital projects. More recently, the large capital funders have been more interested in funding arts and cultural activities outside of London, especially in areas where provision is low.
- 63 As part of rolling out its new 'Let's Create' strategy, Arts Council England (ACE) has identified 54 priority places across England where ACE investment and engagement is too low. ACE is prioritising working with and investing in these areas from 2021 to 2024. County Durham has been identified as one of these priority areas.
- 64 The Arts Council's Private Investment in Culture Survey 2019⁵ provides a useful insight into the pre-pandemic average levels of fundraised revenue income experienced in arts and culture organisations across England. In determining the possible levels of annual fundraised income at for this new venue, the following report results have been considered:
- For all arts organisations with an annual income of £1 million - £5 million, on average 17% of all income came from private investment, 41% from earned income and 42% from public funding;
 - For arts organisations in the North, on average 10% of all income came from private investment, 45% from earned income and 45% from public funding;
 - For visual arts organisations and museums, on average 16% and 21% respectively of all income was fundraised;
 - For visual arts organisations, on average fundraised income was split 37% trusts and foundations, 47% individual giving and 16% business investment.

Key Risks

- 65 As part of the feasibility study a full risk register has been compiled for the project with contributions from key experts and teams both within and outside of the Council.
- 66 27 risks have been identified at this stage in the project. 51% of the risks have been identified as having a high/very high level of impact. However, most of these risks will be 'designed out' as the project progresses and details are firmed up, mitigations have been put in place to manage these through the following RIBA (Royal British Institute of Architects) stages.

⁵ [ACE: Private Investment in Culture Survey 2019](#)

Main Implications

- 67 Option 0 and Option 4 do not meet the critical success factors nor do they offer value for money; as a result it is advised that these options are not considered further.
- 68 Option 1 (minimum level of intervention) would see the existing building transformed within the current footprint to provide permanent exhibition and display space, a modest café offer and a small amount of retail and meeting space. Given the limitations of Option 1 it would be difficult to significantly widen the offer of the building and it would not be possible to attract the type and scale of temporary exhibition which would be required to drive high footfall and significant income and engagement.
- 69 Both Option 2 and 3 propose large increases in the gross internal area; approx. 47% and 96% respectively. This increase is key to providing enough of the required types of spaces (in terms of height, floor area, location, conditions etc) to drive the scale and quality of programme necessary to meet the financial targets outlined in detail in the corresponding exempt from publication report with Option 3 providing the best outcomes. Both of these options also have the potential to significantly widen the cultural offer within the city due to the potential facilities they could accommodate.
- 70 Option 3, the maximum level of intervention which effectively doubles the existing footprint of the building would allow significant enhancements to both the cultural sector and the public through greatly increasing the number and size of potential facilities.
- 71 Options 3 and 4 are the only options to fully satisfy the project objectives and offer the highest value for money and lowest subsidy per visitor while delivering a cultural and visual art venue that would raise the city and county's profile, benchmarking well against the regional and national cultural offer. Figure 1. Shows what the building could look like under Option 3.





Figure 1. Option 3 feasibility study sketch of East and South elevations

Aykley Heads Masterplan

- 72 The Aykley Heads Masterplan when delivered will provide a 38,000 sqm high-quality employment destination and will deliver more and better jobs and drive demands for goods and services; increasing numbers of businesses and opportunities to tackle economic deprivation.
- 73 Although the former DLIMAG building and grounds are not part of the masterplan their proximity to this significant development should be considered. Redeveloping the former DLIMAG building and grounds will complement the broader redevelopment of Aykley Heads. As the development progresses it will provide opportunities to engage with the business community and those working from the Aykley Heads site.
- 74 Early discussions with the AH masterplan project team and highways have identified other benefits through improvement to active mode routes and public transport supporting the aim for operations and visits to the new venue to be on the pathway to net zero.
- 75 The cultural amenities will benefit from co-location with a growing critical mass of innovative and knowledge risk private sector business and footfall presenting economic opportunities to safeguard and sustain the former DLIMAG future operations.

City of Culture

- 76 Durham's bid for UK City of Culture 2025 sets out an ambitious plan to achieve significant uplift in the creative and visitor economy and improvements in community wellbeing and empowerment through a year long programme of nationally significant events underpinned by an extensive education and skills programme.
- 77 An appropriate capital infrastructure is necessary for the successful delivery of the City of Culture programme and the bid identifies a gap in the visual arts infrastructure that would be mitigated by the development and refurbishment of the former DLI museum and art gallery.

- 78 The venue could offer a potential home for national events such as the Turner Prize in 2025 as well as supporting the aim of improving walking and cycling routes, allowing visitors and residents alike to access green routes between the city centre, riverbanks, Crook Hall and Wharton Park, contributing to environmental and health outcomes.
- 79 While City of Culture is an important economic growth driver, the Council is committed to culture-led regeneration and its contribution to Levelling Up regardless of the outcome of the bid for the 2025 title and a further report on how this could be delivered and the resource impacts on the Council will be considered later this year.

Conclusions

- 80 There is an identified gap for visual arts in the cultural offering of Durham City and the wider county.
- 81 The opportunity to bring the former DLIMAG building back into use as an exhibition centre, gallery and café with dedicated display space for the DLI Collection to complement the exhibitions at the Durham History Centre would provide a new cultural visitor attraction to address gaps in local cultural infrastructure and visitor economy assets in order to increase visitor numbers, dwell time and spend in the local economy.
- 82 The inclusion of reflective and contemplate grounds and dedicated display space for the DLI Collection would see links to the building's heritage and former uses retained and celebrated.
- 83 Bringing the building back into active and sustainable use, as a community asset and visitor destination will support the ambitions of County Durham's bid for UK city of Culture and would recognise the key role of culture-led regeneration in supporting levelling up and the Council's inclusive economic plan building on County Durham's strong track record through the Durham Pound to deliver economic and social value making a significant contribution to local communities.
- 84 Based on the feasibility studies to date Option 3 provides the best value for money to the while delivering a cultural and visual art venue that would raise the city and county's profile against the regional and national cultural offer.

Background papers

- Corporate Overview and Scrutiny Management Board - Review of the Durham Light Infantry (DLI) Collection and Archive

Other useful documents

- Cabinet Report December 2015

- Cabinet Report June 2021
- Cabinet Report September 2021

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Appendix 1: Implications

Legal Implications

The Council has the power to operate museums and art galleries under section 12 of the Public Libraries and Museums Act 1964 and may do all such things as may be necessary or expedient for or in connection with the provision or maintenance thereof.

Finance

There will be a need to “opt to tax” the building upon completion of the works to avoid a position where there is an adverse impact on the Councils Partial Exemption position. This will mean that VAT would be chargeable on any hire of rooms.

The MTFP(12) capital budget approved by County Council on 23 February 2022 has the capacity to finance £6.5 million of the capital costs of the development. Based upon the estimated capital costs of the three options and the total forecast revenue impact of the three options. It is forecast that the budget impact of the proposal would need to be included in MTFP (13) planning for the 2024/25 revenue budget:

	Option 1 £m	Option 2 £m	Option 3 £m
Forecast Net Operating Costs	0.763	0.739	0.605
Forecast Additional Borrowing Costs	0.147	0.267	0.414
Forecast Total Annual Budget Impacts	0.910	1.006	1.019

At this stage of the development the assumptions of expenditure and income are informed estimates and further work will be required to refine these estimates.

Consultation

Key stakeholder and partner engagements took place to inform the development of the project brief; those involved in these engagements included sector and subject specialists, funders and appropriate national bodies, artistic practitioners, veterans and interested public campaign groups including: the Regimental and Chattels Charity of the Former Durham Light Infantry (referred to as the DLI Trustees), DLI Association, the Army Museums Ogilby Trust (AMOT), the National Army Museum (NAM), Arts Council England (ACE; the accrediting body for museums), Museums Development NE, Culture Durham Partnership and the Faithful Durhams campaign group.

Further engagement with key stakeholders and target audiences will be carried out once the preferred option is selected. Consultation will be carried out with the wider public including, target audience groups, the Disability Partnership, education providers and County Durham residents; consultation will cover both the development of the building itself and the programmes delivered from the venue.

Equality and Diversity / Public Sector Equality Duty

An initial Equality Impact Assessment (EIA) screening is attached the building be brought back into use a full EIA will be carried out aligned to the preferred option.

An Access Consultant from the National Register of Access Consultants will be appointed to support the development of the detailed building plans for the preferred option.

Climate Change

Current building does not meet climate change refurbished would be path to net zero.

The Low Carbon Economy team have advised the following:

- (a) It is unlikely the building will achieve 'zero carbon' status in the short-term as this can only be achieved once the National Grid has become decarbonised. The ambition is therefore to place the building on a 'path towards achieving net zero carbon emissions';
- (b) Priority is to remove all fossil fuel burning plant within the building (the building currently runs on oil fired boilers);
- (c) Installation of a new ventilation system with heat recovery should be explored as should any opportunity for ground source heat pumps;
- (d) The Solar PV installation on the roof should be retained and ideally supplemented where possible.

Human Rights

None specific to this report.

Crime and Disorder

None specific to this report.

Staffing

Additional staffing would be required, careful consideration would be needed regarding linkages with History Centre and other cultural venues.

While all roles in the proposed structure detailed in the corresponding exempt from publication report would be required at the new venue to some extent, economies of scale across the Council's other cultural venues could be achieved as several roles could be shared across this venue, Durham History Centre (DHC) and the Durham City Town Hall. There are several benefits to this that are outlined in the report.

Accommodation

Under Option 3, 2,396 sq m of accommodation would be brought back into use/created.

Risk

As part of the feasibility study a full risk register has been compiled for the project with contributions from key experts and teams both within and outside of the Council.

27 risks have been identified at this stage in the project. 51% of the risks have been identified as having a high/very high level of impact. However, most of these risks will be 'designed out' as the project progresses and details are firmed up. During the feasibility study regular risk workshops with specialists from within and without the council have taken place, it is expected that these will continue into the next stages of the development.

A key risk to reopening the facility as usage and visitor projections. Visitor projections have been based on market analysis and visitor economy growth forecasts and are detailed in the corresponding exempt from publication report.

All options considered have been assessed against the evidence available including an assessment of key issues such as planning, building, collection implications, future viability / market assessment and any legal considerations.

Based on the work undertaken option 3 is considered to be the preferred solution.

Procurement

The feasibility study has necessitated the commissioning of external independent consultancy support, through the engagement of Avison Young and CounterCulture. Further consultancy support will be required to help complete the next RIBA stage of the redevelopment. The procurement of any consultants to support this feasibility study has been undertaken in line with the Council's Contract Procedure rules.

Appendix 2 – Durham County Council Equality Impact Assessment

Attached as separate document.

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Durham County Council Equality Impact Assessment

The Public Sector Equality Duty (Equality Act 2010) requires Durham County Council to have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation, advance equality of opportunity and foster good relations between people from different groups. Completion of this template allows us to provide a written record of our equality analysis and demonstrate due regard and must be used as part of decisions making processes with relevance to equality.

Please contact equalities@durham.gov.uk for any necessary support.

Section One: Description and Screening

Service/Team or Section	Regeneration, Economy & Growth / Culture, Sport and Tourism
Lead Officer name and job title	Alison Clarke, Head of Culture, Sport and Tourism
Subject of the impact assessment	Feasibility study to refurbish/ remodel the former DLI museum and art gallery at Aykley Heads
Report date (Cabinet/CMT/Mgt team etc)	Cabinet report 16 March 2022
MTFP Reference (if relevant)	
EIA Start Date	February 2022
EIA Review Date	

Subject of the Impact Assessment

Please give a brief description of the policy, proposal or practice as appropriate (a copy of the subject can be attached or insert a web-link)

On 29 September 2021, Cabinet considered the findings of the review into the potential future use of the former DLI Museum & Art Gallery and Grounds at Aykley Heads and agreed that a further feasibility study be undertaken to consider the options for refurbishment and reopening of the facility, including identification of the potential operating model and associated operating costs.

The preferred solution is for the development of the former DLIMAG building as an exhibition centre, gallery and café venue, including dedicated space for display of DLI Collection items that will complement plans for exhibitions in Durham History Centre (DHC), noting the purpose built DHC will be the permanent base for the DLI Collection its storage, care and curation.

Who are the main people impacted and/or stakeholders? (e.g. general public, staff, members, specific clients/service users, community representatives):

County Durham Residents

General Public

Staff

Members

Key stakeholders including but not limited to:

- Regimental and Chattels Charity of the Former Durham Light Infantry (referred to as the DLI Trustees),
- DLI Association,
- the Army Museums Ogilby Trust (AMOT),
- the National Army Museum (NAM),
- Arts Council England (ACE; the accrediting body for museums),
- Museums Development NE
- Faithful Durhams campaign group
- Culture Durham Partnership

Screening

Is there any actual or potential negative or positive impact on the following protected characteristics¹?

Protected Characteristic	Negative Impact Indicate: Yes, No or Unsure	Positive Impact Indicate: Yes, No or Unsure
Age	unsure	Yes
Disability	unsure	yes
Gender reassignment	unsure	unsure
Marriage and civil partnership (only in relation to 'eliminate discrimination')	unsure	yes
Pregnancy and maternity	unsure	yes
Race	unsure	yes
Religion or Belief	unsure	yes

¹ <https://www.equalityhumanrights.com/en/equality-act/protected-characteristics>

Sex	unsure	Yes
Sexual orientation	unsure	yes

Please provide **brief** details of any potential to cause discrimination or negative impact. Record full details and any mitigating actions in section 2 of this assessment.

There could be access issues due to the nature of existing building depending on which option is progressed as current condition of building is not compliant with Doc M.

Monies spent on redeveloping this site may mean less money for other projects which may or may not have a negative impact.

Please provide **brief** details of positive impact. How will this policy/proposal promote our commitment to our legal responsibilities under the public sector equality duty to:

- eliminate discrimination, harassment and victimisation,
- advance equality of opportunity, and
- foster good relations between people from different groups?

Building design will ensure appropriate and reasonable accessibility in line with our duties under The Equality Act 2010.

The project will actively seek to broaden the range of people that engage with culture. This is positive across all protected groups but is likely to be more advantageous for a broad range of age groups (inc. younger age groups on educational visits), disabled people and people with low incomes who are disproportionately working age families with young children, disabled people and ethnic minorities.

There will be a range of activities targeted at the different needs and concerns of different groups to create positive drivers for the audience to participate with arts and culture.

Evidence

What evidence do you have to support your data analysis and any findings?

Please **outline** any data you have and/or proposed sources (e.g. service user or census data, research findings. Highlight any data gaps and say whether or not

you propose to carry out consultation. Record your detailed analysis, in relation to the impacted protected characteristics, in the following section of this assessment.

Data from the audience agency indicate that overall the population of County Durham has lower levels of cultural engagement than the base population.

A condition survey of the current building outlines significant issues with Doc M compliance.

Should the project proceed, further engagement and public consultation is advised to allow participation in creating an inclusive programme which is sustainable and reflects the wider cultural offer.

Screening Summary

On the basis of the information provided in this equality impact screening (section 1), are you proceeding to a full impact assessment (sections 2&3 of this template)?

Please confirm (Yes/No)

Yes pending the outcome of a report to Cabinet in March 2022

Sign Off

Lead officer sign off:

Alison Clark

Date:

22.02.22

Equality representative sign off (where required):

M Gallagher, E&D Team leader

Date:

22.02.22

If carrying out a full assessment please proceed to sections two and three.

If not proceeding to full assessment, please ensure your screening record is **attached to any relevant decision-making records or reports**, retain a copy for update where necessary, and forward a copy to equalities@durham.gov.uk

If you are unsure of assessing impact please contact the corporate equalities team for further advice: equalities@durham.gov.uk

Section Two: Data analysis and assessment of impact

Please provide details of impacts for people with different protected characteristics relevant to your screening findings. You need to decide if there is or likely to be a differential impact for some. Highlight the positives e.g. benefits for certain groups, advancing equality, as well as the negatives e.g. barriers for and/or exclusion of particular groups. Record the evidence you have used to support or explain your conclusions, including any necessary mitigating actions to ensure fair treatment.

Protected Characteristic: Age		
What is the actual or potential impact on groups affected in relation to age?	Record of evidence which supports and/or explains your conclusions on impact.	What further action or mitigation is required?

Protected Characteristic: Disability		
What is the actual or potential impact on groups affected in relation to disability?	Record of evidence which supports and/or explains your conclusions on impact.	What further action or mitigation is required?

Protected Characteristic: Gender reassignment		
What is the actual or potential impact on groups affected in relation to gender reassignment?	Record of evidence which supports and/or explains your conclusions on impact.	What further action or mitigation is required?

Protected Characteristic: Marriage and civil partnership (only in relation to 'eliminate discrimination')		
What is the actual or potential impact on groups affected in relation to	Record of evidence which supports and/or explains your conclusions on impact.	What further action or mitigation is required?

marriage and civil partnership?		

Protected Characteristic: Pregnancy and maternity

What is the actual or potential impact on groups affected in relation to pregnancy and maternity?	Record of evidence which supports and/or explains your conclusions on impact.	What further action or mitigation is required?

Protected Characteristic: Race

What is the actual or potential impact on groups affected in relation to race?	Record of evidence which supports and/or explains your conclusions on impact.	What further action or mitigation is required?

Protected Characteristic: Religion or belief

What is the actual or potential impact on groups affected in relation to religion or belief?	Record of evidence which supports and/or explains your conclusions on impact.	What further action or mitigation is required?

Protected Characteristic: Sex

What is the actual or potential impact on groups affected in relation to sex?	Record of evidence which supports and/or explains your conclusions on impact.	What further action or mitigation is required?

Protected Characteristic: Sexual orientation

What is the actual or potential impact on groups affected in relation to sexual orientation?	Record of evidence which supports and/or explains your conclusions on impact.	What further action or mitigation is required?

Section Three: Conclusion and Review

Summary

Please provide a brief summary of your findings; a summary of any positive and/or negative impacts across the protected characteristics, links to the involvement of different groups and/or public consultation, mitigations and conclusions made.

Will this promote positive relationships between different communities? If so how?

Action Plan

Action	Responsibility	Timescales for implementation	In which plan will the action appear?

Review and connected assessments

Are there any additional or connected equality impact assessments that need to be undertaken? (If yes, provide details)	
When will this assessment be reviewed?	

Please also insert this date at the front of the template	
---	--

Sign Off

Lead officer sign off:	Date:
Equality representative sign off (where required):	Date:

Please ensure:

- **The findings of this EIA are carefully considered and used to inform any related decisions and policy development**
- **A summary of findings is included within the body of any relevant reports or decision-making records**
- **The EIA is attached to reports or relevant decision-making records and the report Implications Appendix 1 is noted that an EIA has been undertaken**

Please retain a copy for review and update where necessary, and forward a copy to equalities@durham.gov.uk

Cabinet

16 March 2022

**Quarter Three, 2021/22
Performance Management Report**

Ordinary Decision



Report of Corporate Management Team

Paul Darby, Corporate Director of Resources

Councillor Amanda Hoggood, Leader of the Council

Electoral division(s) affected:

Countywide.

Purpose of the Report

- 1 To present an overview of progress towards achieving the key outcomes of the council's corporate performance framework and highlight key messages to inform strategic priorities and work programmes.
- 2 The report covers performance in and to the end of quarter three, October to December 2021.

Performance Reporting

- 3 The performance report is structured around the three components.
 - (a) High level state of the County indicators to highlight areas of strategic significance. These are structured around the [County Durham Vision 2035](#).
 - (b) Council initiatives of note against the ambitions contained within the vision alongside a fourth 'excellent council' theme contained within our [Council Plan](#)¹.
 - (c) A long list of key performance indicators against the themes of the Council Plan.

¹ approved by full council October 2020

- 4 It also includes an overview of the continuing impact of COVID-19 on council services, our staff, and residents.

More and Better Jobs

- 5 Latest data (September 2021) shows a static estimated employment rate (71.5%) and a declining claimant count (5.4%). Both are in line with national trends.
- 6 Further analysis shows the highest claimant rate to be in Easington (for both the 16-64 and 18-24 age groups) and across the 30-34 age group (6.4%). If we compare the latest position with that of March 2020 (pre-COVID), we can see that, North Durham and Durham City show the greatest difference across the 16-64 age group, and all areas now have lower rates or have remained static across the 18-24 age group.
- 7 Over the last 12 months, council led strategic employment sites were 95% occupied (NETPark is 100% occupied for the first time), one inward investment was secured and more than £13 million of GVA growth created.
- 8 Although our tourism and cultural sector was particularly hard hit by the pandemic, respondents to the latest survey by Visit County Durham are reporting increases in enquiries and bookings – albeit with short booking periods. Lumiere, the biggest outdoor event in the North East since lockdown, attracted an estimated 180,000 visitors over four days in November – a more detailed analysis of its impact will be available in the year-end performance report.
- 9 To mitigate against our economic challenges, we are continuing to move forward with significant investment and regeneration projects which will create new infrastructure, transform our towns and villages, and boost the visitor economy. We also continue to provide assistance to businesses to help them survive the impact of the pandemic and protect their long-term future, and help people into employment.
- 10 In relation to our children and young people during quarter three. School attendance decreased slightly as the prevalence of omicron variant increased, of the 11 schools inspected by Ofsted, five maintained their rating, four improved and two deteriorated, and 526 young people aged 16-17 (from a cohort of 11,200) were not in employment, education or training.

Long and Independent Lives

- 11 Poverty pressures continue to be a major issue and we expect the situation to deteriorate as basic living costs continue to rise, the energy price cap is revised, and National Insurance is increased. Those with little

disposable income will be hit hard. We are aware that around one in every four children eligible for free school meals are not claiming them.

- 12 We continue to support people suffering financial hardship and during quarter three, experienced significant increases in demand across welfare assistance, household support and test and trace payments.
- 13 Latest data shows that across the North East almost 29% of reception age children and more than 44% of children in year six of primary school are overweight or obese. This is significantly higher than last year.
- 14 Gym membership at our leisure centres currently stands at around 16,309, a reduction of around 4,500 since the start of the pandemic. In addition, attendances have dipped to just over 850,000, a reduction of a third on pre-pandemic numbers. We expect both gym memberships and attendances to recover by March 2023.
- 15 We are continuing to invest in walking and cycling infrastructure, work to tackle food poverty, provide focused activity across mental and physical well-being, and support smoking quitters. Our new MOVE programme is encouraging both adults and children to get moving and keep moving as part of their everyday life - and in addition to advice, guidance and one-to-one tailored support has provided almost 800 free gym or swim memberships using the limited government funding.
- 16 During quarter three, requests for assessment for education, health and care plans for children and young people with Special Educational Needs and Disabilities increased by 28%, mainly at Key Stage 2. During this period, we continued to improve outcomes for vulnerable children and their families and remain on track to achieve 'significant and sustained outcomes' for around 6,000 families as part of our stronger families programme.
- 17 Across adult social care, there is a decreasing trend in permanent admissions to residential and nursing care. Multiple factors associated with activity, practice and the continuing impact of the pandemic are responsible for this reduction. The proportion of older people remaining at home 91 days after discharge from hospital into reablement services is at its highest point for more than three years, and almost 93% of individuals achieved their desired outcomes from the adult safeguarding process.
- 18 However, only 70.1% of service users were assessed or reviewed within the last 12 months. This is reflective of operational pressures while coming out of the pandemic resulting in the need to prioritise more pressing work, the bedding in of a new case management system which was introduced in June 2021, alongside the need to increase confidence in reporting mechanisms. We are considering additional resource to

improve performance and are revising our approach to social care annual reviews. We expect that performance will return to pre-pandemic levels in 2023.

- 19 Financial support to the adult social care market is continuing, with over £68 million provided during the pandemic. Domiciliary care providers have also received a 10% uplift to support with recruitment and staff retention pressures.

Connected Communities

- 20 Crime remains comparatively low, driven by noticeable reductions in theft-related offences. However, recorded anti-social behaviour incidents are around 5% higher than pre-COVID levels (more noise incidents and littering) and fly-tipping around 5% higher.
- 21 We are continuing to collect household waste in greater volumes. This, combined with planned maintenance at the energy from waste plant, means a smaller proportion of waste was diverted from landfill – 90% compared to the 93% for the same period last year. In addition, contamination of kerbside recycling bins continues to increase and is currently 35% (from a pre-COVID rate of 29%).
- 22 We are investing heavily in our town centres. During quarter three, we completed eight public realm schemes and having developed a suite of new masterplans started the process of gathering our residents views on the proposals. We are also continuing to undertake actions and campaigns which focus on environmental improvements, better quality housing, road safety and water safety.
- 23 Our Selective Licensing Scheme which covers 42% of the private rented sector in County Durham has now been approved in full, and will come into operation on 1 April 2022.
- 24 The overall condition of A, B and C principal roads has improved over recent years and is a reflection of prioritising budgets to those elements of the road network with the highest vehicle usage. However, the condition of unclassified roads, which have deteriorated slightly over the past year, and footways remain key issues. We are creating a bus service improvement board to drive improvements across our public transport services.
- 25 The complexity of referrals to children’s social care continues to impact on the caseloads of our social worker teams. Just over 3,800 children and young people are open to statutory social care teams, with domestic abuse being the most common reason for referral.
- 26 We continue to experience significant placement pressures, a situation reflected both regionally and nationally, and are working to recruit and

retain more foster carers as well as develop new council-run residential homes for children.

An Excellent Council

- 27 The council continues to face significant financial pressure resulting from the pandemic. The additional costs incurred and loss of income are presently forecast to be around £23 million this year, offset by COVID-19 related underspends (relating to closure of facilities and disruption to normal service activity as a result of the pandemic) of £7.2 million – a net overspend of £15.7 million, which is presently within the forecast circa £18.2 million the council expects to receive from the government to cover the financial impact of the pandemic.
- 28 During quarter three, England moved to ‘Plan B’ due to the rapid rise of Omicron cases. This meant our teams reverted back to home-working where possible and our plans for a return to the workplace were put on hold.
- 29 The pandemic continued to impact our frontline service provision with many staff working additional hours and cancelling annual leave to cover for absent colleagues. Casual and agency staff were called upon, and eight employees worked (in addition to their substantive posts) in alternative service areas to keep frontline services going.
- 30 Although our Customer Access Points re-opened at the end of September, low demand meant we could temporarily re-close them in December and redeploy staff to relieve workload pressures arising from significant increases in demand across welfare assistance, household support and test and trace payments.
- 31 We are continuing to invest in our workforce. Our apprenticeship programme has allowed more than 1,200 employees to develop new skills. We will be undertaking a baselining exercise in March 2022 to understand the level of digital skills currently in place across our workforce, and inform our new digital skills programme going forward.
- 32 However, workforce instability is increasing and the care sector is being impacted significantly. Local and national skills shortages are being made worse by fewer European workers, people changing careers or not returning to the jobs market after furlough and more being able to take up positions further afield due to remote working. To ensure we continue to attract the best candidates in a market weighted in favour of the job seeker, we are reviewing our ‘Recruitment and Resourcing’ and ‘Apprentice’ strategies, and considering developing graduate employment opportunities.

- 33 As restrictions have eased, both health and safety incidents and days lost to sickness have increased. Our sickness rate for the last 12 months has broadly returned to pre-COVID levels, at 10.85 days per Full Time Equivalent (FTE), with circa 78% of employees recording less than five days sickness and 62% recording no sickness. If we adjust for COVID-related sickness, our rate remains comparatively low at 9.84 days per FTE.
- 34 We have reinstated our Performance Development Review process on a phased top down approach (leaders, managers then core employees). The process is now complete for 100% of leaders, and has been rolled out to managers for completion by 31 March 2022.
- 35 Almost half of service requests processed during the 12 months ending 31 December were assessed against a performance standard. The performance standard was met in 68% of cases, which is equal to performance the previous year. However, it should be noted that over the same period, service requests increased by 11%.
- 36 A detailed review of the performance standards applied to all service requests within our CRM system, and led to a range of service improvements linked to systems, data and reporting, training, and member experience. We also identified a further eight processes where we could apply a performance standard and are working with service areas to resolve these.

The impact of COVID-19

- 37 The COVID-19 pandemic has caused an unprecedented health emergency across the globe. [Restrictions](#) to contain the virus, minimise deaths and prevent health and social care systems being overwhelmed remain in place, and are continuing to impact our everyday lives, our health, and the economy.
- 38 However, roll-out of the UK's vaccination programme, which has reduced both hospital admissions and deaths, allowed the government to implement plans for a [gradual and phased route out of lockdown](#).
- 39 Working with government organisations and within the context of national developments, we continue to protect our communities, support those affected by the pandemic, and develop plans for future recovery.
- 40 The COVID-19 surveillance dashboard can be accessed [here](#).

Risk Management

- 41 Effective risk management is a vital component of the council's agenda. The council's risk management process sits alongside our change

programme and is incorporated into all significant change and improvement projects. The latest report can be found [here](#).

Recommendation

- 42 That Cabinet considers the overall position and direction of travel in relation to quarter two performance, the impact of COVID-19 on performance, and the actions being taken to address areas of underperformance including the significant economic and well-being challenges because of the pandemic.

Author

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Appendix 1: Implications

Legal Implications

Not applicable.

Finance

Latest performance information is being used to inform corporate, service and financial planning.

Consultation

Not applicable.

Equality and Diversity / Public Sector Equality Duty

Equality measures are monitored as part of the performance monitoring process.

Climate Change

We have declared a climate change emergency and consider the implications of climate change in our reports and decision-making.

Human Rights

Not applicable.

Crime and Disorder

A number of performance indicators and key actions relating to crime and disorder are continually monitored in partnership with Durham Constabulary.

Staffing

Performance against a number of relevant corporate health indicators has been included to monitor staffing issues.

Accommodation

Not applicable.

Risk

Reporting of significant risks and their interaction with performance is integrated into the quarterly performance management report.

Procurement

Not applicable.



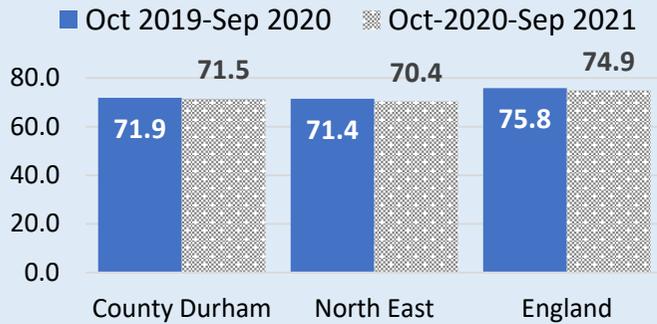
Durham County Council Performance Management Report

Quarter Three, 2021/22

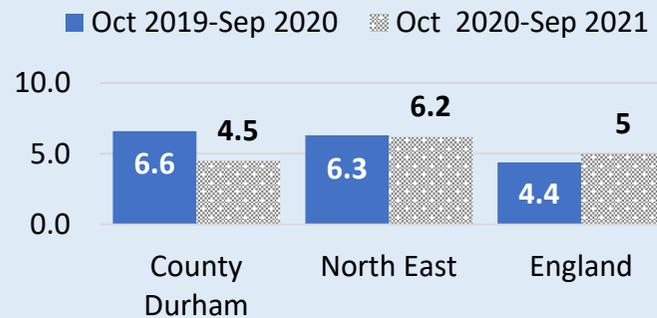


MORE AND BETTER JOBS

Employment Rate



Unemployment Rate



Jobs created/safeguarded by Business Durham (Oct-Dec)



Support Schemes

Co. Durham

North East

England

Job Retention (furlough)
(as at 30 September)

4%

4%

4%

Self-employed income support
(as at 30 September)

35%

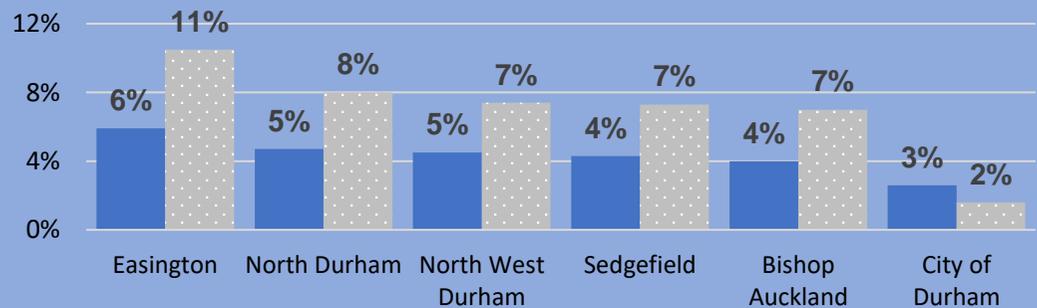
37%

38%

7,600 jobs furloughed

6,900 claims for SEISS

Claimant Count (as at December 2021)



More and Better Jobs

- 1 The ambition of More and Better Jobs is linked to the following objectives:
 - Delivery of a range of employment sites across the county;
 - A strong, competitive economy where County Durham is a premier place in the North East to do business;
 - A broader experience for residents and visitors to the county;
 - Young people will have access to good quality education, training and employment;
 - Helping all people into rewarding work;
 - Fewer people will be affected by poverty and deprivation within the county.

National, Regional and Local Picture

- 2 Latest data (September 2021) shows the employment rate has remained static, in line with England and regional trends, and is within the confidence level for this data. Although the government removed its support packages (furlough and self-employment income schemes) at the end of September, we have yet to see any impact on the employment rate.
- 3 The unemployment rate fell to 4.5% in the 12 months to September from 6.6% in the previous period. Although the change is outside of the confidence level for this with the national rate but below the regional rate.
- 4 Easington has the highest rate of claimants within both the 16-64 and 18-24 age groups.
- 5 In relation to the 16-64 year olds cohort, all areas are slightly higher than at March 2020 but at a level generally in line with the change seen in the overall county position. North Durham and Durham City are showing the largest difference between the latest position and March 2020, at 0.5pp and 0.4pp respectively and therefore are the furthest away from returning to their pre-COVID position.
- 6 However, in relation to the 18-24 year olds cohort, all areas are showing rates that are lower or in line with the March 2020 position, particularly Bishop Auckland which at 7% is 1.6pp lower than March 2020.
- 7 The age group population with the highest proportion of claimants is the 30-34 year olds at 6.4%, 1pp above the pre-COVID (March 2020) position. Although, it is the 35-39 year old (5.6%) and 40-44 year old (5%) cohorts that shown the largest gap between the latest position and March 2020, 1.1pp and 1.2 pp respectively.

- 8 Nationally there were around 1.2 million vacancies between October and December, a record high and an increase of 462,000 from the pre-pandemic January to March 2020 position. Although vacancies are still increasing, the rate of growth has fallen over the consecutive past two quarters from its peak of 43.3% in May to July to 11.4% this quarter.
- 9 The eviction ban was completely lifted from 1 October 2021 with all notice periods returning to their pre-pandemic position and landlords able to progress their possession claims through the courts. Court orders can now be enforced by bailiffs unless anyone living in the property has COVID symptoms or is self-isolating. Landlords and tenants are encouraged to resolve disputes without going to court wherever possible.
- 10 Just under half of respondents to the latest COVID impact survey by Visit County Durham reported receiving many enquiries and bookings. Of these, most had a short booking period of less than a month. Therefore, although accommodation forward bookings for October 2021 to February 2022 remain below average, these could increase nearer the time. Just over 40% of respondents reported an increase in national visitors. The most frequently reported challenge was recruitment, closely followed by supply chain issues and the lack of demand. There were also concerns over a further wave of the pandemic in the next six months.

Council Services

Delivery of a range of employment sites across the county

- 11 Due to the revised delivery programme and procurement of a development partner, the completion of soft market testing for Aykley Heads site has been pushed back to December 2022, from April 2022.
- 12 Detailed design work is underway on NETPark Phase 3, with planning application granted so works expected to start on site September 2022 with the first buildings completed from September 2023.
- 13 The construction of the industrial units at Station Place, Merchant Park are progressing well with construction due to be complete by spring 2023.
- 14 Following its inclusion in the Bishop Auckland Stronger Towns Fund, a scheme to develop small industrial units at South Church Enterprise Park is in the early design stage. It is expected the scheme will be submitted for final approval from June 2022.
- 15 Latest data shows an increase in the Business Durham portfolio occupancy rates, with increases at Salvus House, the Durham Dales Centre and NETPark, which is

100% full for the first time. Terms were also agreed to let the final unit at Jade Business Park.

	Business Durham activity		
	Oct-Dec 2021	Compared to last year	
Floor space occupied	95%	+12pp	↑

A strong competitive economy and premier place to do business

- 16 In December Cabinet approved the Economic Statement which sets out an interim economic position in response to the extensive review of the county's economy undertaken earlier this year. Approval was also given for the go ahead for a three-month conversation aimed at allowing people and businesses to contribute to the development of an Inclusive Economic Strategy.
- 17 One inward investment was secured during quarter three. Bensons Beds announced a new distribution centre at Tursdale employing 24 people to support its expanded retail offer in the North East. Since April, Business Durham have secured 11 inward investments, exceeding the annual target of 10 for 2021/22.
- 18 In addition to the impact of COVID restrictions preventing businesses from engaging in and attending network events, Business Durham's ability to engage businesses has been further impacted by staff shortages and training of newly appointed staff.
- 19 Although there were no businesses intensively assisted by Business Durham, the target for the year was exceeded at the end of quarter two, as a result of the number of businesses that were assisted through the Durham Business Recovery Grant.
- 20 Durham Ambitious Start-ups (DABS) now has 190 businesses and individuals, (115 pre-start clients and 75 newly started SMEs) qualified for and signed up to the programme; 161 more than last quarter.
- 21 The County Durham Growth Fund has awarded a further £1.2 million to support 10 SMEs, bringing the total awarded to date to £6.9 million out of the £8.9 million fund. 219 jobs have been created and private sector contributions have exceeded £9.7 million.
- 22 Finance Durham had a very strong quarter with £1.2 million of investments completing in three businesses. There are also four projects in the pipeline which are expected to complete next quarter. Work is ongoing to re-procure the contract for management of Finance Durham scheme as the first five-year term ends in March 2022.

	Business Durham activity		
	Oct-Dec 2021	Compared to last year	
Inward investments secured	1	-1	↓
Businesses engaged	63	-82	↓
GVA from jobs created or safeguarded (£'million)	£13.6	+£2.9	↑

23 During quarter three, 30 businesses were supported as a result of countywide Targeted Business Improvement funding (TBIs), and 59 FTE jobs created. Four businesses were supported through the Towns and Villages Programme and three FTEs created. Additionally, one business was supported via Seaham Townscape Heritage Business Improvement funding.

Helping all people into rewarding work

24 Referrals to Employability Durham has remained steady as both Job Centre Plus (JCP) and our delivery partners have started meeting clients face-to-face. However, numbers are still lower than pre-covid levels, but we expect these to recover in the coming months as more JCP claimants are encouraged to participate in employment related activity.

25 Between July and September, the number of participants progressing into employment, education or training decreased. This is due to fewer clients being registered onto our programmes or looking for employment over the summer holiday period due to childcare issues. With some sectors having increased vacancies, some people have also found jobs themselves. Issues continue with people being willing to engage in employability activity as it is not presently being mandated by JCP.

26 The developing County Durham Inclusive Economic Strategy includes reference to skills and employment and acknowledging that sectors such as health and social care, logistics and retail and hospitality have recruitment issues. These pressures are being experienced nationally and a set of measures have been implemented, including specific measures to support more rapid HGV training.

27 At a local level, the council's care academy project is seeking to increase the numbers of entrants to that sector and to reduce vacancies. In the retail and hospitality sector, the immediate pressures in the run up to Christmas were exacerbated by staff absence and isolations. In conjunction with Durham BID plans are underway to hold a retail and hospitality jobs fair during quarter four. Routeway activity continues to be delivered by Durham Employment and Skills

(DES) to support residents upskilling directly into defined vacancies in conjunction with Amazon and Pride Valley Foods.

- 28 Working with Durham University, we have developed an international student outreach programme and a programme for those studying modern languages. In October we launched Durham Global Alliance, which bring together partners from Durham University, Culture Durham, Durham Youth Council, Durham Sport, Business Durham and schools and colleges.
- 29 The Alliance aims to develop a range of activities for young people in County Durham and to build on existing relationships between educational, cultural, sporting and business organisations. During quarter three, the project involved 350 schools from 19 countries and engaged more than 11,000 young people in virtual learning activities.
- 30 An apprenticeship programme has been introduced in conjunction with our sport and leisure service. The programme involves 'team member' apprentices working in our pool sites and being trained as lifeguards, swim teachers, gym instructors and coaches, as well as 'community sport and health officers' working within our Wellbeing Team to support walking, running, cycling and community cases alongside our children and young people programme.
- 31 The programme is for 15 apprentices, and to date nine 'team member' apprentices have been engaged across our pool sites and four 'community sport and health officers' within our Wellbeing team. Two 'team member' positions, funded through the Weardale AAP for our sites at Peterlee and Wolsingham, will be advertised in the next few months. Apprenticeships run for an 18-month period with opportunities for employment within the service once the apprenticeship is completed.

A broader experience for residents and visitors to the county

- 32 Lumiere took place in November, the biggest outdoor event in the north east since lockdown with an estimated 180,000 visitors attending the four day event. The learning and participation programme worked with 685 individuals across 25 schools and six BRILLIANT artists. The new county programme, Marks in the Landscape, was very well received across the six locations (Raby Castle, Peterlee Apollo, Seaham Harbour), Ushaw College, Finchale Abbey and Penshaw Monument) with estimated attendance at Raby, Finchale and Ushaw over the four nights being around 12,500.
- 33 Completion of the History Centre has been delayed from October 2022, with new timescales currently being reviewed. This delay is due to unforeseen issues with the listed building which resulted in additional works to the stonework and roof.

This will also impact on the date which the archive can be transferred from County Hall.

- 34 Visitors to Hardwick and Wharton Parks over the last 12 months have exceeded 600,000.
- 35 With the reduction in COVID-19 restrictions our volunteers have been able to get back to supporting our services. During the last quarter, six volunteers provided over 570 hours support to historic environment projects including the Historic Environment Record and over 100 volunteers provided more than 2,800 hours of support to the Countryside and Parks service.

Young people will have access to good education, training and employment

- 36 Of the nine primary schools inspected by Ofsted during quarter three; five maintained a 'good' rating, two improved and moved from 'requires improvement' to 'good', and two deteriorated with one moving from 'outstanding' to 'good' and one from 'good' to 'requires improvement'.
- 37 During the same period, Ofsted also inspected one secondary school and one special school, both of which improved and moved from 'requires improvement' to 'good'.
- 38 In 2021, GCSE and A level results were awarded according to teacher assessed grades rather than the centre assessed system used last year. Schools submitted samples to validate their quality assurance process. However, caution should be exercised in relation to the data.
- 39 The increase in Attainment 8 is slightly above the increases recorded at both a national level and regional level, with most schools having assessed performance in line with expectations. Entry to all five [EBacc](#) subject areas remains as expected from previous years, and continues to be used nationally as a measure of an ambitious curriculum. A level average point scores also show an increase slightly above the national trend.
- 40 English and maths measures continued their positive trajectory in 2021 following the bigger increase from centre assessed grades in 2020. However, the impact of COVID-19 on school attendance has led to headteachers reporting concerns for outcomes in 2022. As yet, we do not know what impact absence will have, including for those who are absent at the time of the exam.
- 41 For disadvantaged children both Attainment 8 scores and the gap compared to non-disadvantaged pupils remain broadly in-line with the national average and is slightly better than the north east average.

- 42 Children Looked After (CLA) continue to be supported by the virtual school. Of the 610 Personal Education Plan (PEP) meetings which took place during the autumn term, 92% were rated as being of a high standard, 7% more than the same period last year. The attendance rate for CLA across the autumn term was 93%.
- 43 School attendance was 91% across all settings on 4 November 2021 (89% for children and young people with a social worker and 88% for those with an Education, Health and Care Plan). However this rate had decreased to 89% by the end of November 2021 due to rising Omicron cases, a trend which was mirrored nationally.
- 44 At the start of quarter three, the number electively home educated (EHE) remained low at around 0.6% of the school age population. As noted in previous years, as the quarter progressed the number increased to 0.8% of the school age population.
- 45 The role of local authorities in dealing with safeguarding complaints in schools has changed in recent years. Complainants should follow the school's published complaints policy and once this procedure is exhausted then the matter can be escalated to Ofsted which can request the local authority to investigate.
- 46 In addition, Ofsted now require the local authority to investigate post-16 complaints in relation to colleges of further education, as some local colleges are providers of 14-16 education.
- 47 During quarter three, 18 qualifying safeguarding complaints were made to Ofsted in relation to County Durham schools. This compares to seven in the same period last year. This increase could be a consequence of the pandemic, given that most children and young people were accessing virtual learning rather than attending schools for large parts of 2020 so their social interaction with staff and peers was limited.
- 48 Local Authorities have a statutory responsibility to identify Children Missing from Education (CME) in their area. With partners, a protocol is in place to establish the whereabouts of a child before the school can delete their name from the school register. The protocol includes referral to Children's Social Care, Police, NHS and local authority services to ensure children moving between areas are tracked, in appropriate cases. In quarter three, 99 students were referred to the local authority.

	No. of children
Successfully tracked	76
Moved within county. School transfer discussions ongoing	11
Moved out of county. Relevant local authorities informed	6
Referred for school attendance enforcement action	3
Processing as admissions to schools in County Durham	2
Has an EHCP is and awaiting placement	1

- 49 Our Behaviour and Inclusion Panels continue to provide support to pupils at risk of exclusion. During quarter three, 14 pupils were supported by the primary panel (none were permanently excluded) and 258 by the secondary panel (27 from panel schools were permanently excluded plus six from schools which do not participate within the panel arrangement).
- 50 Managed moves for 59 secondary pupils and one primary pupil were arranged, taking the total in-year transfer to 124 secondary. Of the 26 secondary best advice transfer meetings

	No. of children
Transferred	11
Remained at their current school	7
Were place on managed moves / trials	3
Chose to be Electively Home Educated	2
Have unknown outcomes	2
Changed preference after the meeting	1

- 51 Fourteen quality assurance visits were carried out at Alternative Provision (AP) providers and resulting action plans shared. Three students were reintegrated back into mainstream education following a permanent exclusion.
- 52 We continue to support young people to ensure they progress to their planned destinations. Latest data (November 2021) shows that 527 young people aged 16-17 (from a cohort of 11,200) are Not in Employment, Education or Training (NEET). This equates to almost 5%, and compares to an England average of 2.3% and a North East average of 4.4%.
- 53 However, the proportion of young people whose current destination is not known in County Durham is 1.3%, which is lower than the national average of 5.1% and the regional average of 1.9%. If we combine NEET with the not known, the

proportion across County Durham is 6.0%, compared to a 7.4% England average and 6.3% across the North East.

- 54 County Durham’s performance in relation to NEETs and Not Knowns is lower than the national and regional neighbours, It is also important to note that we continue to be affected by a global pandemic which has disproportionately affected the participation of young people in the labour market. During the first period of national lockdown, sectors that traditionally provide entry routes into employment for young people were not available e.g. retail, hospitality and catering. Reports by the Learning and Work Institute, the Social Market Foundation, and the Institute for Fiscal Studies clearly illustrate the negative impact that lockdown had on both the region and young people in particular.
- 55 We are working to ensure that young people who completed years 11 and 12 at the end of June 2021 have a confirmed offer in education or training (‘September Guarantee’).

	Year 11	Year 12
County Durham	98.0%	95.1%
North East	97.7%	93.7%
England	96,7%	93.0%

- 56 Where young people did not progress to their confirmed offers, support was provided through DurhamWorks. For year 11, there were 5,508 confirmed offers in education or training out of a cohort of 5,621. For year 12, there were 5,197 confirmed offers in education or training out of a cohort of 5,467.

Fewer people will be affected by poverty and deprivation within the county

- 57 During quarter three, 3,312 households contacted Housing Solutions. Contact across most areas of the service remained consistent compared to quarter two, but there was a significant increase in contacts to our regeneration team, which includes the Managing Money Better (MMB) initiative and fuel advice.
- 58 Requests for assistance via the MMB initiative increased by 29% this quarter due to fewer fuel switching opportunities, following the collapse of 27 energy companies. 160 households were assisted via MMB, achieving an average saving per household of £158.67, mainly due to fuel debt write offs and Warm Homes discount applications.
- 59 Following the lifting of the eviction ban, analysis has shown an initial rise of homelessness presentations as a result of eviction notices served, especially notable in early January 2022. This has not yet returned to pre-pandemic levels

which may be due to a backlog in court proceedings and landlords still unwilling to take action while coronavirus issues remain. We have received £157K in government money to address COVID-related rent arrears in the private rented sector and are looking to distribute this on a case-by-case basis which may help reduce potential homeless cases.

- 60 The number of new households placed in temporary accommodation (TA) and the average length of time households are placed in TA have both reduced this quarter. A number of process changes now ensure households at risk of going into TA are identified sooner, and placements are closely monitored to ensure time in TA is limited and permanent accommodation secured swiftly.
- 61 We are still seeing high levels of rough sleepers, during the quarter 230 were reported and 78 were found and assisted. Levels are similar to last year; however, the needs of rough sleepers have been found to be more complex. We have also supported more rough sleepers into long term accommodation this quarter with County Durham Lettings Agency properties coming online through the Contain Outbreak Management Fund.
- 62 We have received £300,000 from the Rough Sleeper Accommodation Programme, and requested match-funding from the Tows & Villages Programme to convert Shildon People's Centre into four self-contained flats. The project is progressing through planning and final design stages.
- 63 In December 2021, the Department for Levelling Up, Housing and Communities (DLUHC) announced Protect & Vaccinate, requesting where possible all rough sleepers are accommodated for at least five months and supported through the vaccination programme. Durham assisted nine into accommodation between 20-31 December. We are working with NHS partners to ensure vaccinations take place.
- 64 In December 2021, the Department for Levelling Up, Housing and Communities (DLUHC) announced Protect & Vaccinate, requesting where possible all rough sleepers are accommodated for at least five months and supported through the vaccination programme. Durham assisted nine into accommodation between 20-31 December. We are working with NHS partners to ensure vaccinations take place.

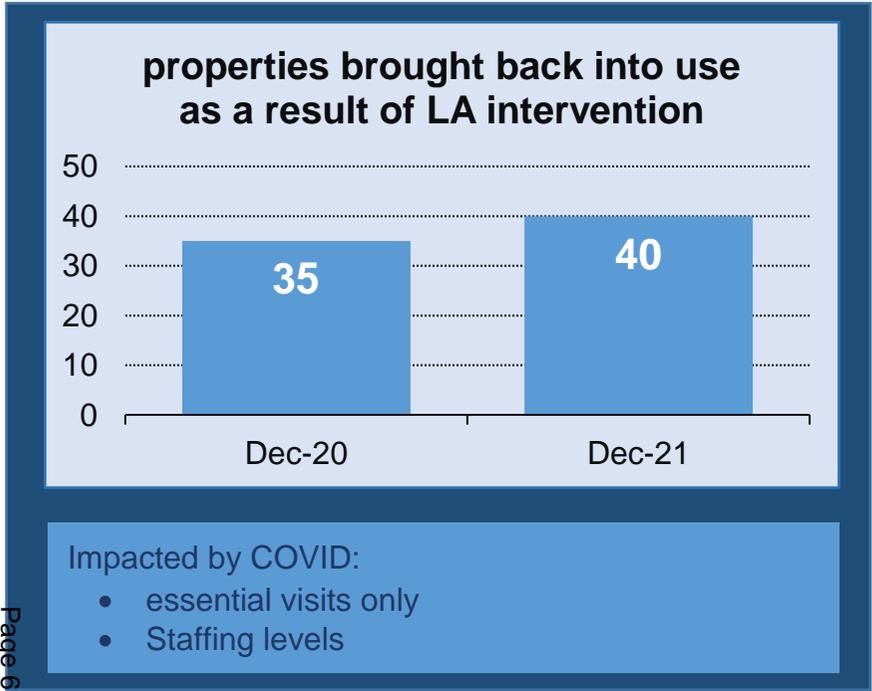
MORE AND BETTER JOBS

Housing advice and support

properties improved, adapted or brought back into use	779	up 15%
households accessing Housing Solutions	3,312	up 11%
households helped to move to alternative accommodation	249	down 4%

341
households helped to stay in their homes
up 12% on last year

74
'new' households placed in temporary accommodation
down 22% on last year



Long and Independent Lives

- 65 The ambition of Long and Independent Lives is linked to the following key objectives:
- (a) Children and young people will enjoy the best start in life, good health and emotional well-being;
 - (b) Children and young people with special educational needs and disabilities will achieve the best possible outcomes;
 - (c) County Durham will have a physical environment that will contribute to good health;
 - (d) We will promote positive behaviours;
 - (e) Health and social care services will be better integrated;
 - (f) People will be supported to live independently for as long as possible by delivering more homes to meet the needs of older and disabled people;
 - (g) We will tackle the stigma and discrimination of poor mental health and build resilient communities.

National, Regional and Local Picture

- 66 Latest data from the National Child Measurement Programme (NCMP) shows a significant increase in children classed as overweight or obese at both reception and Year 6 age groups at primary school. However, the pandemic resulted in smaller sampling sizes, so data is only available at the regional and national level.
- 67 Across the North East, the data shows children classed as overweight or obese in reception increased from 24.9% in 2019/20 to 28.8% in 2020/21. A greater increase is seen for children in Year 6; 37.5% were classed as overweight or obese in 2019/20 which has risen to 44.2% in 2020/21.

Council Services

Children and young people enjoying the best start in life, good health and emotional well-being

- 68 During quarter three, the Youth Mental Health First Aid course continued to be rolled out across Children and Young People's Services and the voluntary sector. Its aim is to improve mental health support for children and young people.
- 69 A Health Equity Audit for education settings commenced in October 2021 with a focus on mental health and emotional wellbeing. The outcome of this will support the future planning of the Children and Young People Mental Health Partnership.

LONG AND INDEPENDENT LIVES

Think Family

5,851 families turned around

(2015 - Dec 21)

following intervention...

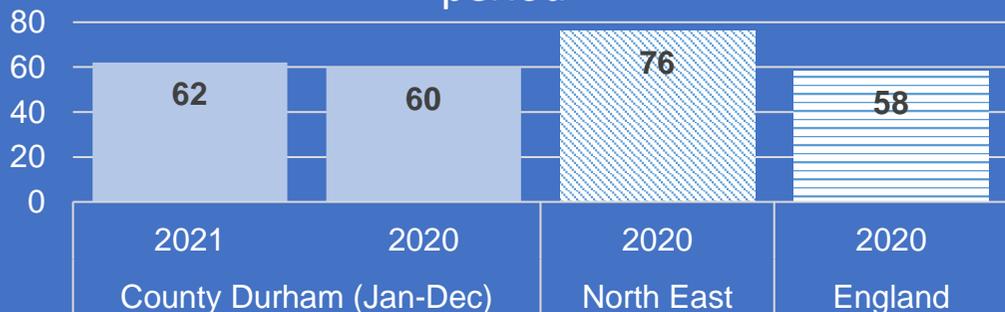
2,298 workless families progressed to work

2,827 families reported reduced mental health issues

1,088 families reported reduced substance misuse

4,922 families achieved significant & sustained outcomes (2015-Dec 21)

% EHCP completed within 20 week time period



Adult Social Care

395.4

per 100,000 adults aged 65+ admitted to residential or nursing care (Apr-Dec 2021)

88.3%

of patients discharged into reablement/ rehabilitation services still at home after 91 days (Jan-Sep 2021)

70.1%

of service users receiving an assessment or review within the last 12 months (Apr-Dec 2021)

92.6%

of individuals achieved their desired outcomes from the adult safeguarding process (Apr-Dec 2021)

worse than last year

better than last year

similar to last year

Not comparable

- 70 In October, Public Health commenced work with Teesside University to examine the development of policy and practice guidelines for working with young people aged 18 and under in relation to self-harm, suicide attempts and deaths by suicide.
- 71 The Teenage Pregnancy and Sexual Health Steering Group reconvened in October 2021 to progress its core priorities with the following areas forming the initial elements of the updated plan: Learning from COVID-19, data and intelligence, the voice of Children and Young People, and targeted support for vulnerable groups.
- 72 During quarter three, we commenced work through the Healthy Start Task and Finish Group, looking at areas with the lowest uptake of Healthy Start vouchers. Eligible families are encouraged to register for Healthy Start vouchers and will be supported through the application process by the Welfare Rights team.
- 73 In response to the Domestic Abuse Act 2021 and with support from partners, we developed a [Domestic Abuse Safe Accommodation Strategy](#) focusing on prevention initiatives, specialist and perpetrator interventions, children and young people, older people and workforce development. The strategy was approved in December.

Children and young people with special educational needs and disabilities will achieve the best possible outcomes

- 74 As seen in table below, requests for assessment for Education, Health and Care Plans (EHCPs) for children and young people with Special Educational Needs and Disabilities (SEND) have increased by 28%.

requests received	2020	2021	% change
Early Years	117	136	+16%
Key Stage 1	121	140	+16%
Key Stage 2	157	235	+50%
Secondary	121	144	+19%
Post-16	12	19	+58%
Total	528	674	+28%

- 75 Although there have been increases at all school stages, the main increase is at Key Stage 2. This increased demand has led to an increase in EHCP assessments completed by around a third, from 395 in 2020 to 524 in 2021.
- 76 Provisional data shows 62% of EHCP assessments in 2021 were completed within the statutory 20 week timescale. This rises to 78% when assessing against 22 weeks.

77 Additionally, during quarter three, the Early Years SEND Panel dealt with:

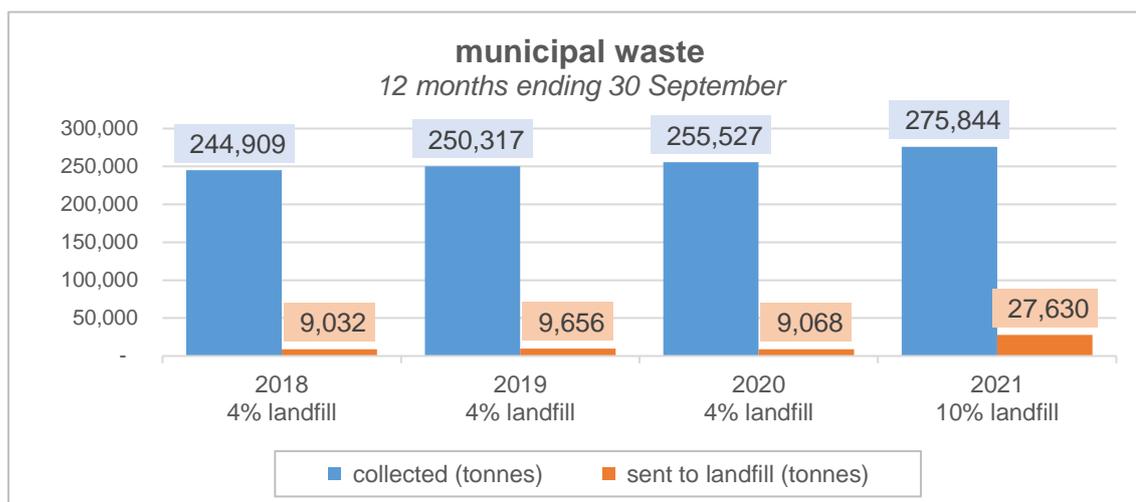
		October to December		
		2020	2021	Change
requests for early years SEND support		44	72	+63%
requests to initiate statutory assessment	Received	26	21	-5
	Agreed	21	19	-2
	% agreed	81%	73%	-8pp

78 As this quarter incorporates the start of the academic year it is timely to highlight that 35 children in receipt of Early Years SEND support delayed their entry to reception, compared to 29 last year. These children will repeat a year of nursery education as opposed to starting their reception year.

79 We are currently developing a new SEND Strategy for County Durham in co-production with schools, partners and parents/carers. A SEND White Paper is due to be released later in 2022.

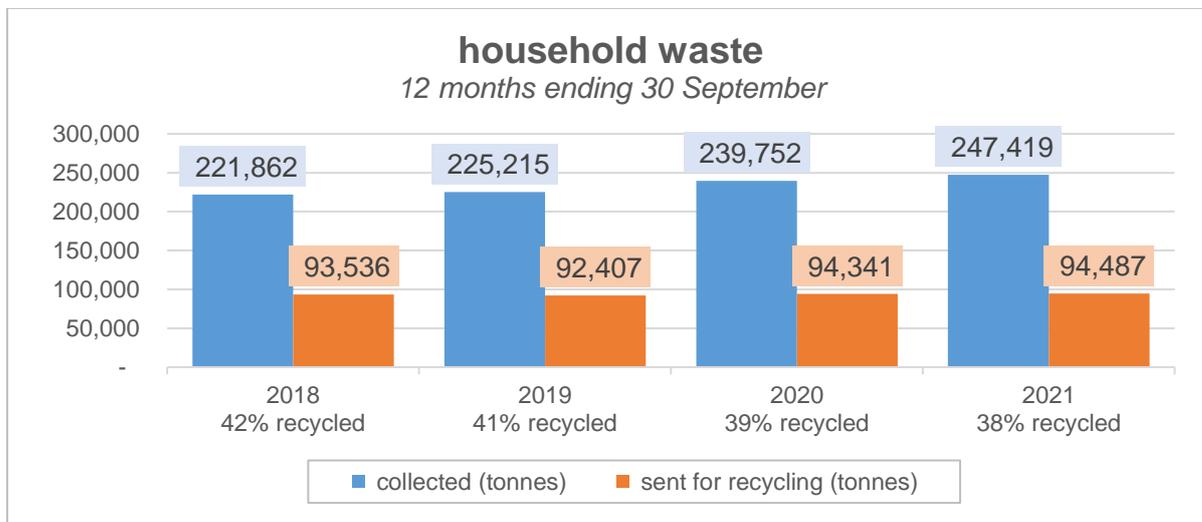
A physical environment contributing to good health

80 During the 12 months ending 30 September 2021, almost 276,000 tonnes of municipal waste was collected and disposed of, 8% more than the previous year. The increased volume of waste reduced the spare capacity within the waste disposal system so when planned maintenance at the energy from waste plant was required, more waste had to be sent to landfill. This decreased our landfill diversion rate to 90%, less than the 93% of last year.



81 During the same period, just over 247,000 tonnes of household waste was collected and disposed of, a 3.2% increase on the previous year and 10% higher than the same period pre-COVID.

82 The biggest contributor to the increase in waste is people spending more time at home and generating more waste. Another factor is that across the county, the housing stock has increased by 1.2%, which equates to around 3,000 houses.



83 Around 15% of household waste is collected through our kerbside recycling scheme, and this proportion has remained steady over the last three years. However, the amount of waste which is contaminated with items such as black bags, wood, food waste, nappies and textiles has increased by 30% when compared to the same period pre-COVID. As contaminated tonnage is rising faster than overall tonnage, the rate of contamination in our kerbside recycling collections has increased from 29% in 2019 to 35% in 2021.

84 We continue to tackle contamination with more than 7,600 contamination notices issued in the last 12 months and a number of waste campaigns during quarter three. These campaigns included a general what goes where / recycling matters messages, food waste, small electrical recycling project, junk mail, Halloween, COP26, Christmas messages and recycling.

85 The small electrical recycling project continues to grow. 70 collection points are already located in community buildings and schools across the county and additional funding has been received to increase the number. Approximately six tonnes of small electrical and battery-operated items have been collected to date.

86 More than 66,800 residents have subscribed to garden waste collection service for 2021/22, and between April and September 2021, over 14,000 tonnes of green waste was collected and sent to the Joint Stocks composting site.

87 The Chester-le-Street flood prevention scheme, received the 'Going the Extra Mile' award for protecting 400 businesses and 72 homes from water damage at this year's Civil Engineering Contractors Association (CECA) North East awards. The scheme was also awarded Project of the Year (Medium Category) at the Institution of Civil Engineers (ICE) North East Awards 2021.

- 88 A Health Impact Assessment on the leisure centre transformation programme and proposed refurbishments is ongoing with an expected completion date of spring 2022. Relevant information and data have been collected during quarter three on the proposed refurbishments at Abbey, Peterlee, Spennymoor and Teesdale Leisure Centres.
- 89 COVID-19 has impacted gym memberships at our leisure centres. There are approximately 4,500 fewer than at the start of the pandemic in April 2020. Although growth in gym membership was on target for the first two months of quarter three, the Omicron wave affected both sales and cancellations in December resulting in total memberships falling from 16,309 to 16,080. Attendances followed a similar pattern, with growth over the first part of the quarter but an exceptionally quiet December. As at the 31 December 2021, quarterly attendances totalled 850,494 which is 31% fewer (-261,158) than the same period pre-COVID (ending December 2019). Although disappointing, this was due to the Omicron wave, and targets for both gym memberships and attendance are set for a full recovery for March 2023.
- 90 During quarter three, we launched our MOVE programme which encourages people to get moving and keep moving as part of their everyday life. The programme provides tips, signposting and dedicated one to one support to help people overcome barriers to exercising more. Funding, provided by the government is limited to £1.2 million, which allows us to issue a maximum quota of around 3,000 free gym or swim memberships. As of mid-January, 752 memberships had been allocated, 99 of which were to young people aged 11 to 15 years. We hope that these initial free sessions encourage people to convert to paid for memberships when their free membership ends.
- 91 During quarter three, our Playing Pitch Strategy was approved and we are now focussing on developing an implementation plan and funding strategy to deliver the first tranche of recommendations. We aim to improve 49 pitches across the county both in terms of quality and the number of teams these pitches can accommodate.

Promoting positive behaviours

- 92 It is recognised that targeting women who smoke, from the very start of their pregnancy and thereafter, is essential in increasing the quit rate. Further work to address this has been undertaken in quarter three; this includes the development of an online booking system for GP receptionists, which enables them to provide details of the Stop Smoking Service to pregnant women at the earliest opportunity.
- 93 The Smoking Quitters Case Management System contract with AN Computing Limited commenced in December 2021.

- 94 Horden Together is a place-based partnership project aiming to improve public safety by offering support with a broad range of issues, including emotional health, crime, anti-social behaviour, housing, drugs, alcohol and environmental issues. The Horden Resource Centre, completed in December 2021, will be an active community resource, providing office space for multiple partners committed to implementing the Making Every Adult Matter approach, including substance misuse recovery. As part of this approach, we are looking to rationalise the pathways of the various partners through a single more efficient triage system.
- 95 A new service run by Wellbeing for Life commenced during quarter three to provide a cardio-vascular disease (CVD) prevention programme. This has been incorporated into the NHS Health Check programme, to provide support for patients identified as requiring support to address health behaviour which places them at risk of CVD. This service will increase the provision of advice and guidance for lifestyle behaviour changes.
- 96 Work continues on the development of a physical activity strategy for County Durham. During quarter three, a series of stakeholder workshops were held and, once all information has been collated, it is expected that the final strategy will be presented to the County Durham Health and Wellbeing Board in March 2022.
- 97 A number of workshops have taken place during quarter three to set the new priorities for the Healthy Weight Alliance (HWA) for 2022. These will be presented to the HWA in the new year, with group members to set priorities for the HWA to focus on for 2022. Work has also commenced to develop a resource detailing all Healthy Weight support services available across County Durham.

Better integration of health and social care services

- 98 Wellbeing for Life services continued to be reinstated during this quarter, to engage local residents in positive health behaviours and addressing wider determinants. Support is being implemented via hybrid ways of working to maximise opportunities to engage local residents, depending on their needs.
- 99 Contain Outbreak Management Funding has been awarded to Wellbeing for Life, to help support County Durham and Darlington NHS Foundation Trust manage patients on hospital waiting lists. The 'Wellbeing for the Time Being' programme aims to proactively engage with pre-op patients to offer them both physical and psychological support whilst waiting for their operation. The programme is also linking directly with the new weight-loss management service being developed.

People will be supported to live independently for as long as possible

- 100 Multiple factors associated with activity, practice and the continued impact of the pandemic alongside the changing of case management systems in June 2021 are

reflected in the continued decrease in permanent admissions to residential and nursing care.

permanent admissions to residential and nursing care per 100,000 population October to December...		
2019 (pre-COVID)	2020	2021
566.8	432.6	395.4
	189 fewer people from 2019	41 fewer people from 2020

- 101 During quarter three, 88.3% of older people remained at home 91 days after discharge from hospital into reablement services. Significantly higher than the same period last year (83.5%), this performance is at its highest point for more than three years having steadily increased during the pandemic. For this indicator we continue to perform well against regional and national figures.
- 102 In relation to the adult safeguarding process, 92.6% of individuals achieved their desired outcomes during quarter three: a slight reduction over the last two quarters, the same period last year (94.5%) and for quarter three prior to the start of the pandemic (94.9%).
- 103 The percentage of service users assessed or reviewed within the last 12 months has continued to reduce over the last year. Factors for this performance include; the change to a new case management system, which increased the administrative burden in recording reviews until the first 12 month cycle is complete, operational pressures while coming out of the pandemic have meant other work has had to be prioritised, ongoing work required to increase confidence in practice and new reporting mechanisms; all these present challenges to performance integrity. It should be noted that the high performance in 2020 was partly due to reduced demand across certain areas of adult social care during the pandemic, which allowed social workers to focus on the timeliness of reviews.

Service users assessed or reviewed within the last 12 months October to December...		
2019 (pre-COVID)	2020	2021
86.8%	92.7%	70.1%

- 104 Whilst the pandemic has, to some extent, affected both assessment rates and admissions to permanent care, ongoing issues with our new case management system continue to impact the indicators. To mitigate this impact, additional resource is being considered to improve performance and Adult Care is revising

its approach to social care annual reviews. The view of the service is that a period of bedding in is required to regain previous levels of confidence. We anticipate that performance will return to pre-pandemic levels for indicators in 2023.

- 105 During quarter three, Care Connect answered 97.5% of calls within a minute, showing an improvement on the previous quarter (96.7%) and in line with the service target (97.5%). The Care Connect emergency response rate (arriving at the property within 45 minutes of a call) is consistently above the 90% target and this quarter was 96.9% with 4,395 calls responded to within 20 minutes.
- 106 Although we have seen a slight increase this quarter in the number of Care Connect customers, over the longer term we are still seeing a downward trend in both the number of customers and connections. Compared to last year the number of connections decreased 2.2% and the number of customers by 2.6%. However, this is a slower rate of decrease than last quarter when connections and customers fell 3.3% and 3.8%, respectively.

Tackling the stigma of poor mental health and building resilient communities

- 107 The Time to Change Hub aims to reduce stigma and discrimination towards people who experience mental health problems and to raise awareness of the signs and symptoms of poor mental health. The small grants funding panel received 33 applications in quarter three, with 11 projects being shortlisted.
- 108 County Durham is part of the North East Public Mental Health Network, considering the regional key priority areas for investment during the COVID-19 recovery period. To support this, a regional Mental Health and Financial Wellbeing campaign was held during quarter three.
- 109 The Mental Health and Wellbeing Alliance aims to co-produce, co-ordinate and provide a range of support services for people with mental health needs. Final contracts have been awarded during quarter three and the Alliance will be operational from April 2022. Public Health is part of the Alliance development Board, to provide reference for the governance of this new arrangement.

Connected Communities

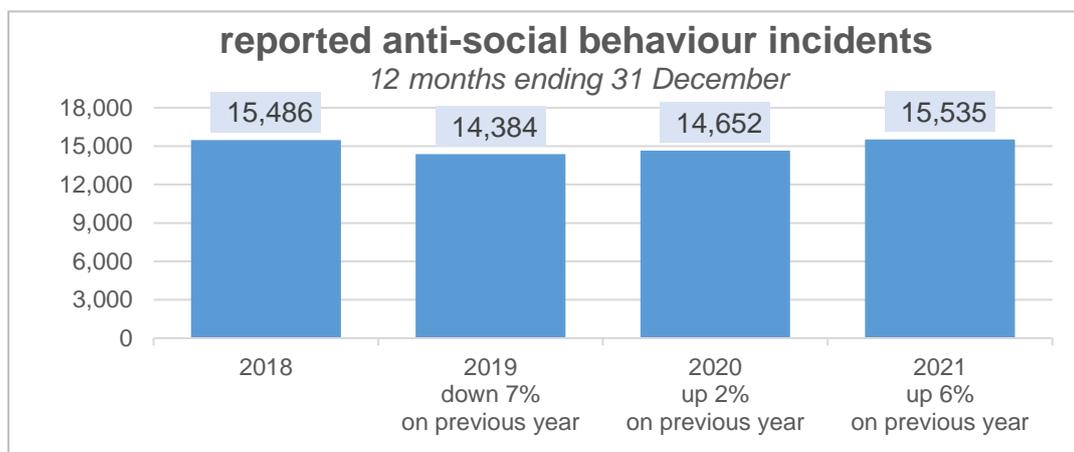
- 110 The ambition of Connected Communities is linked to the following key objectives:
- All children and young people will have a safe childhood;
 - Standards will be maintained or improved across County Durham's housing stock;
 - Our towns and villages will be vibrant, well-used, clean, attractive and safe;

- People will have good access to workplaces, services, retail and leisure opportunities;
- Communities will come together and support each other;
- Delivery of new high-quality housing which is accessible and meets the needs of our residents.

National, Regional and Local Picture

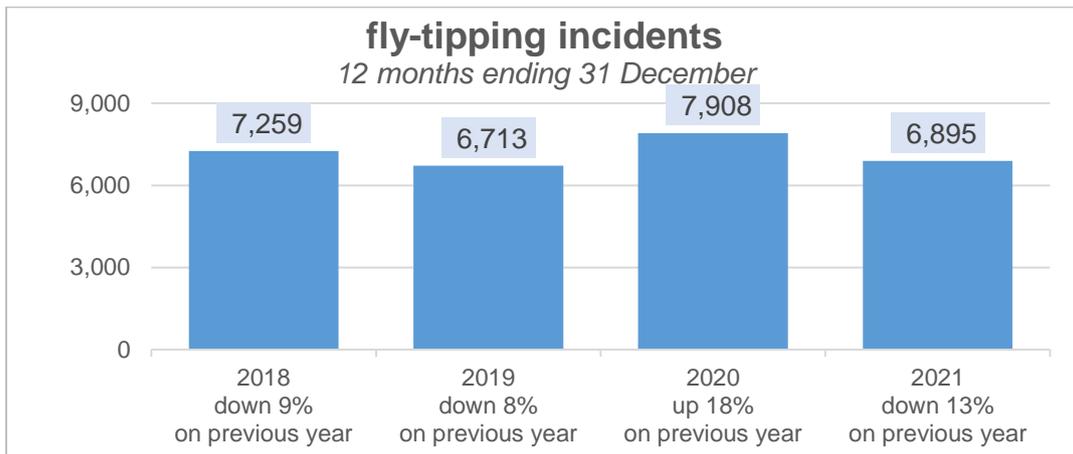
111 During the 12 months ending December 2021, there was a 3% decrease in recorded crime compared to the previous year, equating to more than 1,600 fewer crimes. Although reductions were across most crime categories, the decrease was more noticeable across theft-related offences, including vehicle crime, which has reduced by almost 18%, burglary has reduced by 12% and shoplifting which reduced by 9%.

112 There have been 15,535 Council reported ASB incidents over the last 12 months. This is above the three-year pre-covid average of 14,776 and the previous 12 month rolling period of 14,649, showing increases of 5% and 6% respectively. However, the trend over the last two quarters shows a decrease with 2,921 incidents being recorded during quarter three, a reduction of 24.7% on the previous quarter.

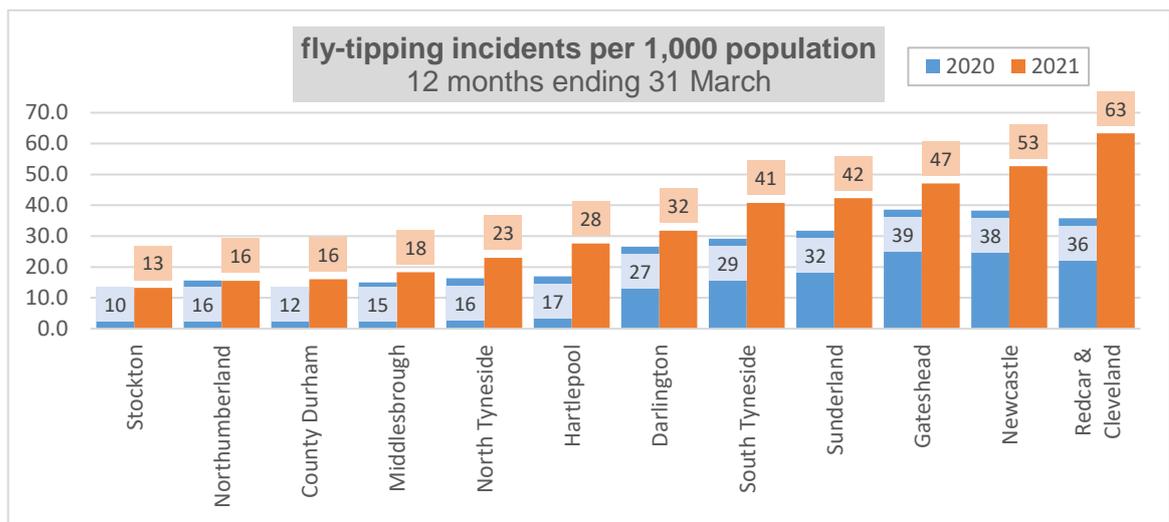
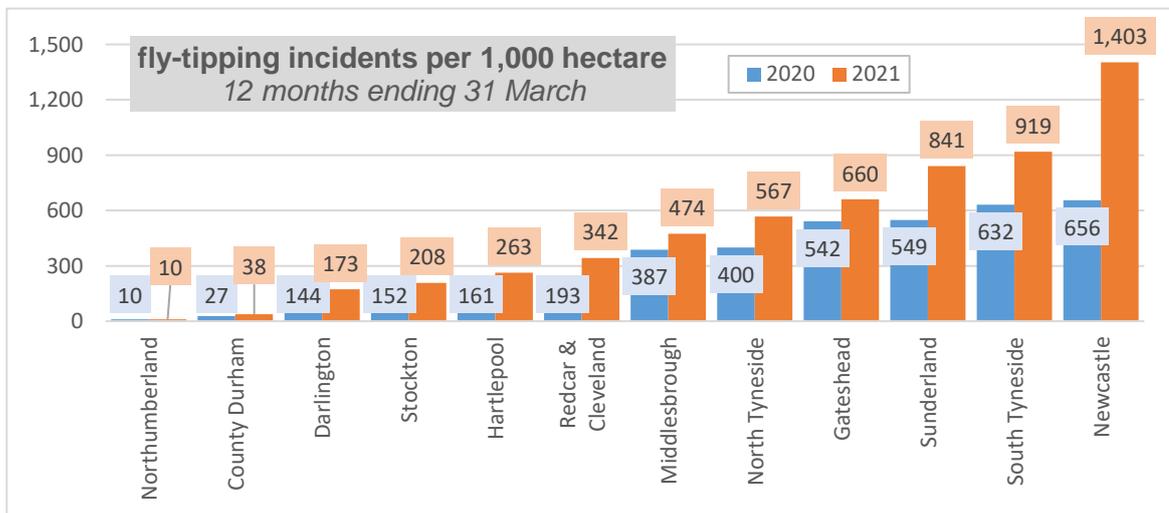


113 Most of the increase within the last 12 months has been within nuisance (+3%), mainly noise incidents which account for 63.2% of all nuisance; and enviro-crime (+9.2%), mainly litter incidents which account for 44.7% of all enviro-crime. Personal incidents have reduced by 11.2% on the previous 12 months.

114 During the 12 months ending December 2021, reported fly-tipping incidents reduced by 12.8% compared to the 12 months ending December 2020. The in quarter figure of 1,203 is 28% less than the same period last year. Fly-tipping levels are currently 5.3% higher than the pre-covid levels in 2019-20.



115 The latest national fly-tipping benchmarking data for 2020/21 show County Durham is below the national and regional averages based on local authority size



and population. Comparison between 2019/20 and 2020/21 shows all north east local authority areas have seen an increase in the levels of fly-tipping.

- 116 The Government has published the Levelling Up White Paper which aims to reduce inequality between regions of the UK. The paper sets out 12 ‘missions’ for 2030 across four policy objectives, as set out below:

Objective	Missions
Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging	<ul style="list-style-type: none"> • Increasing pay, employment, and productivity, and narrowing disparities between areas • Increasing domestic public investment in Research and Development outside the Greater South East by at least 40% • Improving local public transport systems across the country to closer to London standards • Gigabit-capable broadband and 4G coverage, with 5G coverage for the majority of the country
Spread opportunities and improve public services, especially in those places where they are weakest	<ul style="list-style-type: none"> • 90% of primary school children meeting expected standards, increasing in the worst performing areas by a third. • 200,000 more people completing skills training every year, with 80,000 more people completing courses in the lowest skilled areas • Narrowing disparities in Healthy Life Expectancy (HLE) and by 2035 rising HLE by 5 years. • Improving well-being in every area of the UK and narrowing the disparities between areas.
Restore a sense of community, local pride and belonging, especially in those places where they have been lost	<ul style="list-style-type: none"> • Pride in place, to rise in every area of the UK, with the gap between top performing and other areas closing. • Renters will have a secure path to ownership with the more first-time buyers in all areas; and halving the number of poor-quality rented homes • Significantly decreasing serious crime in the worst affected areas
Empower local leaders and communities	<ul style="list-style-type: none"> • Granting every part of England a devolution deal if they wish.

Council Services

Victims of crime will have access to the right level of support, with services available to address their needs

- 117 Funding has been secured for a Safety of Women At Night (SWAN) project which will provide a staffed night-time safe hub for women who feel vulnerable or at risk. The hub, based at St Nicholas’ Church in Durham City and open on Wednesdays, Fridays and Saturdays, is currently funded until the end of March. Vulnerability

training for staff working in the night-time economy is underway and a communications campaign across the city highlighting the issue will also be delivered.

All children and young people will enjoy a safe childhood

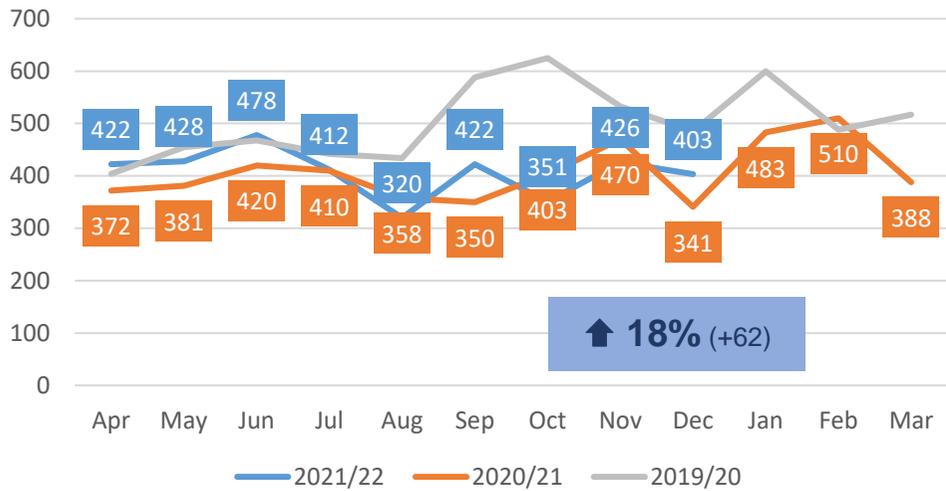
- 118 Between April and December 2021, we have received almost 3,700 safeguarding referrals into our children's social care teams. Domestic abuse remains the most common reason for referrals into children's social care, followed by neglect and sexual abuse. Both COVID and complexity of cases has led to around 3,500 children and young people open to statutory social care teams in County Durham at any one time.
- 119 This has impacted on social worker caseloads, and some have higher caseloads than we would want. Due to demand pressures on our frontline teams some key areas of performance have decreased in recent months, for example the proportion of our assessments which are completed within a 45 working day timescale. Senior managers are aiming to address this with service redesign and continued close work with colleagues in early help. The council continues to support children's social care to recruit staff over-establishment.
- 120 A key area for improvement which we have focused on since 2019/20 was reducing the re-referral rate. This means children who are referred back into children's social care who had a previous referral in the last 12 months. This has decreased to 19% from 28% in 2019/20, and is now lower than in our national, statistical and regional neighbours.
- 121 Whilst the number of children in care across the county reduced following increases during COVID, primarily due to the inability for children to leave care due to court closures etc., we have experienced a recent increase and although this has not reached levels during COVID we are facing significant placement pressures. This is not just an issue local to Durham but is also being experienced regionally and nationally.
- 122 We continue to progress our Residential Care and Fostering Transformation Programmes with the aim of increasing in-house capacity through recruitment and retention of foster carers and longer-term development of new council-ran children's residential homes.
- 123 We have rebranded marketing materials, reviewed social media campaigns, and launched targeted campaigns to attract foster carers with the skills and expertise to care for children with disabilities and sibling groups. We have also increased capacity in the recruitment team to increase assessments and their timeliness, and developed a new training programme for our foster carers.

- 124 The current residential care transformation work programme includes one new children's home delivered in 2021/22, five homes planned in 2022/23 and two future children's homes identified for 2023/24. There may be some slippage of future projects, dependent on our ability to develop these at pace and we are working closely with colleagues across the council in regeneration, legal and finance.

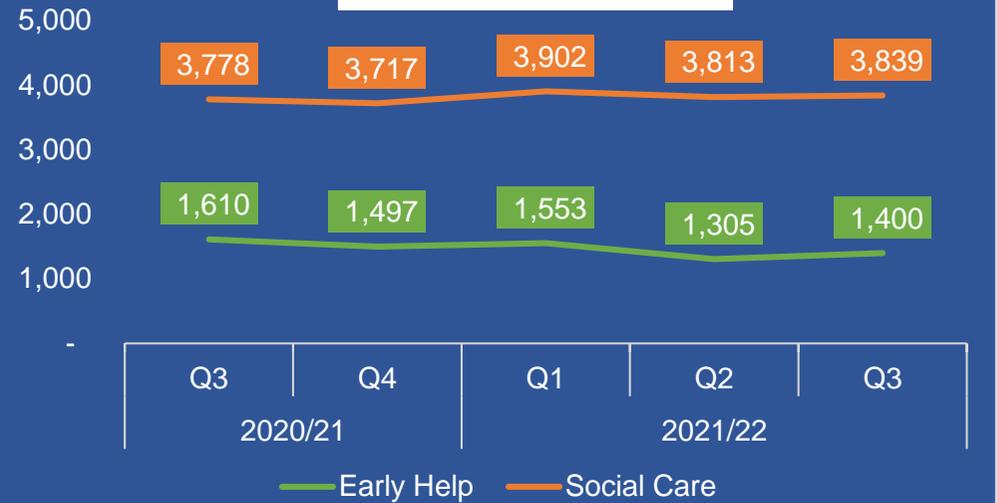
CONNECTED COMMUNITIES

Page 80

Referrals



No. of open cases



% Initial Child Protection Conferences held within 15 days of S.47 investigation commencing



No. of children subject to a child protection plan



Our towns and villages will be vibrant, well-used, clean, attractive and safe

- 125 During quarter three, we completed eight public realm schemes: three physical improvements from the town centre capital programme and five from the towns and villages programme. Dalton Old Pump House was brought back into productive use, offering a unique venue to host events or weddings in a Grade II Listed Victorian Building, as well as housing two new businesses.
- 126 A series of draft masterplans have been developed which set out a vision and general principles for the future development of some of the county's settlements. These documents are now out for consultation and residents can have their say on draft masterplans for Chester-le-Street, Newton Aycliffe, Peterlee, Three Towns, Durham City, Sniperley and Stanley.
- 127 The installation of free WIFI in Crook, Spennymoor and Consett has been delayed due to higher than expected costs. Discussions are underway with Area Action Partnerships and Town Council's in relation to match funding potential. New quotes are expected January and implementation now anticipated May 2022 instead of March. Work continues on the scheme in Durham City which is due to be implemented in June 2022. The scheme is to encourage people to spend more time in our town centres and boost the local economy; as well as providing valuable information through the anonymous footfall data to identify trends and monitor the impact of changes to the high street, which can then be used to shape future regeneration projects.
- 128 2,550 fly-tipping enforcement actions were undertaken during 2021, This included further investigations, deployment of cameras, stop and search operations and the use of Fixed Penalty Notices. The proportion of incidents that had an enforcement action during this period is 37%, an increase on the previous 12 month period (26%).
- 129 During quarter three, our Find and Fix programme continued to clear shrubs and vegetation, plant, edge pavements, paint street furniture, repair and replace fences and bins, and clean and refurbish bus shelters. The team also worked with local community projects and volunteers at 15 sites to support the wider clean-up following Storm Arwen, removing fallen trees, repairing fencing and tidying affected areas.
- 130 During quarter three, our Community Action Team worked at Dean Bank, Ferryhill dealing with rubbish accumulations, preventing anti-social behaviour and improving housing standards and the management of privately rented properties. 295 issues were logged and 77 legal notices were served on 26 properties. Activities undertaken included:

- warden patrols focusing on fly-tipping and taking action on untidy yards and gardens: 38 community protection warnings; 21 community protection notices; 12 fixed penalties; four noxious matter notices; and two multiple community protection notices were issued,
 - removing abandoned bins from rear lanes,
 - recycling door knocks made at 798 properties,
 - six referrals were made to community peer mentors to get support for vulnerable residents,
 - 20 empty homes were brought back into use,
 - safe and wellbeing visits by the fire service
 - litter pick arranged by Groundwork with children at Dean Bank Primary School.
- 131 During quarter three, we reinstated some face-to-face road safety education and training. However, school based training continues to be provided virtually as some education settings continue to restrict visitors and schools are predominantly focused on catching up with core curriculum learning. In the coming months, the Road Safety Team will be supporting individuals through the Taxi Driver Refresher Training Scheme, and working with Durham Constabulary to develop and launch a motorcycle safety initiative for spring/summer 2022.
- 132 Both water safety forums, responsible for managing water safety in the city centre and countywide, met during quarter three. The multi-agency groups reviewed risk assessments and planned controls for open water across the county, with a particular focus on Durham city centre.
- 133 The City Safety Group continued to make progress against its revised action plan, completing its safety related planning for student induction week in early October 2021. Independent assessments of the new Milburngate development, wider city centre and the river corridor were completed in December 2021 by RoSPA and will be considered by the group in early 2022.
- 134 The countywide group reviewed all work undertaken in 2021 to plan for future activities and interventions. All higher risk and priority locations were revisited and reassessed, and assurance provided that the safety controls and measures in place remain in line with national guidance and best practice.
- 135 The group also met to discuss safety control measures at the Riverside Complex in Chester-le-Street. Several actions were taken forward in relation to lost and found children and educational and awareness activities within the Chester-le-Street area, particularly within schools.

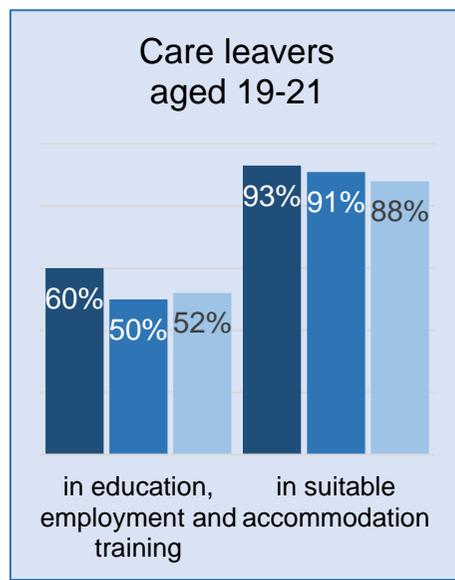
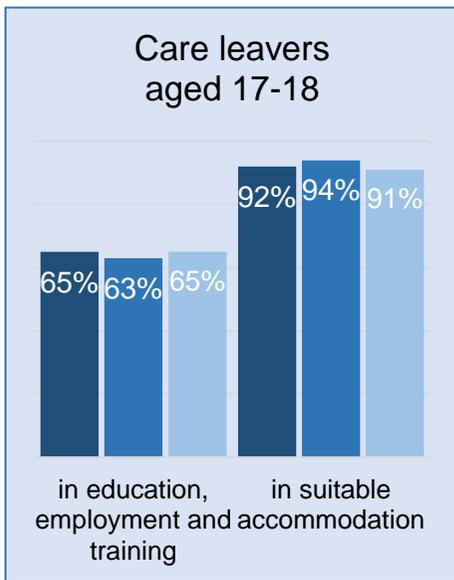
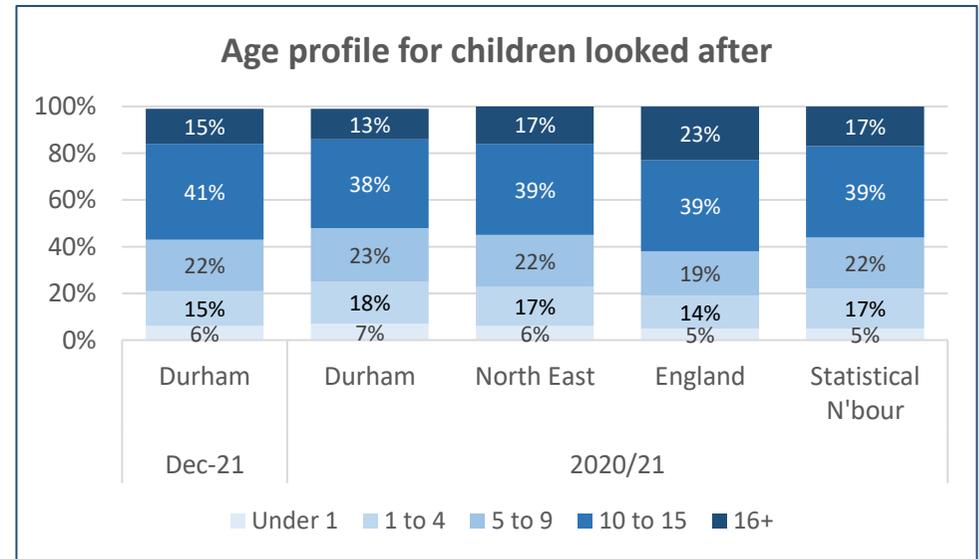
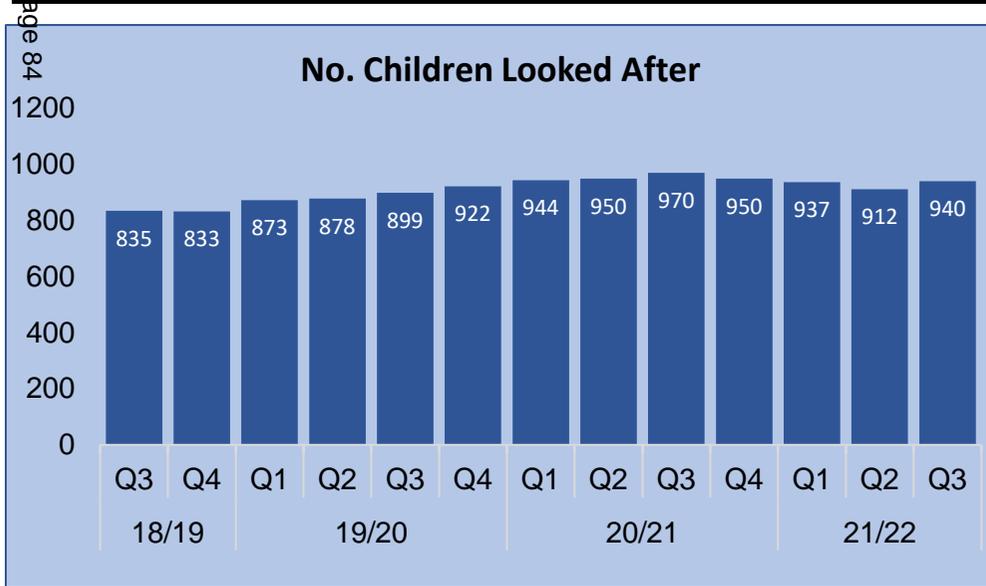
Communities will come together to support each other

- 136 A wide range of activity has been undertaken through the multi-agency problem solving (MAPS) teams across the county. Examples of these include working with partners to deal with complaints of anti-social behaviour in a number of properties in Sacriston with a Closure Order being sought by the Police for one, liaising and walkabouts with partners, residents and elected members over local concerns across the county; liaising with private landowners to target harden areas being used for fly-tipping and target hardening areas to deter off road/quad vehicle nuisance.

Delivery of new high-quality housing which is accessible and meets the needs of our residents

- 137 In December Cabinet approved Phase 2 of the Council Housing Building Programme. Subject to a viability assessment of each scheme, this will see 345 homes developed across 17 sites. Detailed preparations are underway for the commencement of Phase 1 which will deliver 155 homes across 7 sites with work due to commence on site in July 2022.
- 138 Wheatley Hill Targeted Delivery Plan (TDP) is complete and will be submitted for delegated approval as part of a report setting out the approach for the future progress of TDPs. TDPs form part of our Housing Strategy to improve the county's housing stock and wider residential environmental issue and focus on issues that are relevant to each area, including addressing long term empty homes.
- 139 Work continues on delivering the Chapter Homes business plan with construction of 67 new homes located at Oakerside Drive in Peterlee now complete. Five properties were sold during the quarter, with the remaining three currently being advertised. Work also continues on the Gilesgate site, with the scheme on track to achieve 20 reservations by the end of March 2022.
- 140 Supply chain issues impacting the construction sector has meant the construction of 60 new homes by July 2022 has been pushed back to December 2022, however, it is anticipated that all sales will be completed on target by August 2023.

CONNECTED COMMUNITIES



As at 24 Nov 2021

■ County Durham ■ North East ■ England

Where our children in care live

In-house foster care	41%	Independent living (incl. supported lodgings)	4%
Independent fostering agency	17%	Placed for adoption	4%
Friends and family	15%	In-house residential (incl. children's homes)	4%
Placed with parents	8%	NHS/ Health Trust	<0.5%
External residential (incl. children's homes and res school)	7%	Secure (incl. YOI and prison)	<0.5%

Standards will be maintained or improved across County Durham's housing stock

- 141 The Secretary of State has now approved in full the council's application for a Selective Licensing Scheme that will cover 42% of the private rented sector in County Durham. A three month notice period is required before licences can be issued, therefore the scheme will come into effect 1 April 2022. However the application process will open on 1 February 2022.
- 142 We are looking to introduce an Accredited Landlord Scheme for responsible landlords and a proposal for a hybrid accreditation scheme, the 'Durham Rental Standard' has been developed in conjunction with the National Residential Landlords Association. The scheme would be free to join for landlords operating within County Durham and specifically targeting areas of the County where selective licensing does not apply.
- 143 During the quarter, 40 empty properties were brought back into use, making 118 in the year to date. The challenging way the team have had to work in response to ongoing COVID restrictions has had an impact on delivery. It is anticipated that with a full complement of staff and continued lifting of COVID restrictions, the annual target of bringing 200 empty properties back will be achieved.
- 144 During the quarter, 386 households benefitted from energy efficiency measures, with a total external grant funding of £444,200. Amendments to the national Energy Company Obligations (ECO) regulations, which introduced more complicated procedures for ECO contractors, continues to slow down contractors processing installations. 165 energy efficiency measures were installed through the local authority delivery programme, including solid wall insulation and air source heat pumps.

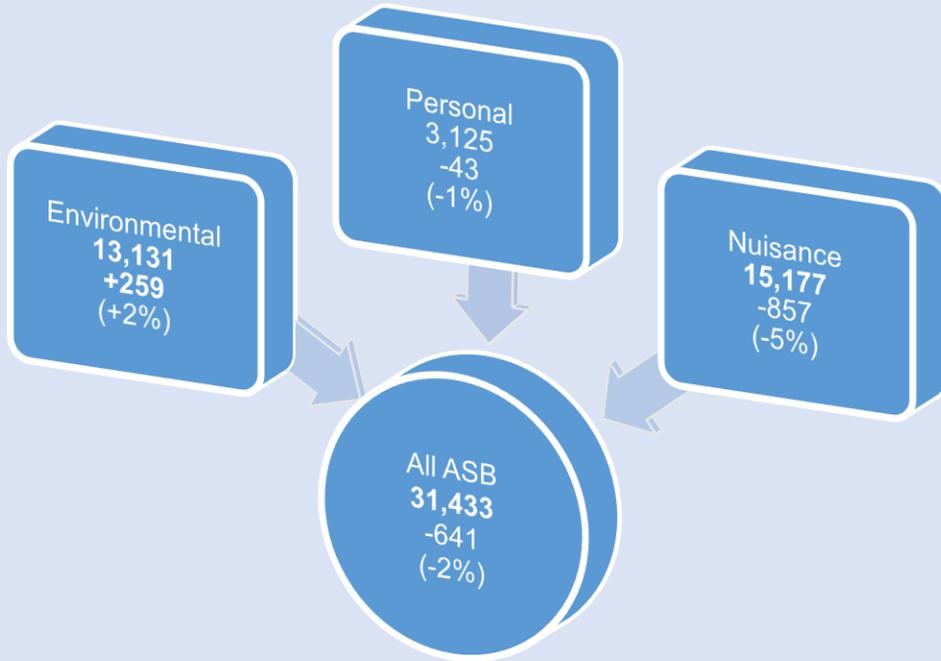
People will have good access to workplaces, services, retail and leisure opportunities

- 145 The council has submitted Strategic Outline Business Cases to the government's Restoring Your Railway Fund to re-establish a passenger rail connection from Consett to Newcastle and a station at Ferryhill.
- 146 A new Consett to Newcastle railway line would include a new station at Consett and intermediate stations along different route options including a route via Annfield Plain and Stanley, to Newcastle via the East Coast Main Line, and a potential route via the Derwent Valley. Appropriate environmental and cycle route mitigations would be incorporated into these potential routes.

CONNECTED COMMUNITIES

Page 86

Police and council reported ASB



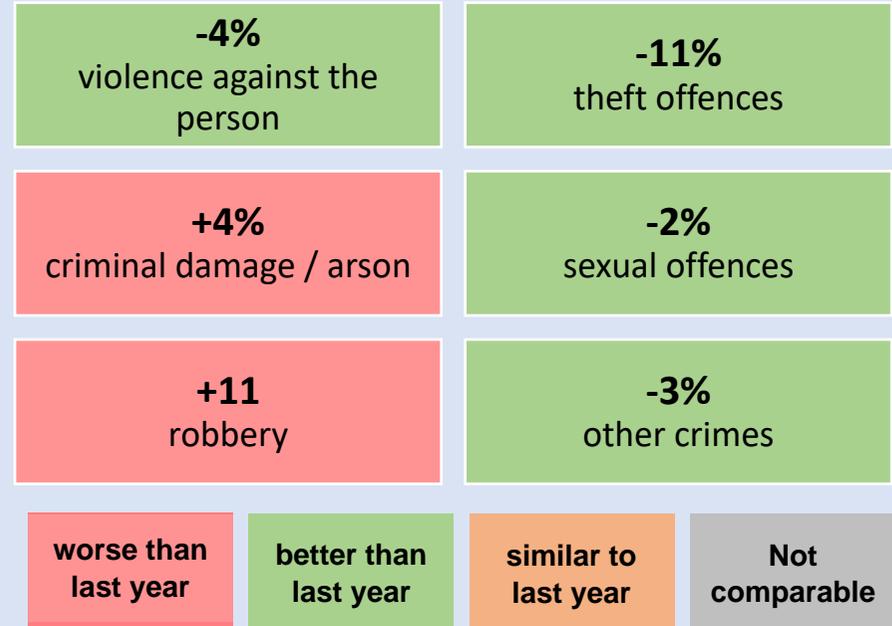
ASB incidents

(12 month rolling)



Crime

46,054 crimes (↓ 3%)
86.4 per 1,000 population



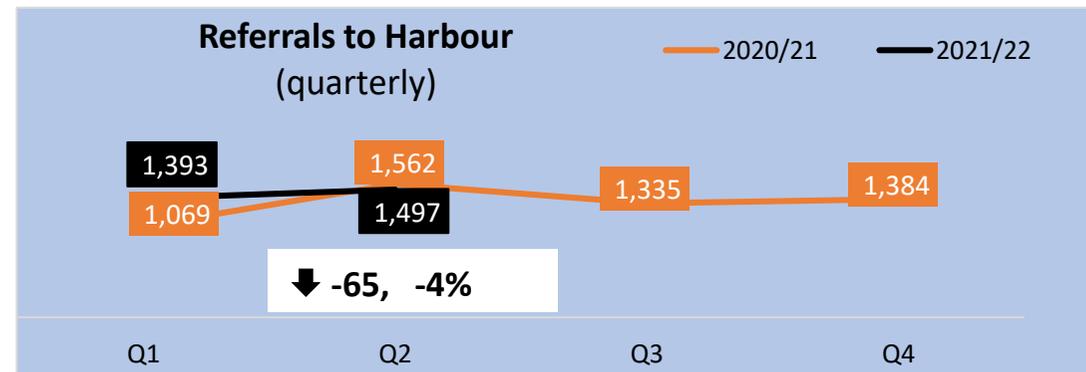
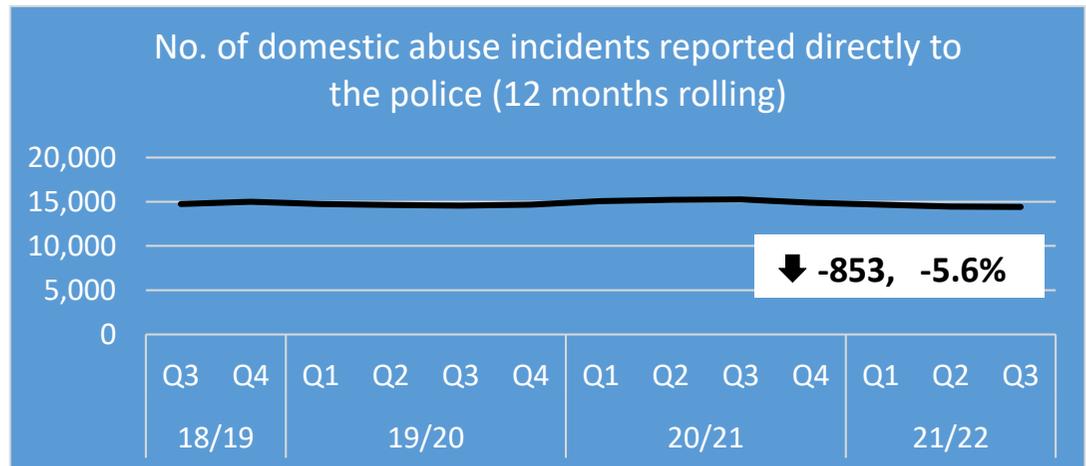
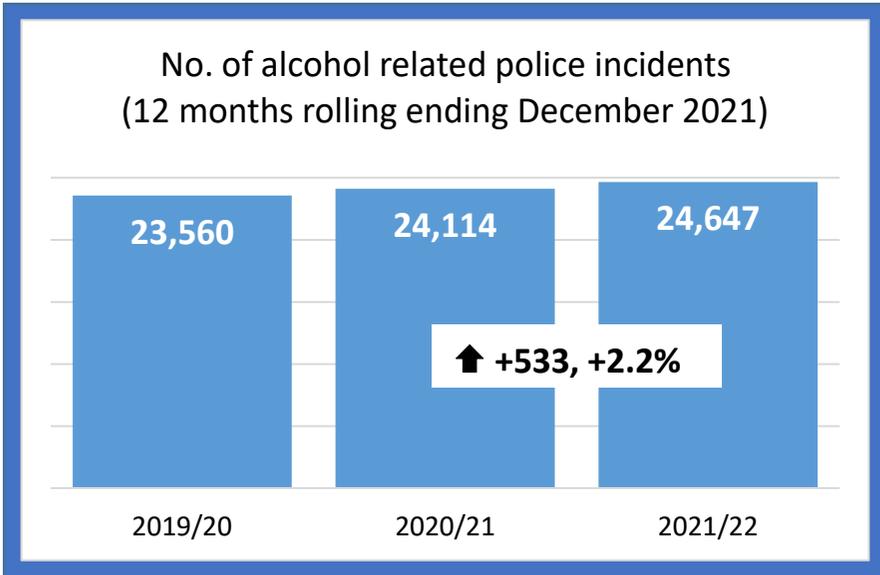
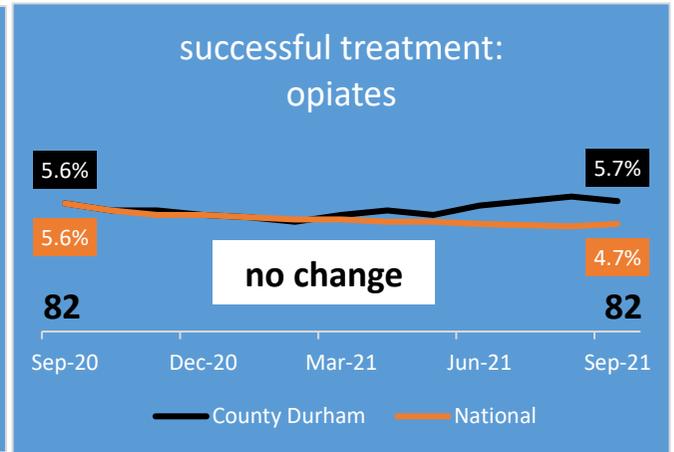
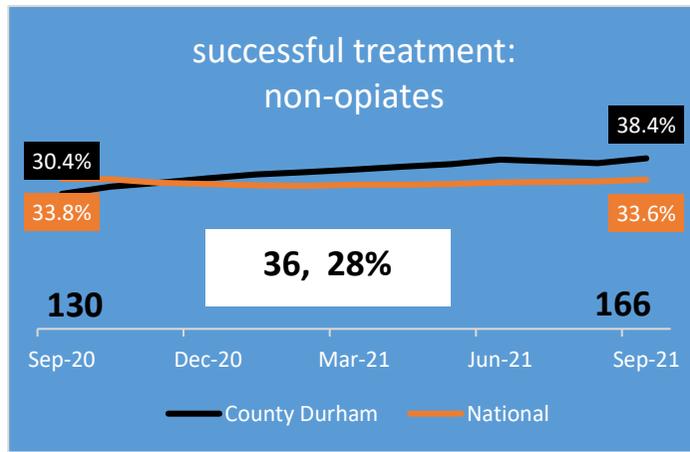
- 147 A station at Ferryhill would create a passenger rail service to Teesside, via the existing Stillington Line which is currently only used for freight services. This could lead to reviewing rail connectivity to Sedgefield. Combined with the potential long-term reinstatement of the Leamside line, a new Tyne-Tees connection would see rail services continue up to Newcastle. Although the proposal to reinstate the Leamside line was unsuccessful in achieving Restoring your railway funding, discussions into this potential connection are ongoing at a regional level.
- 148 The Department for Transport will assess the business cases and we expect to hear spring/summer time on whether they will be progressed further.
- 149 The 2021/22 winter maintenance commenced in October with no issues relating to salt stocks. Driver issues due to staff absences from COVID continue to be a problem and three routes have been sub-contracted. In-house driver levels continue to be monitored and systems are in place to ensure continuity of winter service. The cost of salt and fuel have increased, and this will impact on the financial outturn.
- 150 The review of the Winter Maintenance Plan and Policy will now be published in January 2022. Additional requests have been received to increase the P2 network, these are currently under review.
- 151 Refurbishment of New Elvet Bridge, which re-opened in October 2021, was awarded Most Innovative Project by the Institution of Structural Engineers Northern Counties Structural Awards 2021 and received a special commendation in the Large Projects category.
- 152 The Transport Asset Management Plan (TAMP) for 2020 was presented to Cabinet on 19 January 2022. The key findings were:

	% of roads where maintenance is recommended			
	DCC 2020	DCC 2019	National Average	North East Average
A roads	3.1	3.0	4.0	3.0
B roads	3.0	3.3	6.0	4.0
C roads	2.6	2.3	6.0	4.0
unclassified roads	22.5	21.2	17.0	17.0

- 153 The condition of footways is showing a gradual improvement, but still remains a key issue with 22.5% of footways classified as being in need of maintenance. Many of the footways visually inspected are rural links that typically become overgrown with vegetation impacting on their functionality, in addition to urban footways that have been in decline and are in need of repair and maintenance.
- 154 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. 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, on average the council's maintenance backlog is broadly in line with other councils taking into account the size of the highway network. This still represents a challenge to achieve better than national average condition of assets and to maintain a downward backlog figure.
- 155 The Public Right of Way network is not routinely surveyed, so there is no detailed condition data. It is acknowledged that this is an area that requires a system of routine inspections, and that additional investment would be required to improve the overall condition and support tourism policies, contribute to the Strategic Walking and Cycling Delivery Plan and other physical and mental health related policies. Development of the Right of Way Improvement Plan has commenced and will be complete in July 2022.
- 156 In the 2020 National Highways & Transport (NHT) Public Satisfaction Survey our overall public satisfaction was 55%; above the national and regional averages of 54%. Public satisfaction with the condition of our highways, highway maintenance, and highway enforcement/obstructions, were all higher than the national and regional averages, however satisfaction with street lighting fell below at 60% compared to the average of 64% regionally and nationally.
- 157 The pandemic impacted the use of public transport across the county, with passenger numbers only recently returning to 75% of pre-COVID levels before a further downturn with the advent of the Omicron variant. It is likely that passenger numbers are going to take a significant time to recover.
- 158 Impacts have been experienced countywide, with a small number of bus services being withdrawn at the end of 2021 and a number of temporary timetable changes being implemented to reduce reliability issues caused by COVID related driver shortages. However, the council has responded by amending our subsidised routes so accessibility to public transport only fell by 0.2%. The majority of temporary timetable changes are now reverting back to original timetables.

- 159 Currently, our main bus operators are reliant on COVID support from central government, however, it is anticipated that this funding will soon cease. Due to this, the fact that shopping patterns have changed and potentially more people are expected to work from home in the medium term, we continue to work closely with operators around any proposed reduction in services.
- 160 As a region, we have set out a clear vision for public transport and are entering into an enhanced partnership with operators (Bus Service Improvement Plan), a bid has been submitted to secure funding to help improve services, the outcome is expected at the end of March.

CONNECTED COMMUNITIES

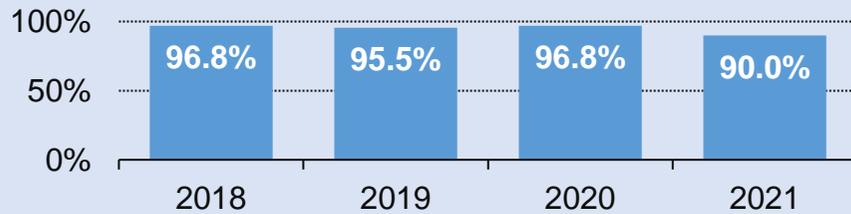


CONNECTED COMMUNITIES

reported fly-tipping incidents
(12 months ending 31 December)



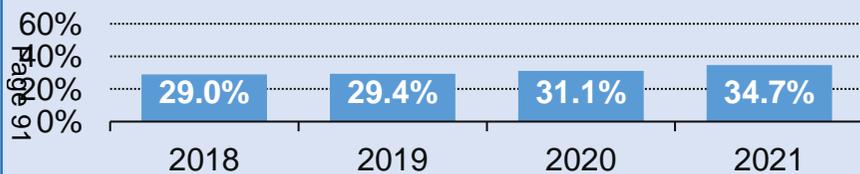
municipal waste diverted from landfill



household waste re-used, recycled or composted



dry recyclable household waste collected from the kerbside that is contaminated



Road traffic collisions

Killed

Seriously injured

Slightly injured

All casualties
2021
(2020)

13
(19)

170
(152)

458
(497)

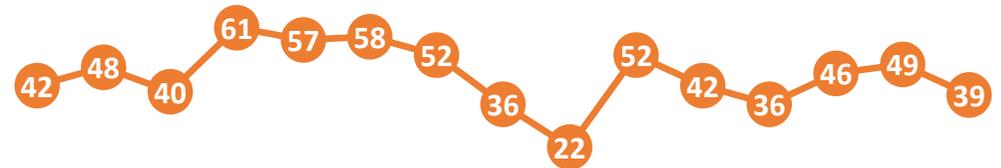
Children
2021
(2020)

0
(1)

25
(14)

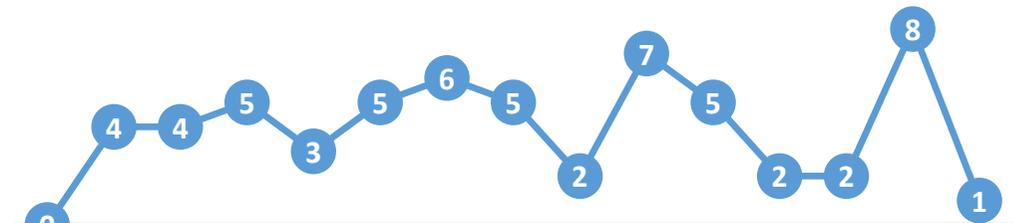
49
(53)

Serious Injuries



Q1 18 Q2 18 Q3 18 Q4 18 Q1 19 Q2 19 Q3 19 Q4 19 Q1 20 Q2 20 Q3 20 Q4 20 Q1 21 Q2 21 Q3 21

Fatalities



Q1 18 Q2 18 Q3 18 Q4 18 Q1 19 Q2 19 Q3 19 Q4 19 Q1 20 Q2 20 Q3 20 Q4 20 Q1 21 Q2 21 Q3 21

An Excellent Council

- 161 The ambition of an excellent council is structured around the following key objectives:
- (a) Our resources will be managed effectively;
 - (b) We will create a workforce for the future;
 - (c) We will design our services with service users;
 - (d) We will use data and technology more effectively
 - (e) We will actively performance manage our services.

The impact of COVID-19

- 162 The council continues to face significant financial pressure resulting from the pandemic. The additional costs incurred and loss of income are forecast to be around £23 million this year, offset by COVID-19 related underspends (relating to closure of facilities and disruption to normal service activity as a result of the pandemic) of £7.2 million – a net overspend of £15.7 million, which is presently within the forecast circa £18.2 million the council expects to receive from the Government to cover the financial impact of the pandemic.
- 163 On the 8 December 2021, the government moved England to Plan B following the rapid spread of the Omicron variant in the UK. Consequently, plans for our teams to return to offices on a hybrid basis were put on hold and all office based employees able to undertake duties from home were asked to do so until further notice.
- 164 Working from home can be difficult for some people and those employees authorised to work from their workplace for personal circumstances or well-being can still do so, monitored and supported by their manager.
- 165 Following the Plan B announcement, we stepped up our internal communication, reiterating that all staff must wear a face covering (unless exempt) when carrying out customer facing services, in public areas of our buildings and in any vehicle (council or personal) being used for work purposes where there is more than one person in the vehicle. We also stepped up our external communication in terms of requesting visitors to wear a face covering (unless exempt) where required.
- 166 All non-essential activities such as conferences, training and recruitment were postponed or moved to online delivery.
- 167 Practical advice and information relating to these changes was made available on the [COVID-19 pages of our intranet](#), and we continue to promote the support mechanisms available to our staff that would increase their emotional resilience

and protect their health and well-being – some long-established², others developed in response to COVID-19³.

Our resources will be managed effectively

- 168 Although the pandemic significantly impacted the collection of both council tax and business rates during 2020/21, gross payments in quarter three were higher than the same period last year. Retail Relief for businesses impacted by COVID-19 was withdrawn in June 2021 and this has led to the re-billing of many accounts. The council is continuing to offer flexible and supportive options which proactively support residents and businesses whilst steadily increasing collection rates.
- 169 We re-opened our Customer Access Points (CAPs), which were closed alongside all other council buildings at the start of the pandemic, on 30 September 2021. However, demand for face-to-face contact following reinstatement was low across all access points with footfall at less than 15% of pre-COVID level.
- 170 Over the same period, workloads across welfare assistance, household support, and test and trace payments increased significantly. Therefore, we temporarily re-closed the CAPs on the 13 December 2021 and redeployed the resource to help relieve these pressure points.
- 171 Face-to-face committee meetings continued throughout the quarter with COVID-19 safety arrangements in place. Spennymoor Leisure Centre was again utilised for full council meetings.
- 172 We are continuing our work to reduce carbon emissions: all pool cars are now electric vehicles, an electric refuse collection vehicle is now in operation and we are in the process of buying 19 electric vans for our Clean and Green Teams.
- 173 In November 2020, the government committed to providing gigabit-capable broadband coverage⁴ to a minimum of 85% of properties by 2025. Commercial plans by network infrastructure providers are expected to reach 80% of UK properties and public sector intervention under Project Gigabit, overseen by the Department for Digital, Culture, Media and Sport (DCMS), is expected to support the harder to reach final 20%.
- 174 County Durham is included in the first phase of DCMS procurements. Following consultation with Digital Durham and suppliers, DCMS have proposed two small

² e.g., [employee well-being guide](#), [Employee Assistance Programme](#), 'mental health awareness for managers' training

³ Our well-being portal, CMT vlogs, e-learning courses (including building personal resilience; how to be effective, productive and maintain your resilience; managing remote teams; leading and managing dispersed teams; working at home in extraordinary circumstances)

⁴ Gigabit-capable broadband can provide broadband speeds of at least 1,000 Megabits per second (Mbps), for comparison superfast broadband is just 30Mbps.

(Type A) procurement lots covering parts of Teesdale and north Northumberland, alongside a further large (Type B) lot which consider all other eligible properties in the north east. Invitation to tender was launched in January 2022 with Type A contract delivery estimated to begin in the summer of 2022, and Type B at the end of 2022.

- 175 Gigabit coverage in County Durham currently stands at 44% which is a 30% increase in the last 12 months. Superfast is 97% which is in line with the UK average.
- 176 Every week the council is subjected to around 12.5 million cyber reconnaissance attacks, of which 2,500 are targeted attempts to breach council services. In addition, 72,000 SPAM emails are handled and discarded automatically. To better protect council services, we are bringing together various documents to create a single overarching Cyber Security Strategy for the council. The strategy will focus on developing a baseline, training support staff and reviewing our security model.

We will create a workforce for the future

- 177 Workforce instability is increasing across the council. Local and national skills shortages are increasing competition within the jobs market, particularly for roles where skills are in short supply and local authorities are actively recruiting from neighbouring local authorities. In addition, many people sought alternative work in 2020 or did not return to the jobs market after furlough due to increasing child care costs. This has impacted the care sector significantly.
- 178 More vacancies due to fewer European workers and the ability to take up positions further afield due to remote working means the jobs market is weighted in favour of the job seeker, and their demands are increasing with a greater focus on organisational values and culture, wellbeing, work-life balance, flexible and hybrid working and a comprehensive rewards and benefits package.
- 179 Consequently, we are reviewing our strategies for 'Recruitment and Resourcing' and 'Apprenticeships'. Our Recruitment and Resourcing Strategy sets out our strategic approach to recruitment which understands and supports high risk areas and minimises impacts on service delivery in critical services. The review includes developing a brand for DCC as an employer of choice, widening our reach when we advertise, reviewing role descriptions which may act as a barrier and developing career pathways into professional posts. Our Apprenticeship Strategy focuses on attracting new talent into the organisation as well as identifying opportunities to develop existing staff. We are also considering developing graduate employment opportunities which will support these strategies by attracting new talent from a range of backgrounds.

- 180 In addition to the 50 apprentices who joined the council in September, we appointed a further 23 apprentice posts with start dates between October and December 2021. This means that around 3.8% of our workforce is currently enrolled in our apprentice programme⁵, and the £7.6 million⁶ invested to date has allowed more than 1,200 employees to participate.
- 181 We have also identified 81 job placements⁷ across the council as part of the government's kickstart scheme for young people (aged 16-24) claiming Universal Credit. 17 people have now been recruited and have started their roles, a further seven are at pre-employment check stage, some with start dates scheduled, and 12 recruitment drives are ongoing.
- 182 We are aware that technology alone will not deliver the improved services our customers demand, and that our staff need to have the digital skills to use that technology. Therefore, in March 2022, we will be surveying our staff to understand the current level of digital skills across our workforce, and how we can engage with those who are not currently digitally enabled. The captured data will also support and inform other key pieces of work such as IT licence renewals, IT user profiles, hardware requirements and recruitment processes.
- 183 The pandemic continued to impact our frontline service provision with many staff working additional hours and cancelling annual leave to cover for absent colleagues. Casual and agency staff were called upon, and eight employees worked (in addition to their substantive posts) in alternative service areas to keep frontline services going.
- 184 As a consequence of the restrictions put in place throughout the pandemic (working from home, hand-washing, social distancing) both health and safety incidents and days lost to sickness remain low. However, as restrictions are eased, both health and safety incidents and days lost to sickness are increasing slightly.
- 185 Throughout the pandemic, our sickness rate showed a steady decline, reaching its lowest level since 2010/11 at year-end 2020/21. But, over the last nine months our sickness rate has marginally increased and is now broadly in line with pre-COVID levels.
- 186 Of the days lost due to sickness during the 12 months ending 31 December, 9% was COVID-related (7,042 days) compared to 5% during the same period the previous year (3,436 days). Therefore, if we adjust our sickness rate by extracting sickness due to COVID-19 then our rate remains comparatively low (albeit

⁵ Made up of 232 apprentices and 208 employees upskilling – as at 31 December 2021.

⁶ invested via the apprenticeship levy since May 2017 - £676,345 has expired (i.e., not used within 24 months of entering our digital account) so was transferred to central government to fund apprenticeships for small employers. This equates to 0.8% of the total fund

⁷ The placements provide opportunities to build confidence, increase skills in the workplace and gain meaningful work experience – thereby increasing their likelihood of going on to find long-term, sustainable work.

increased over the last nine months) at just over nine days per full time equivalent (FTE).

- 187 Although reductions in days lost have been noted across many non-COVID sickness types, most notably stress (work related), strokes, depression, chest infections and joint problems, some categories have shown increases in both days lost and number of absences. These categories include back problems, cancer, anxiety disorders, back problems, fatigue, stress (non-work related), knee replacements and respiratory problems.
- 188 During quarter three, we analysed the responses to our latest employee wellbeing survey⁸. Of the 2,486 employees who responded:
- 22% described themselves as being in fair or poor health
 - 27% rated their mental well-being as five or lower (using a scale where one was the lowest and ten the highest).
 - 6% smoke, although almost half would be interested in quitting (46%).
 - 75% said they consume alcohol, and of these more than half (52%) are aware of the lower risk weekly alcohol consumption limit.
 - 29% stated they had met the minimum NHS guidelines for physical exercise in the last seven days
 - 28% reported they ate the minimum recommended amount of fruit and vegetables each day
 - 24% felt their health and wellbeing was not supported during the pandemic.
 - The three main areas they want addressing are work-life balance (67%), stress (65%) and mental health (54%) which is consistent with the previous survey carried out in May 2019.
- 189 The Better Health at Work survey is used to identify the health and wellbeing needs of our staff and inform future campaigns.
- 190 We have reinstated our Performance Development Review (PDR) process on a phased top down approach (leaders, managers then core employees). The

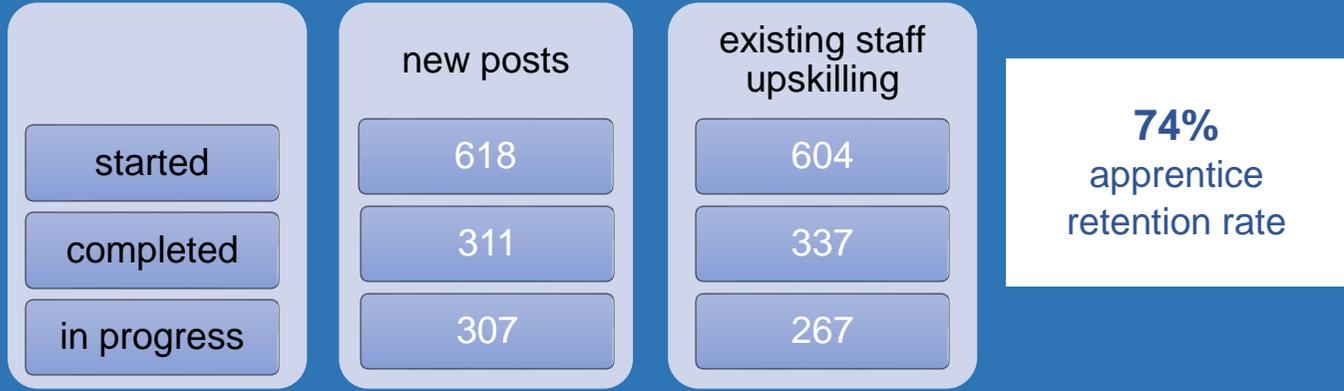
⁸ Carried out between 9 and 30 September and available to all 7,961 employees via the intranet or hard copy. 2,486 responses were received giving a response rate of 31%. However, as 88% of responses were from staff working from home in office-based roles, we acknowledge the findings are unlikely to be fully representative of all staff. We are working to improve engagement with non-office-based staff in matters relating to staff health and safety.

process is now complete for 117 leaders (100%), and has been rolled out to 1,091 managers for completion by 31 March 2022.

- 191 To support the process, PDR briefing sessions for managers are being held with almost 80% of managers planning to attend. Completion figures for managers' PDEs will be included in the year-end performance report.
- 192 The council's staff networks continue to thrive with the LGBT+ and disability and allies networks supporting employee awareness sessions covering topics such as LGBT+ inclusion, autism awareness and reasonable adjustments for people with disabilities.
- 193 We have asked our staff to update their personal information in relation to protected characteristics within our HR system to help us better monitor and analyse workforce diversity. Two new categories have also been added to the system - gender identity and married/civil partnership.

Training & Development

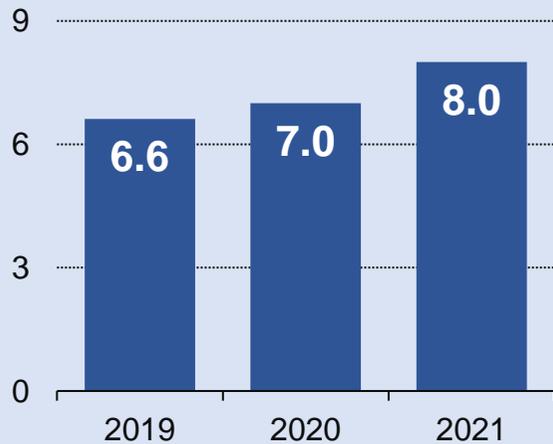
1,223 apprenticeships started since 2017



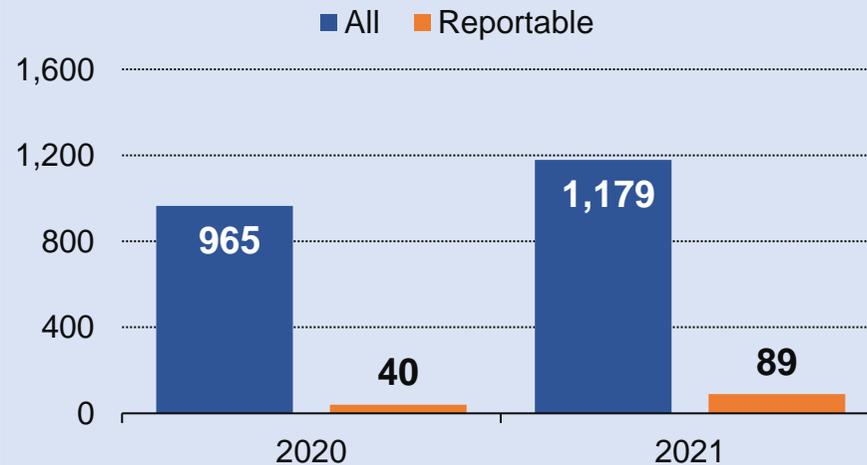
Health & Wellbeing support

- 177 routine physiotherapy sessions
- 217 Mental Health First Aiders
- 56 Health advocates
- 74 Time to Change Champions

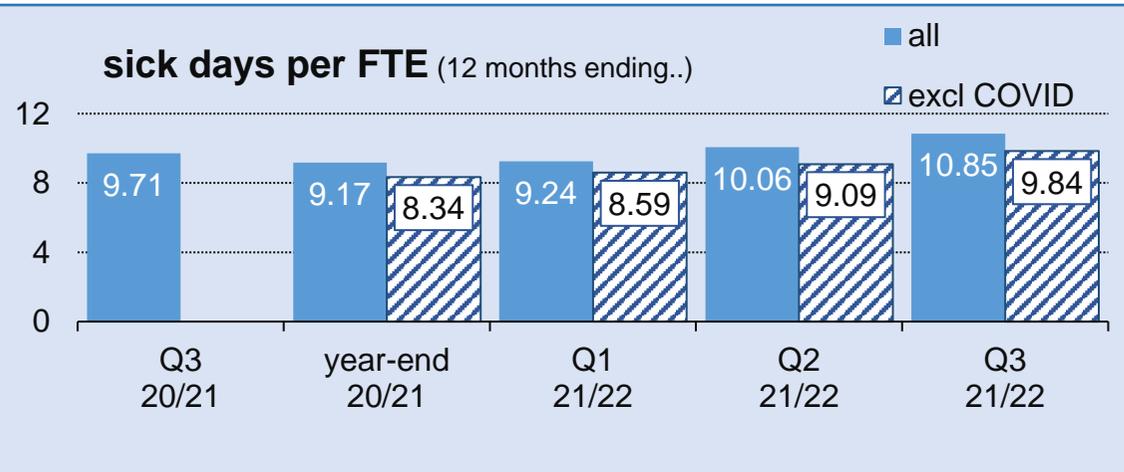
Staff Turnover (excl. school staff)



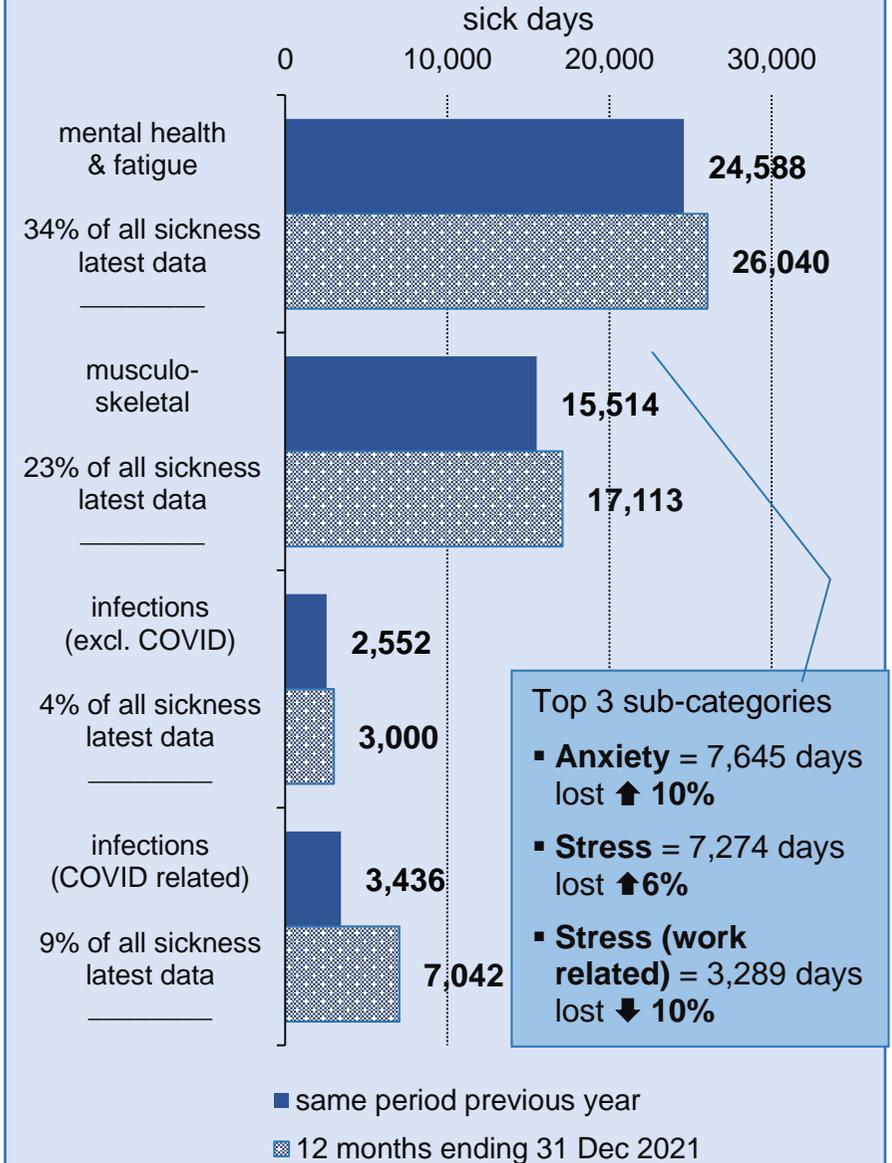
work related accidents/incidents



AN EXCELLENT COUNCIL



3 reasons for 70% of sickness



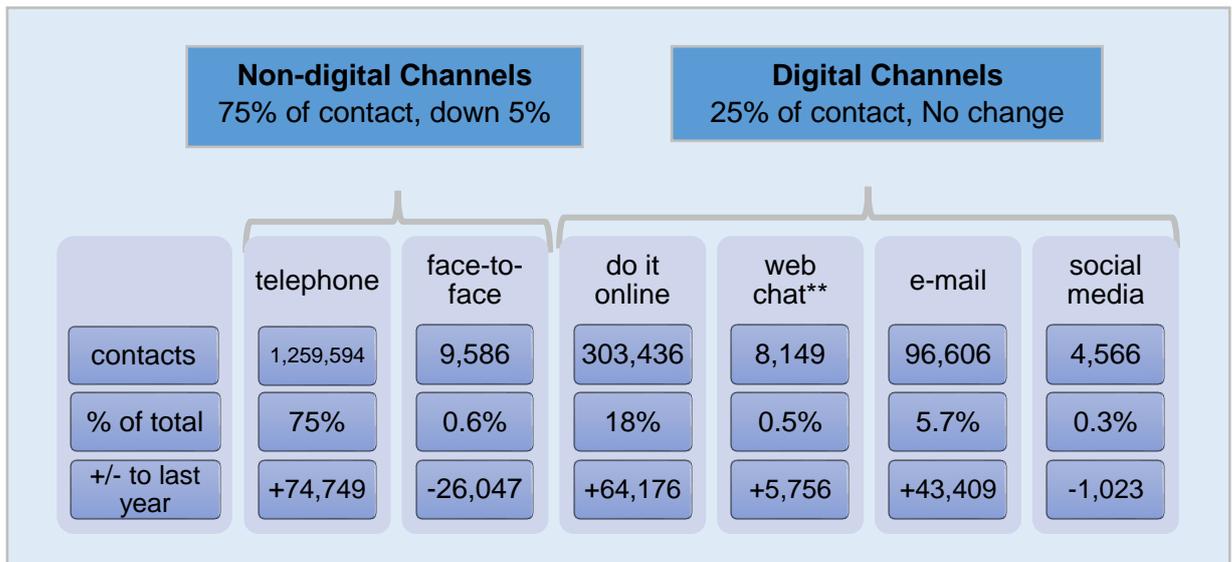
75,554 days lost to sickness (↑13.5%)
10.85 days per FTE (↑ 1.14 days)

17% short-term (5 days or less)	15% medium-term (6 to 19 days)	68%* long term (20 days or more)
62% staff with no sickness	78% staff with less than 5 days sickness	22% staff with more than 5 days sickness

worse than last year
better than last year
similar to last year
Not comparable

We will design our services with service users and will use data and technology more effectively

- 194 The ongoing response to COVID-19 continues to shape our customer service offer in terms of new and existing services delivered and the ways in which our customers and residents can contact us.
- 195 During the 12 months ending 31 December 2021, we received almost 1.7 million contacts through our reported channels as summarised in the infographic below. Almost 1 million contacts were handled by our corporate customer services team.



Non-Digital Channels

- 196 Although contact through non-digital channels has decreased, it is purely a reflection of the temporary closure of our Customer Access Points (CAPs).
- 197 In line with our initiative to develop a customer-focused, one-council approach to service delivery, we are continuing to transfer non-ACD telephone lines⁹ into the ACD system. This will allow us to see a more holistic view of telephony demand and performance across the council, and to monitor and identify opportunities to improve and enhance the customer experience.

Digital Channels

- 198 More customers are choosing to interact with us via our digital channels. During quarter three, an additional 2,000 households signed up for an online account. Therefore, residents from 159,000 unique properties can now contact us through

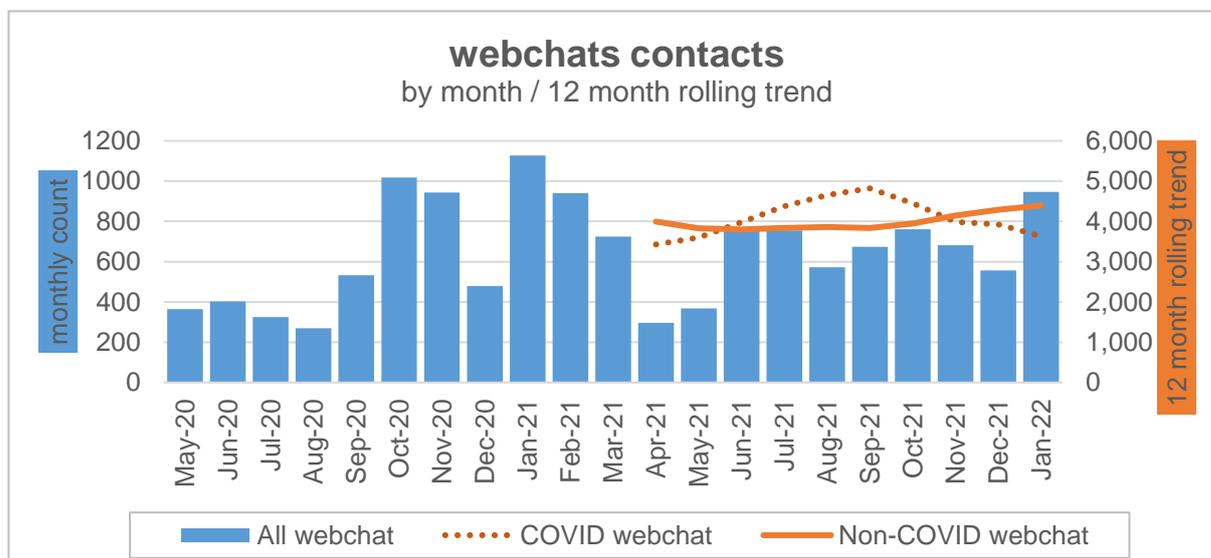
⁹ Broadly speaking, we receive telephone calls either through our Automatic Call Distribution (ACD) system, which routes calls to groups of agents based on a first-in-first-answered criteria, or directly to a telephone extension (non-ACD). However, only calls received via our ACD system are included in our telephone statistics.

this method, which equates to approximately two thirds of properties across the county.

- 199 Around 25% of customer contact leads to the creation of a service request in our CRM system¹⁰ and it is this contact where movement from non-digital to digital channels is particularly noticeable.

		proportion of service requests logged by channel – 12 months ending 31 December	
		2020	2021
Non digital	Telephone	32%	26%
	Face-to-face	2%	0%
	Total	34%	26%
Digital	Do it online portal	60%	68%
	Other digital ¹¹	6%	6%
	Total	66%	74%

- 200 Since its launch in May 2020, webchat is steadily increasing in popularity. Although the overall volume of webchat has remained static, the underlying data shows COVID-related webchat is decreasing and non-COVID related webchat increasing.



¹⁰ The remaining 75% relates to customers seeking advice or more information, wanting to be transferred to another team, booking an appointment, or requesting a progress update.

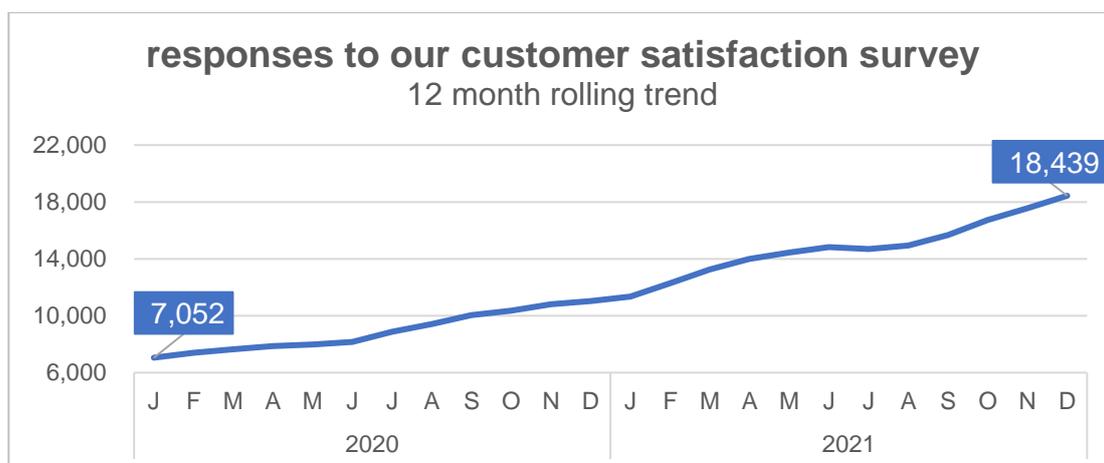
¹¹ Social media (Facebook and Twitter), webchat, e-mail, virtual appointments

Performance Standards

- 201 To enable us to monitor delivery timescale of service requests logged within our CRM system, we have applied performance standards within the system where possible¹². At the end of quarter three, a reportable and accurate performance standard had been applied to 58 service requests. This compares to seven, as at October 2021.
- 202 A detailed review of the performance standards applied to all service requests within our CRM was recently completed and led to a range of service improvements linked to systems, data and reporting, training, and member experience.
- 203 We also identified a further eight processes where we could apply a performance standard and are working with service areas to resolve these.
- 204 44% of all service requests processed during 2021 were assessed against a performance standard, and of these, the performance standard was met in 68% of cases. This is equal to performance in 2020 – although it should be noted that service requests increased by 46,000 in 2021.

Customer satisfaction surveys

- 205 Our Customer Relationship Management (CRM) System enables customer satisfaction surveys to be automatically sent to the customer when their service request is closed.
- 206 Although our overall survey response rate as a proportion of service requests is low when compared to the volume of service requests received, it has improved over the last two years, as shown below:



¹² We do not apply performance standards if the process is not fully managed within the CRM. We also did not apply performance standards to many of the COVID-related service requests, partly due to the speed of the set-up, but also due to the complexity and unknown elements of the request which often resulted in required modifications as the pandemic progressed. 45% of all CRM processes are 'single-stage' online forms which means a measurable performance standard cannot be established without designing and implementing a full back-office process using the CRM which would require significant development resource.

- 207 The improved response rate is due to a combination of essential maintenance work which has resolved previous system closure issues, linking the survey to more service requests, and capturing more customer email addresses.

	12 months ending 31 December..	
	2020	2021
Service Request types	105	121
Service Requests received	300,095	329,544
Surveys emailed to customer	124,359 (41%)	132,863 (40%)
Responses to survey	11,033 (9%)	18,439 (15%)
Responses as a % of service requests	3.7%	5.6%

- 208 Although the satisfaction survey is linked to 121 service request types, eight service request types, summarised in the table below, made up 80% of total responses.

	Response Rate Surveys returned / total SRs 12 months ending December...	
	2020	2021
Bin: missed collection	10.0% 2,521 / 25,215	18.8% 5,471 / 29,100
Bulky Waste	0.1% 17 / 26,093	8.0% 2,578 / 32,106
Complaint	8.5% 373 / 4,379	18.5% 858 / 4,646
Council tax – change of payment method	11.6% 598 / 5,177	10.1% 563 / 5,582
Fly-tipping	5.1% 789 / 15,506	6.7% 920 / 13,684
Join the garden waste scheme	1.0% 432 / 41,408	0.8% 458 / 54,100
Road or footpath	8.2% 403 / 4,916	7.1% 665 / 9,344
Street lighting	11.0% 695 / 6,297	10.3% 715 / 6,934

- 209 Although response rates have increased for five of the eight service request types, there is significant variance ranging from 0.8% to 19%. This variation is linked to both the volume of requests and the nature of the requests themselves. We are continuing to identify options to reduce this variance and additional ways to capture feedback.
- 210 Satisfaction rates vary significantly across different service request types. Analysis of satisfaction with service delivery shows seven areas attained satisfaction ratings of at least 90%: early help (95%), bulky waste collections (96%), waste permit requests (97%), birth death and marriage certificate requests (96%), joining the garden waste scheme (95%), applying for free school travel (97%), and changing the payment method for council tax (92%).
- 211 Six areas recorded the lowest levels of satisfaction of less than 70%: requesting a new, replacement, or repair to bin (40%), service complaints (51%), dog and litter bins (63%), clearing litter (67%), tree or hedge pruning / removal (66%), and warm homes (70%).
- 212 We have investigated the reasons for these low satisfaction levels:
- New, replacement or repair to bins: supply issues mean we have been unable to fulfil requests for new or replacement bins. We expect new stock to arrive in January 2022.
 - Dog and litter bins: impacted by the bin supply issue.
 - Service level complaints: timeliness of both acknowledgement and responses is the biggest driver for dissatisfaction.
 - Clearing litter: staffing levels have been impacted by COVID. However, our teams are consistently cleaning the same areas within the same timescales as standard. We have installed litter signage in hotspot locations and moved frequently to maintain impact.
 - Tree or hedge pruning/removal: there has been no change to the programme but there has been a notable increase in requests where the responsibility for maintenance does not lie with the council.
 - Warm homes: customers were receiving automated closure responses before contact had been made and were unable to submit enquiries relating to a new energy grant for air source heat pumps as a dedicated portal was not in place. In response we have delayed the auto response time within our system and are using, as a short-term temporary solution whilst a new portal is developed, using the existing Warm Homes online portal.

Recent developments that enhance the customer experience

- 213 We are continuing to drive improvements across customer services and enhance the customer experience through our Integrated Customer Service initiative and Unified Communications Strategy.
- 214 During quarter three we completed the roll-out of our new softphone-based telephony platform. The platform allows contact centre staff to work anyway with an adequate internet connection by giving them access to contact centre features from their laptop.
- 215 During quarter three, the following CRM improvements were delivered in response to customer feedback:
- performance standards across multiple processes/forms improved the information provided to customers in relation to service delivery timeframes.
 - the 'bin not emptied' process was updated to prevent customers submitting the form before 2pm on their collection day to improve the information provided to customer at the first point of contact and reduce avoidable contact;
 - additional questions added to the homelessness form to ensure all information was collected at first point of contact and reduce repeat contact with customers;
 - improvement to document uploads and information collected on the post-16 travel assistance application ensures applications could be dealt with at first point of contact;
 - continuing to roll updates across all forms/processes to ensure that they are accessible and meet the web content accessibility guidelines (WCAG2.1AA).
- 216 During the same period, the following new online forms and processes were launched: Lumiere gold passes, school appeals, apply to register an asset of community value, record office booking, food – report a problem.

AN EXCELLENT COUNCIL

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80% satisfied with service delivery

97%
felt their request was handled effectively and knowledgeably

93%
found it easy to contact the right service

92%
felt they were treated with dignity and respect

86%
satisfied with the handling of their initial contact

85%
felt they were provided with clear information

81%
satisfied with time taken to complete their task

79%
were informed of length of time to resolve task

70%
were informed of progress

916
compliments
(+9)

550
suggestions
(-65)

150
comments about policies / procedures
(+11)

23
objections to our decisions
(-36)

96
dissatisfied with fees and charges
(+9)

2,715
complaints
(+382)

191
independent investigation requests

67
Ombudsman decisions

12 months ending 31-Dec	Star ratings received	Proportion which were				
		5-star	4-star	3-star	2-star	1-star
2020	55,021	60%	17%	14%	3%	6%
2021	87,897	65%	18%	8.6%	2.7%	5.8%

worse than last year

better than last year

similar to last year

Not comparable

Key Performance Indicators – Data Tables

There are two types of performance indicators throughout this document:

- (a) Key target indicators – targets are set as improvements can be measured regularly and can be actively influenced by the council and its partners; and
- (b) Key tracker indicators – performance is tracked but no targets are set as they are long-term and/or can only be partially influenced by the council and its partners.

A guide is available which provides full details of indicator definitions and data sources for the 2020/21 corporate indicator set. This is available to view either internally from the intranet or can be requested from the Strategy Team at performance@durham.gov.uk

KEY TO SYMBOLS

	Direction of travel	Benchmarking	Performance against target
GREEN	Same or better than comparable period	Same or better than comparable group	Meeting or exceeding target
AMBER	Worse than comparable period (within 2% tolerance)	Worse than comparable group (within 2% tolerance)	Performance within 2% of target
RED	Worse than comparable period (greater than 2%)	Worse than comparable group (greater than 2%)	Performance >2% behind target

National Benchmarking

We compare our performance to all English authorities. The number of authorities varies according to the performance indicator and functions of councils, for example educational attainment is compared to county and unitary councils however waste disposal is compared to district and unitary councils.

North East Benchmarking

The North East figure is the average performance from the authorities within the North East region, i.e., County Durham, Darlington, Gateshead, Hartlepool, Middlesbrough, Newcastle upon Tyne, North Tyneside, Northumberland, Redcar and Cleveland, Stockton-On-Tees, South Tyneside, Sunderland.

More detail is available from the Strategy Team at performance@durham.gov.uk

MORE AND BETTER JOBS

Do residents have good job prospects?

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
1	% of working age population in employment	71.5	Oct 2020-Sep 2021	73 (red)	71.9 (amber)	74.9 (red)	70.4 (green)			Yes
2	Per capita household disposable income (£)	16,617	2019	Tracker	16,315 (green)	21,978 (red)	17,096 (red)			No
3	Gross jobs created / safeguarded as a result of Business Durham activity	507	Oct-Dec 2021	Tracker	361 (green)					Yes
4	% of 16 to 17 year olds in an apprenticeship	6.1	as at Nov 2021	Tracker	4.2 (green)	3.6 (green)	5.9 (green)	5.6 (green)		Yes

Is County Durham a good place to do business?

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
5	Gross Value Added (GVA) per capita in County Durham (£)	16,925	2019	Tracker	16,501 (green)	30,239 (red)	20,727 (red)			No
6	No. of registered businesses in County Durham	14,565	Mar 2021	Tracker	14,105 (green)					No
7	Value (£ million) of new contracts secured	8,173,215	2020/21	8 (green)	907,439 (green)					No
8	Value (£ million) of GVA growth from jobs created	13,590,902	Oct-Dec 2021	12,000,000 (green)	10,596,794 (green)					Yes
9	No. of Inward Investments secured	1	Oct-Dec 2021	2 (red)	2 (red)					Yes
10	% of Business Durham business floor space that is occupied	95.2	Oct-Dec 2021	85 (green)	82.8 (green)					Yes

How well do tourism and cultural events contribute to our local economy?

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
11	No. visitors to County Durham (million)	11.39	2020	Tracker	20.13 (red)					No
12	No. jobs supported by the visitor economy	6,794	2020	Tracker	12,133 (red)					No
13	Amount (£ million) generated by the visitor economy	506.75	2020	Tracker	980.72 (red)					No

Do our young people have access to good quality education and training?

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
14	Average Attainment 8 score	50.1	2020/21 (academic year)	Tracker	48.8 (green)	50.9 (amber)	49.2 (green)			Yes
15	Average point score per A level entry of state-funded school students	41.2	2020/21 (academic year)	Tracker	39.9 (green)	41.6 (amber)	40.0 (green)			Yes
16	% of pupils achieving the expected standard in Reading, Writing and Maths (KS2)*	65	2018/19 (academic year)	Tracker	67	65 (green)	67 (red)	61 (green)		No
17	% of 16-17 year olds who are not in education, employment or training	4.7	Nov 2021	Tracker	4.8 (green)	2.3 (red)	4.4 (amber)	3.6 (red)		Yes
18	Gap between average Attainment 8 score of Durham disadvantaged pupils and non-disadvantaged pupils nationally (KS4)	-14.6	2019/20 (academic year)	Tracker	-14.4 (amber)	-14.4 (amber)	-16.2 (green)			Yes
19	% of children in the Early Years Foundation Stage achieving a Good Level of Development*	71.8	2018/19 (academic year)	64 (green)	72.8 (amber)	71.8 (green)	71.8 (green)			No
Page 109	Gap between % of disadvantaged pupils and % of non-disadvantaged pupils nationally who achieve expected standard in reading, writing and maths (KS2)*	-19.8	2018/19 (academic year)	Tracker	-15.1 (red)	-20 (green)	-18 (red)			No

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
11	Ofsted % of Primary schools judged good or better	90	as at 31 Dec 2021	Tracker	89 (green)	88 (green)	92 (red)			Yes
22	Ofsted % of secondary schools judged good or better	72	as at 31 Dec 2021	Tracker	64 (green)	77 (red)	67 (green)			Yes
23	Exclusion from school of all Durham children - percentage of children with at least one fixed exclusion	1.88	2019/20 (academic year)	Tracker	2.2 (green)	1.87 (amber)	2.22 (green)	2.39 (green)		No

*not reporting for 2020/21 as assessments did not take place

LONG AND INDEPENDENT LIVES

Are children, young people and families in receipt of universal services appropriately supported?

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
24	% of free school meals (FSM) eligible pupils taking FSM	76.0	Jan 2021	Tracker	75.8 (green)	82.6 (red)	82.6 (red)			No
25	Under-18 conception rate per 1,000 girls aged 15 to 17	19.0	2019	Tracker	26.4 (green)	15.7 (red)	21.8 (green)	21.5 (green)		No
26	% of five year old children free from dental decay	73.2	2019	Tracker	74.2 (amber)	76.6 (red)	76.7 (red)	71.7 (green)		No
27	Alcohol specific hospital admissions for under 18s (rate per 100,000)	52.8	2017/18-2019/20	Tracker	54.7 (green)	30.7 (red)	55.4 (green)	55.3 (green)		No
28	Young people aged 10-24 admitted to hospital as a result of self-harm (rate per 100,000)	361.2	2019/20	Tracker	354.3 (red)	439.2 (green)	536.6 (green)	656.3 (green)		No
29	% of children aged 4 to 5 years classified as overweight or obese**	24.9	2019/20	Tracker	24.0 (red)	23.0 (red)	24.8 (amber)	25.0 (green)		No
30	% of children aged 10 to 11 years classified as overweight or obese**	37.6	2019/20	Tracker	37.7 (green)	35.2 (red)	37.5 (amber)	37.2 (amber)		No
31	% of Education Health and Care Plans completed in the statutory 20 week time period (excl. exceptions)	62	2021	Tracker	73 (green)	58 (green)	75.9 (red)	82.0 (red)	2020	Yes

**The National Child Measurement Programme ended in March 2020 when schools closed due to the COVID-19 pandemic. Comparisons to North East and Nearest Statistical Neighbours should be treated with caution as not all submitted of their measurements. NCMP data for the academic year 2020/21 has been published, however, local authority data is not available due to a 10% sample in each area being recorded.

Are children, young people and families in receipt of early help services appropriately supported?

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
32	% of successful interventions (families turned around) via the Stronger Families Programme (Phase 4)	100 ¹³ [761/761]	Apr-Dec 2021	693 (green)						Yes
33	% of children aged 0-2 years in the top 30% IMD registered with a Family Centre and having sustained contact	85.5	Oct-Dec 2021	80 (green)	88.3 (red)					Yes

Are our services improving the health of our residents?

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
34	% of mothers smoking at time of delivery	13.9	Jul-Sep 2021	14.7 (amber)	14.3 (green)	9.0 (red)	11.7 (red)	12.9 (red)		Yes
35	Four week smoking quitters per 100,000 smoking population	2,452 [1,830]	Apr 2020 - Mar 2021	Tracker	2,945 [2,198] (red)	1,670 (green)	2,213 (green)	2,736 (red)		No
36	Male life expectancy at birth (years)	77.8	2018-20	Tracker	78.3 (amber)	79.4 (red)	77.6 (green)	77.9 (amber)		No
37	Female life expectancy at birth (years)	81.2	2018-20	Tracker	81.8 (amber)	83.1 (red)	81.5 (amber)	81.6 (amber)		No
38	Female healthy life expectancy at birth (years)	58.3	2017-19	Tracker	58.4 (amber)	63.5 (red)	59.0 (amber)	61.0 (red)		No
39	Male healthy life expectancy at birth (years)	59.6	2017-19	Tracker	59.3 (green)	63.2 (red)	59.4 (green)	60.5 (amber)		No
40	Excess weight in adults (Proportion of adults classified as overweight or obese)	64.8	2019/20	Tracker	63.3 (red)	62.8 (red)	67.6 (green)	69.6 (green)		No

¹³ Annual target of 761

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
41	Suicide rate (deaths from suicide and injury of undetermined intent) per 100,000 population	14.3	2018-20	Tracker	13.4 (red)	10.4 (red)	12.4 (red)	12.6 (red)		No
42	Prevalence of breastfeeding at 6-8 weeks from birth (%)	29.1	Apr-Jun 2021	Tracker	31.4 (red)	47.6 (red)	35.4 (red)	35.1 (red)	2020/21	No
43	Estimated smoking prevalence of persons aged 18 and over*	14.3	2020	Tracker	17.0	12.1 (red)	13.6 (red)	13.5 (red)		Yes
44	Self-reported well-being - people with a low happiness score	10.9	2019/20	Tracker	9.5 (red)	8.7 (red)	10.6 (amber)	9.6 (red)		No
45	Participation in Sport and Physical Activity: active	58.7%	May 2020-May 2021	Tracker	58.1% (amber)	60.9% (amber)	59.7% (amber)			No
46	Participation in Sport and Physical Activity: inactive	31.3%	May 2020-May 2021	Tracker	30.6% (red)	27.5% (red)	28.9% (amber)			No

*Smoking prevalence data is taken from the Annual Population Survey which, prior to the COVID-19 pandemic, was collected via face-to-face interviews. In 2020, due to the impact of the pandemic, this moved to telephone only collection. Data between 2019 and 2020 cannot, therefore, be compared.

Are people needing adult social care supported to live safe, healthy and independent lives?

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
47	Adults aged 65+ per 100,000 population admitted on a permanent basis in the year to residential or nursing care	395.4	Apr-Dec 2021	N/a	432.6 (green)					Yes
48	% of older people who were still at home 91 days after discharge from hospital into reablement/rehabilitation services	88.3	Jan-Sept 2021	N/a	83.5 (green)	79.1 (green)	72.1 (green)	80.0 (green)	2020/21	Yes
49	% of individuals who achieved their desired outcomes from the adult safeguarding process	92.6%	Apr-Dec 2021	Tracker	94.5 (red)	94.8 (red)	94.9 (red)	96.0 (red)	2020/21	Yes
50	% of service users receiving an assessment or review within the last 12 months	70.1	Apr-Dec 2021	Tracker	92.7 (red)					Yes

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
51	Overall satisfaction of people who use services with their care and support	69.6	2019/20	Tracker	67.8 (green)	64.2 (green)	67.5 (green)	66.2* (green)		No
52	Overall satisfaction of carers with the support and services they receive (Biennial survey)	51.2	2018/19	Tracker	43.3** (green)	38.6 (green)	47.2 (green)	41.8* (green)		No
53	Daily delayed transfers of care beds, all, per 100,000 population age 18+	2.9	Feb 2020	Tracker	1.5 (red)	11.0 (green)	7.0 (green)	11.0* (green)		No
54	% of adult social care service users who report they have enough choice over the care and support services they receive	77.6	2019/20	Tracker	75.1 (green)	66.6 (green)	73.0 (green)	69.2* (green)		No

*unitary authorities

** results from 2016/17 survey

CONNECTED COMMUNITIES – SAFER

Are children, young people and families in receipt of social work services appropriately supported and safeguarded?

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
55	% of statutory referrals received by the First Contact Team or Emergency Duty Team processed within 1 working day	96 [3,281 / 3,423]	Apr-Dec 2021	Tracker	93 (green)					Yes
56	% of statutory children in need referrals occurring within 12 months of a previous referral	19 [683 / 3,662]	Apr-Dec 2021	Tracker	23 (green)	23 (green)	22 (green)	23 (green)	2020/21	Yes
57	% of single assessments completed within 45 working days	78 [3023 / 3,884]	Apr-Dec 2021	Tracker	89 (red)	88 (red)	87 (red)	86.9 (red)	2020/21	Yes
58	Rate of children subject to a child protection plan per 10,000 population aged under 18	43.56 [438]	as at Dec 2021	Tracker	44 [444]	41	67	59	2020/21	Yes
Page 13 59	Rate of children in need per 10,000 population (Cases open to Children's Social Care)	382 [3,839]	as at Dec 2021	Tracker	361 [3,683]	321	461	421	2020/21	Yes

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
60	Rate of children open to One Point (early help) 10,000 population aged under 18	138 [1,400]	as at Dec 2021	Tracker	148 [1,497]					Yes
61	% of strategy meetings initiated which led to an initial child protection conference being held within 15 working days	83 [437 of 529]	Apr - Dec 2021	Tracker	87 (red)	83 (green)	85 (amber)	87 (amber)	2020/21	Yes
62	% of Social Workers with fewer than 20 cases	55	as at Dec 2021	Tracker						Yes
63	% of Statutory Case File Audits which are given a scaling score of 6 or above	85.2	Jul-Sep 2021	80						No

Are we being a good corporate parent to Children Looked After (CLA)?

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
64	Rate of CLA per 10,000 population aged under 18	94 [940]	Dec 2021	Tracker	97 [970]	67	108	103	2020/21	Yes
65	% of children adopted from care (as % of total children leaving care)	20 [55]	Apr-Dec 2021	Tracker	18	10	13	13	2020/21	Yes
66	% of CLA who are fostered incl. friends and family, independent fostering agency, In-house foster care	72.5 [670]	as at 20 Dec 2021	Tracker	74 [708]	72	74	73	2019/20	Yes
67	% of external residential placements	7 [66]	as at 20 Dec 2021	Tracker	5 [51]					Yes
68	% of children looked after continuously for 12 months or more who had a dental check	73	Dec 2021	Tracker	41 (green)	40 (green)	43 (green)	41 (green)	2020/21	Yes
69	% of children looked after continuously for 12 months or more who have had the required number of health assessments	91	Dec 2021	Tracker	91 (green)	91 (green)	94 (amber)	93 (amber)	2019/20	Yes
70	Emotional and behavioural health of children looked after continuously for 12 months or more (score between 0 to 40)	14	2020/21	Tracker	15.5 (green)	14.2 (green)	14.1 (green)	14.0 (green)	2019/20	No

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
71	Average Attainment Tracker 8 score of Children Looked After	20.5	2019/20	Tracker	25.6 (red)	21.4 (red)	21.7 (green)	22.4 (red)		No
72	% of CLA achieving the expected standard in Reading, Writing and Maths (at KS2)**	55	2018/19	Tracker	39.5 (green)	36 (green)	47 (green)			No
73	% of care leavers aged 17-18 in education, employment or training	65	as at 24 Nov 2021	Tracker	76 (red)	65 (green)	63 (green)	63 (green)	2020/21	Yes
74	% of care leavers aged 19-21 in education, employment or training	60	as at 24 Nov 2021	Tracker	56 (green)	52 (green)	50 (green)	54 (green)	2020/21	Yes
75	% of care leavers aged 17-18 in suitable accommodation	92	as at 24 Nov 2021	Tracker	95 (red)	91 (green)	94 (amber)	93 (amber)	2020/21	Yes
76	% of care leavers aged 19-21 in suitable accommodation	93	as at 24 Nov 2021	Tracker	90 (green)	88 (green)	91 (green)	92 (green)	2020/21	Yes

*provisional data **not reporting for 2019/20 as assessments did not take place

How effective are we are tackling crime and disorder?

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
77	First time entrants to the youth justice system aged 10 to 17 (per 100,000 population aged 10 to 17)	186	2020	Tracker		220 (green)	303 (green)	231 (green)	2019/20	No
78	Overall crime rate per 1,000 population	86.4	2021	Tracker	90.5 (green)	77.0 (red)				Yes
79	Rate of theft offences per 1,000 population	18.4	2021	Tracker	20.8 (green)					Yes
80	Proportion of all offenders who re-offend in a 12 month period (%)	30.6	Apr-Jun 2019	Tracker	30.8 (green)	31.7 (green)	35.7 (green)	30.0 (red)	2016/17	No
81	Proven re-offending by young people (who offend) in a 12 month period (%)	34.8	Oct 2018-Sep 2019	Tracker	TBC	38.4 (green)	41.8 (green)		Oct 2017-Sep 2018	No

How effective are we at tackling anti-social behaviour?

Page Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
82	Satisfaction with the way that the council and police are dealing with local concerns about ASB and crime issues in your area.	56.4	Mar 2020	Tracker	50.1 (red)			53.7 (red)	Jun 2019	No
21	No. police reported incidents of anti-social behaviour	15,898	2021	Tracker	17,425 (green)					Yes
84	No. council reported incidents of anti-social behaviour	15,535	2021	Tracker	14,649 (red)					Yes

How well do we reduce misuse of drugs and alcohol?

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
85	% of successful completions of those in alcohol treatment	35.0	Oct 2020-Sep 2021	Tracker	33.2 (green)	35.9 (amber)	30.7 (green)			Yes
86	% of successful completions of those in drug treatment - opiates	5.7	Oct 2020-Sep 2021	Tracker	5.6 (green)	4.7 (green)	3.3 (green)			Yes
87	% of successful completions of those in drug treatment - non-opiates	38.4	Oct 2020-Sep 2021	Tracker	30.4 (green)	33.6 (green)	30.0 (green)			Yes
88	% of anti-social behaviour incidents that are alcohol related	11.5	2020/21	Tracker	10.4 (amber)					Yes
89	% of violent crime that is alcohol related	33.5	2020/21	Tracker	31.3 (amber)					Yes
90	Alcohol seizures	194**	Apr-Jun 2018	Tracker	398 (green)					No

**under review

How well do we tackle abuse of vulnerable people, including domestic abuse, child exploitation and radicalisation?

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
91	Building resilience to terrorism (self-assessment). Score - level 1(low) to 5(high)	3*	2017/18	Tracker	3 (green)					No
92	No of individuals with a referral for 1:1 CSE Support from Supporting Solutions Team**	182	Apr-Dec 2021	Tracker	new**					Yes

*under review ** New definition – Includes all children - High/Medium/Low Risk (Previously only High-Risk referred to Supporting Solutions)

How do we keep our environment safe, including roads and waterways?

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
93	No. of people killed or seriously injured in road traffic accidents - No. of fatalities - No. of seriously injured	183 13 170	2021	Tracker	171 (red) 19 152					Yes
94	No. of children killed or seriously injured in road traffic accidents - No. of fatalities - No. of seriously injured	25 0 25	2021	Tracker	15 (red) 1 14					Yes

CONNECTED COMMUNITIES – SUSTAINABILITY

How clean and tidy is my local environment?

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
95	% of relevant land and highways assessed as having deposits of litter that fall below an acceptable level	5.17	Oct-Dec 2021	Tracker	6.4 (green)					Yes
Page 9 of 17	% of relevant land and highways assessed as having deposits of detritus that fall below an acceptable level	8.99	Oct-Dec 2021	Tracker	10.68 (green)					Yes

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
186	% of relevant land and highways assessed as having deposits of dog fouling that fall below an acceptable level	0.45	Oct-Dec 2021	Tracker	1.35 (green)					Yes
98	Number of fly-tipping incidents	6,895	2021	Tracker	7,908 (green)					Yes

Are we reducing carbon emissions and adapting to climate change?

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
99	% reduction in CO ₂ emissions in County Durham (carbon neutral by 2050)	54	2019	Tracker	52 (green)					No
100	% reduction in CO ₂ emissions from local authority operations compared to the 2008/09 baseline, 80% by 2030	58	2020/21	Tracker	51 (green)					No

How effective and sustainable is our collection and disposal of waste?

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
101	% of municipal waste diverted from landfill	90.0	Oct 2020-Sep 2021	95 (red)	93.5 (red)	91.5 (red)	94.4 (red)		2019/20	Yes
102	% of household waste that is re-used, recycled or composted	38.2	Oct 2020-Sep 2021	Tracker	39.0 (red)	43.8 (red)	35.5 (green)		2019/20	Yes

Do residents have access to decent and affordable housing?

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
103	Number of properties improved, adapted or brought back into use	779	Oct-Dec 2021	Tracker	675 (green)					Yes

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
104	Number of empty properties brought back into use as a result of local authority intervention	40	Oct-Dec 2021	50 (red)	35 (green)					Yes
105	Number of net homes completed	442	Jul-Sep 2021	327 (green)	416 (green)					Yes
106	Number of affordable homes delivered	466	2020/21	300 (green)	628 (red)					No
107	Number of households accessing the Housing Solutions Service	3,312	Oct-Dec 2021	Tracker	2,996 (green)					Yes
108	Number of households helped to stay in their home	341	Oct-Dec 2021	Tracker	303 (green)					Yes
109	Number of households helped to move to alternative accommodation	249	Oct-Dec 2021	Tracker	260 (red)					Yes

Is it easy to travel around the county?

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
110	% of A roads where maintenance is recommended	3.1	2020	Tracker	3.0 (red)	4.0 (green)	3.0 (red)		2020/21	Yes
111	% of B roads where maintenance is recommended	3.0	2020	Tracker	3.3 (green)	6.0 (green)	4.0 (green)		2020/21	Yes
112	% of C roads where maintenance is recommended	2.6	2020	Tracker	2.3 (red)	6.0 (green)	4.0 (green)		2020/21	Yes
113	% of unclassified roads where maintenance is recommended	22.5	2020	Tracker	21.3 (red)	17.0 (red)	17.0 (red)		2020/21	Yes
114	Highways maintenance backlog (£millions)	171.2	2020	Tracker	172.6 (green)					Yes
115	Bridge Stock Condition – Principal Roads*	82.0	2020	Tracker	81.1 (red)					Yes
116	Bridge Stock Condition – Non-Principal Roads*	81.0	2020	Tracker	80.1 (red)					Yes

* Bridge stock condition (>=90 very good condition / >=80 good condition / >=65 fair condition / >=40 poor condition / <40 very poor condition)

EXCELLENT COUNCIL

How well do we look after our people?

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
117	% of performance appraisals completed on current posts in rolling year period (excluding schools)***	N/a*	N/a	N/a	N/a					No
118	Days / shifts lost to sickness absence (all services excluding schools)	10.85	Jan 2021-Dec 2021	11.20 (green)	9.71 (red)					Yes
119	% posts with no absence in rolling year (excluding schools)	62.27	Jan 2021-Dec 2021	Tracker	68.57 (red)					Yes
120	% of sickness absence which is short term	16.69	Jan 2021-Dec 2021	Tracker	10.7					Yes
121	% of sickness absence which is medium term	15.35	Jan 2021-Dec 2021	Tracker	15.19					Yes
122	% of sickness absence which is long term	67.96	Jan 2021-Dec 2021	Tracker	74.11					Yes
123	% of employees having five days or less sickness per 12 month period	78.32	Jan 2021-Dec 2021	Tracker	82.1 (red)					Yes

*Due to new system introduction

**includes school support staff but excludes teachers. All single/upper tier councils [Local Government Workforce Survey 2017/18](#)

*** Having put all Personal Development Reviews on hold due to COVID-19, we are now reinstating the process, starting with our leaders in October 2021.

Are our resources being managed for the best possible outcomes for residents and customers?

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
124	% of council tax collected in-year	82.2	Sep-Dec 2021	Not Set	80.5 (green)		79.8		Sep-Dec 2020	Yes
125	% of business rates collected in-year	80.9	Sep-Dec 2021	Not Set	79.1 (green)		79.8		Sep-Dec 2020	Yes

How good are our services to customers and the public?

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
126	% Freedom of Information and Environmental Information Regulations requests responded to within 20 working days	73	Oct-Dec 2021	90 (red)	78 (red)					Yes
127	Customer contacts: telephone*	1,259,594	2021	Tracker	1,184,845					Yes
128	Customer contacts: face to face	9,586	2021	Tracker	35,633					Yes
129	Customer contacts: web forms	303,436	2021	Tracker	239,260					Yes
130	Customer contacts: emails	96,606	2021	Tracker	53,197					Yes
131	Customer contacts: social media	4,566	2021	Tracker	5,589					Yes
132	% of calls answered*	92	2021	Tracker	94					Yes
133	% of calls answered within 3 minutes*	87	2021	Tracker	90					Yes

*data is not comparable as new telephony lines continue to be added to ACD

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Cabinet

16 March 2022



**Forecast of Revenue and Capital
Outturn 2021/22 – Period to 31
December 2021 and Update on Progress
towards achieving MTFP(11) savings**

Ordinary Decision

Report of Corporate Management Team

Paul Darby, Corporate Director of Resources

Councillor Richard Bell, Portfolio Holder for Finance

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 To provide Cabinet with updated information on the:
 - (a) forecast revenue and capital outturn for 2021/22, based on the position to 31 December 2021;
 - (b) forecast for the council tax and business rates collection fund position at 31 March 2022, based on the position to 31 December 2021; and
 - (c) forecast use of and contributions to earmarked, cash limit and general reserves in 2021/22 and the estimated balances to be held at 31 March 2022.
- 2 To seek approval of the revised capital programme, other budget adjustments and proposed sums treated as outside of the cash limit in year.
- 3 To provide Cabinet with an update on progress towards achieving MTFP(11) savings in 2021/22.

Executive summary

- 4 Since the outbreak of COVID-19 in early 2020, the council, its partners, local businesses and local communities have together been working tirelessly to respond to the pandemic and to put plans in place for the restoration and recovery of services post-pandemic.
- 5 COVID-19 had a significant and complex financial impact in 2020/21, which has continued into 2021/22, making forecasting the council's outturn position even more challenging than usual.
- 6 In addition to the general financial uncertainty during 2021/22, the longer term financial impact of the pandemic beyond this year remains uncertain at this stage. The risk in this regard will be considered and assessed in MTFP Cabinet reports.
- 7 Since the outbreak of COVID-19, the council has had to implement national support schemes at short notice such as the various Business Rates Grants Support Scheme(s); the Council Tax Hardship Support Schemes; Test and Trace Payments; the Winter Support Payments Scheme; COVID-19 Local Support Scheme; Infection Control Schemes and Contain Outbreak Management Schemes. In addition, the council has implemented a range of supplier relief schemes and addressed increased demand for support to vulnerable households whilst trying to accommodate new ways of working itself in response to the pandemic.
- 8 Based on the position to 31 December it is forecast that there will be a net in year surplus on the collection fund for the council of £0.342 million after taking into account Section 31 grant receivable. Taking into account the brought forward position from 2020/21 and including the phasing of collection fund deficits over three years there is a total forecast deficit on the collection fund of £1.498 million. This situation will be kept under close review during quarter four, especially in relation to collection rates as the public and businesses recover from the impact of the pandemic.
- 9 The government has provided non ringfenced funding to local authorities in the current year for the additional costs incurred as a result of COVID-19. The funding allocated to the council for 2021/22 is £15.56 million.
- 10 In addition, the government has also extended the Sales, Fees and Charges Income Guarantee Scheme for three months to 30 June 2021. This scheme requires local authorities to bear the first 5% of any qualifying income loss after which the government will provide a grant for 75% of subsequent losses. The council submitted a claim for circa £2.6 million from the scheme for 2021/22.

- 11 Based on the position to 31 December 2021 service groupings are forecasting a net overspend of £14.217 million before any adjustment for COVID-19 related items. This net overspend position mainly arises from additional expenditure and loss of income associated with the COVID-19 outbreak of £22.882 million, offset by COVID-19 related underspends (relating to closure of facilities and disruption to normal service activity as a result of the pandemic) of £7.224 million – giving a net COVID-19 related position of a £15.658 million overspend. This position is a £0.996 million improvement since quarter 2 mainly relating to a lower than forecast impact in relation to materials recycling and income losses not being as high as forecast in leisure centres and car parks. When the net COVID-19 overspend is excluded there is a forecast cash limit underspend of £1.441 million across all service groupings.
- 12 The forecast COVID-19 overspending across the various service groupings is fully offset by the circa £18.2 million the council expects to receive from the government to cover the financial impact of the pandemic. At this stage, net COVID-19 costs are £2.5 million below the grant funding the council expects to receive, which is an improved position on that forecast at quarter two when the net impact was forecast to be £0.5 million below the grant funding provided. This reflects a £1 million improvement in net spending and £1 million of additional grant from the Sales, Fees and Charges Income Guarantee Scheme.
- 13 Overall it is estimated that the council's 2021/22 budget will be underspent by £5.856 million, representing 1.3% of the net expenditure budget of £461.251 million.
- 14 There are a wide range of assumptions that have been made in relation to expenditure and income over the remainder of the financial year, with significant uncertainty regarding the ongoing impact of COVID-19 following the initial lifting restrictions at the beginning of quarter two and the changes implemented in December following the outbreak of the Omicron variant.
- 15 A developing budget pressure relates to hyper inflationary pressures in the energy markets. The additional costs associated with energy price uplifts can be managed within the general contingency budget but this position will need to be kept under review. A further risk relates to pay inflation, where the trade unions have not accepted the employers 1.75% pay offer. Broader inflationary pressures will need to continue to be managed within service cash limits.
- 16 There will potentially be a range of interventions required by the council and ongoing impacts post pandemic that as yet have not been

quantified. The Cash Limit and General Reserves will potentially be required to meet any shortfall that ultimately arises in this regard whilst longer term strategies are implemented.

- 17 In terms of service grouping cash limits, the projected cash limit underspend of £1.441 million is around 0.31% of the cash limit budgets.
- 18 At quarter one, Children and Young People's Services were forecasting an overspend of £4.754 million whilst Adult and Health Services were forecasting an underspend of £3.886 million. On 15 September 2021, Cabinet agreed to a 2021/22 base budget transfer of £4.5 million from Adult and Health Services to Children and Young People's Services which would also be included in the base budget for 2022/23. The updated quarter three forecast of outturn indicates a cash limit underspend of £0.189 million for AHS and a cash limit overspend of £2.210 million for CYPS after this budget transfer has been actioned. Consideration will need to be given at final outturn as to how this CYPS deficit cash limit reserve position is addressed. Previously, cash limit overspends in CYPS have necessitated a transfer from general reserves.
- 19 In terms of sums outside the cash limit, there is a forecast underspend of £4.415 million. This position will be kept under careful review, especially in relation to additional costs and loss of income linked to the ongoing impact of COVID-19 and from any further inflationary pressures.
- 20 Total earmarked and cash limit reserves (excluding school reserves) are forecast to reduce by £38.458 million in 2021/22, from £245.532 million to £207.074 million. The forecast at quarter two indicated that total earmarked and cash limit reserves (excluding school reserves) were forecast to reduce by £36.559 million in 2021/22, to £208.973 million.
- 21 A review of all reserves has enabled the realignment of £14.9 million of cash limit and earmarked reserves enabling the investment of earmarked reserves in council priorities. This includes £10 million transfer into the Members' Initiatives Reserve supporting additional investment and £4.9 million to replenish corporate reserves as factored into MTFP(12) and the 2022/23 budget agreed by Council on 23 February 2022.
- 22 The forecast cash limit and general reserves position is a prudent one given the significant financial uncertainties facing local government beyond 2022/23. The MTFP(12) report to Council on 23 February 2022 highlighted ongoing budget concerns for the council with a forecast savings shortfall of £29.987 million over the 2022/23 to 2025/26 period,

with the delivery of further savings becoming ever more challenging to achieve.

- 23 The projected capital outturn this year is £158.979 million, with the capital budgets having been augmented with reprofiled budget from underspending against the 2020/21 capital programme.
- 24 To the end of quarter three, the council has delivered savings totalling £4.805 million, which is 90% of the £5.312 million target for the year.

Recommendations

- 25 It is recommended that Cabinet:
- (a) note the council's overall financial position for 2021/22 and the continuing uncertainty associated with the outturn forecast resulting from the continuing impact of COVID-19 as set out in the report;
 - (b) agree the proposed 'sums outside the cash limit' for approval as set out in the report;
 - (c) agree the revenue and capital budget adjustments outlined in the report;
 - (d) note the forecast use of earmarked reserves in year;
 - (e) note the forecast end of year position for the cash limit and general reserves;
 - (f) note the additional costs and income loss faced as a result of COVID-19 which is offset by additional grant funding provided by government;
 - (g) note the emerging inflationary pressures which it is forecast can be managed within general contingencies and cash limit reserves;
 - (h) note the position on the capital programme and the Collection Funds in respect of Council Tax and Business Rates; and
 - (i) note the amount of savings delivered to 31 December 2021 against the 2021/22 targets and the total savings that will have been delivered since 2011.

Background

- 26 In accordance with the council's constitution, Council agreed Medium Term Financial Plan 11 (MTFP11), which incorporates the revenue and capital budgets for 2021/22, on 24 February 2021. MTFP(11) covers the period 2021/22 to 2024/25.
- 27 On 23 February 2022 Council considered the Medium Term Financial Plan (MTFP12) covering the period 2022/23 to 2025/26. The MTFP(12) report highlighted ongoing budget concerns for the council with a forecast savings shortfall of £29.987 million over the 2023/24 to 2025/26 period, with the delivery of further savings becoming ever more challenging to achieve.
- 28 The constitution requires that the Chief Finance Officer must report to Cabinet on the overall council budget monitoring position on a quarterly basis.
- 29 This report provides a forecast of the revenue and capital outturn for 2021/22, based upon expenditure and income up to 31 December 2021. It includes details relating to the General Fund revenue and capital budgets 2021/22, the Collection Funds for Council Tax and Business Rates and details relating to the Dedicated Schools Grant funding blocks, including maintained schools. This is the third report on forecast financial performance against the 2021/22 budgets this financial year.
- 30 This report also provides an update on the delivery of MTFP(11) savings for 2021/22. The planned 2021/22 savings were agreed by Council in February 2021 with a savings target of more than £5 million for the current year. This brings the overall savings target for the period from 2011/12 to 2021/22 to circa £246 million. Significant progress has been made towards achieving these savings.

COVID-19 - Context

- 31 Since the outbreak of COVID-19, the council, its partners, local businesses and local communities have together been working tirelessly to respond to the pandemic and to put plans in place for the restoration and recovery of services post-pandemic.
- 32 The financial impact of COVID-19 in 2021/22 continues to be significant and complex which makes forecasting the council's outturn position even more challenging than usual.
- 33 The longer term financial impact of the pandemic beyond this year are uncertain at this stage. The risk in this regard will be considered and assessed in future MTFP(12) Cabinet reports.

- 34 During 2020/21 the council implemented a range of national support schemes at short notice, some of which have continued into 2021/22. These included the various Business Rates Grants Support Scheme(s); the Council Tax Hardship Support Schemes; Test and Trace Payments; the Winter Support Payments Scheme; COVID-19 Local Support Scheme; Infection Control Schemes; and Contain Outbreak Management Schemes as well as dealing with and implementing a range of supplier relief schemes whilst addressing increased demand for support to vulnerable households whilst trying to accommodate new ways of working itself in response to the pandemic.
- 35 In 2021/22 the council continues to face further challenges and budget pressures in relation to the continuing response to the pandemic and the restoration of services and supporting the post-pandemic recovery.
- 36 There will potentially be a range of interventions required by the council and ongoing impacts post pandemic that will have as yet unquantified financial pressures. Cash Limit Reserves and the General Reserves will potentially be required to meet any shortfalls in the funding that will be available.
- 37 COVID-19 has continued to impact on routine business as usual expenditure. There has been some continued delays in recruitment, savings against mileage and other costs as a result of large proportions of staff working from home and savings in operational building costs amongst other areas.

Revenue Outturn Forecast – Based on Position to 31 December 2021

- 38 A number of adjustments have been made to the original budget agreed by Council on 24 February 2021:
- (a) agreed budget transfers between service groupings;
 - (b) additions to budget for items outside the cash limit (for Cabinet consideration and recommended approval);
 - (c) planned use of or contribution to earmarked reserves (please refer to Appendix 4).

39 The following table compares the forecast of outturn with the revised budget. Further detail is provided in Appendices 2 and 3.

Forecast of Revenue Outturn 2021/22

	Original Budget 2021/22	Budget - incorporating adjustments	Service Groupings Forecast of Outturn	Forecasted Variance
	£'000	£'000	£'000	£'000
Adult and Health Services	133,618	126,214	125,583	-631
Chief Executive's Office	1,381	0	0	0
Children and Young People's Services	133,876	145,628	150,580	4,952
Neighbourhoods and Climate Change	105,731	109,662	114,306	4,644
Regeneration, Economy and Growth	49,630	53,591	58,956	5,365
Resources	21,425	27,118	27,005	-113
Cash Limit Position	445,661	462,213	476,430	14,217
Contingencies	10,337	9,122	9,122	0
Corporate Costs	4,378	2,227	2,253	26
NET COST OF SERVICES	460,376	473,562	487,805	14,243
Capital charges	-62,797	-62,797	-62,797	0
DSG deficit reserve adjustment	0	-1,678	-1,678	0
Interest and Investment income	-2,900	-2,900	-3,008	-108
Interest payable and similar charges	38,416	39,057	39,057	0
Levies	16,087	16,007	16,007	0
Net Expenditure	449,182	461,251	475,386	14,135
Funded By:				
Council tax	-241,266	-241,266	-241,266	0
Use of earmarked reserves	-7,957	-20,577	-20,577	0
COVID-19 Support Grant tranche 5	0	0	-15,560	-15,560
COVID-19 Income Guarantee Grant	0	0	-2,652	-2,652
Estimated net surplus (-) / deficit on Collection Fund	-1,514	-1,514	22,380	23,894
Use of earmarked reserves to offset deficit on Collection Fund	0	0	-23,894	-23,894
Business Rates	-57,304	-57,304	-57,304	0
Top up grant	-72,780	-72,780	-72,780	0
Revenue Support Grant	-28,227	-28,227	-28,227	0
Lower Tier Services Grant	-747	-747	-747	0
Local Tax Income Guarantee	-514	-514	-514	0
New Homes Bonus	-4,476	-4,476	-4,476	0
Section 31 Grant	-11,415	-11,415	-13,194	-1,779
Adult/Childrens Pressures Grant	-22,888	-22,888	-22,888	0
Forecast contribution to/from (-) Cash Limit Reserve	-94	457	1,898	1,441
Forecast contribution to/from (-) General Reserves	0	0	4,415	4,415
TOTAL	0	0	0	0

40 The above table identifies a forecast net underspend of £5.856 million, representing 1.3% of the net expenditure budget of £461.251 million, which compares to the net underspend of £8.427 million forecast at the end of quarter two. The updated forecast cash limit underspend of £1.441 million (0.31%) and a forecast General Fund underspend of £4.415 million compares to the position previously reported of a cash limit underspend of £4.876 million (1.04%) and a forecast General Fund underspend of £3.551 million. The cash limit position excludes the impact of COVID-19 which is being managed corporately.

- 41 The forecast position at this stage necessarily includes a number of assumptions in relation to costs and lost income resulting from COVID-19. In 2021/22 the council expects to receive £2.6 million in compensation for lost income through the Sales, Fees and Charges Income Guarantee Scheme, to assist with managing the financial position in 2021/22.
- 42 Approval is being sought for the following sums to be funded from/ transferred to general contingencies. Additional sums in relation to energy inflation will also need to be drawn from contingencies at year end and the sums required become more certain. The following sums are deemed to be outside of service grouping cash limits.

Service Grouping	Proposal	Amount £ million
REG	Grant Scheme for Leisure and Tourism businesses	0.080
REG	Restoring Railways	0.025
REG	Concessionary fares underspend	-0.850
TOTAL		-0.745

- 43 After adjusting the budgets and reserves as detailed above, and factoring in the review of reserves as detailed later in this report, the forecast outturn for cash limit reserves and the general reserve are summarised in the following table.

Type of Reserve	Opening Balance as at 1 April 2021 £ million	Budgeted use at 1 April 2021 £ million	Movement during 2021/22 £ million	2021/22 Forecast of Outturn £ million
Service Grouping Cash Limit				
Adult and Health Services	-10.451		4.306	-6.145
Chief Executive's Office	-0.135		0.135	0.000
Children and Young People's Services	0.000		2.210	2.210
Neighbourhoods and Climate Change	-1.294		-0.606	-1.900
Regeneration, Economy and Growth	-1.431		-1.278	-2.709
Resources	-2.462	0.094	0.927	-1.441
Total Cash Limit Reserve	-15.773	0.094	5.694	-9.985
General Reserve	-26.153	0.000	-4.415	-30.568

- 44 The forecast cash limit and general reserves position is a prudent one given the significant ongoing financial uncertainties facing local government beyond 2021/22. On 23 February 2022 Council considered the Medium Term Financial Plan (MTFP12) covering the period 2022/23 to 2025/26. The MTFP(12) report highlighted ongoing budget concerns for the council with a forecast savings shortfall of £29.987 million over

the 2023/24 to 2025/26 period, with the delivery of further savings becoming ever more challenging to achieve.

- 45 In addition, whilst additional COVID-19 grant has been provided for 2021/22 with the Sales, Fees and Charges Income Guarantee Scheme also in place until 30 June 2021, the ongoing impact of COVID-19 upon both the national finances and the council's budget are uncertain at this point.
- 46 With this in mind there is a heightened risk that funding will be restricted for some public services in the future which could require the council to identify and deliver significant additional savings in the future.
- 47 At quarter one CYPS were forecasting a £4.754 million overspend and AHS were forecasting a £3.886 million underspend. A review of these budget areas determined that a 2021/22 base budget transfer was appropriate, which would also be included in the 2022/23 base budget. Cabinet agreed this transfer on 15 September 2021. A budget transfer of £4.5 million in quarter two was actioned between the service groupings.
- 48 The table above highlights that CYPS are forecast to have a deficit cash limit reserve of £2.210 million at the end of 2021/22. Consideration will need to be given at final outturn as to how this deficit cash limit reserve position is addressed. In previous years the deficit at year end has been cleared by a transfer from General Fund reserves. Based on the quarter three forecast this would result in a cash limit reserve of £12.195 million and a general reserve of £28.358 million.

Review of Earmarked Reserves

- 49 A review of all earmarked reserves was undertaken during quarter three, which considered the pressures and investments in priority areas identified in the MTFP(12) report presented to Cabinet on 8 February 2022 and County Council on 23 February 2022. Consequently, there has been a reallocation of £14.9 million to the earmarked reserves set out in the following table:

Addition to Reserve	£ million
Members Initiatives Reserve	10.000
Budget Support Reserve	2.500
ER/VR Reserve	1.000
Cultural Programme Reserve	1.000
Commercialisation Reserve	0.400
	<hr/>
	14.900
	<hr/>

50 The £14.9 million has been transferred from the following service cash limit and earmarked reserves:

	£ million
Earmarked Reserve	
AHS: Public Health Government Grants Reserve	1.863
CYPS: Children's Services Reserve	0.712
Education Reserve	0.239
NCC: Community Protection Reserve	0.008
Partnerships and Community Engagement Reserve	0.349
REG: Business Growth Fund Reserve	0.150
Economic Development Reserve	0.200
Corporate Property and Land Reserve	1.100
Resources: Corporate Services Reserve	0.299
Revenue and Benefits Reserve	0.422
Legal Services Reserve	0.247
Registrars Trading Reserve	0.150
Operational Reserve	0.100
Transformation Reserve	0.243
COVID-19 Support Grants Reserve	0.191
Corporate: Capital Expenditure Reserve	0.273
Inspire Programme Reserve	0.125
Business Support Reserve	0.938
Recovery Support Reserve	1.800
Cash Limit Reserve	
AHS cash limit	4.000
Resources cash limit	1.500
	<u>14.900</u>

COVID-19 Impact

51 The council continues to face significant additional unbudgeted costs and savings in relation to the outbreak and significant loss of income. The full ongoing impact continues to be uncertain and will be dependent to a large extent on government announcements with regards to any further local or national restrictions. The major areas of forecast additional cost and loss of income are as follows:

- (a) **Adult Social Care Provider Support £2.2 million** – it is forecast that during 2021/22 additional financial support above the contracted provision of circa £1.8 million will have been paid to providers. This support includes a temporary six month 2% uplift in fees and in addition targeted support being given to residential care homes where occupancy levels have dropped significantly.

This support is in addition to support provided through the government's Infection Control Fund;

- (b) **Waste Management and Collection £5.1 million** – a range of additional costs are being incurred, such as increased waste tonnages which remain at very high levels compared to pre-COVID-19 levels, costs associated with the continuing challenges in the market for recycling materials following the pandemic and costs associated with reopening household waste recycling centres. The forecast position has improved by £0.4 million since quarter two as the additional costs of materials recycling have been lower than forecast;
- (c) **Car Park Income £0.1 million** – reduced volume of traffic in town centres has reduced income levels. The forecast position has improved by £0.5 million since quarter two as the loss of income has been lower than forecast;
- (d) **Theatres £1.3 million** – until the end of July 2021, theatres were closed and there continues to be uncertainty as to when our audiences will return to pre-pandemic levels;
- (e) **Leisure Income £3.1 million** – the closure and restrictions on access to facilities is having an ongoing impact on income. The forecast position has improved by £0.5 million since quarter two as the loss of income has been lower than forecast;
- (f) **Aycliffe Secure £2 million** – reduced income due to social distancing requirements resulting in reduced occupancy within the facility;
- (g) **Business Support Grants £3 million** – a package of support has been developed to support current businesses to enable them to stabilise and continue to grow.

52 In 2021/22, the government is providing a fifth tranche of funding for local authorities for additional costs incurred as a result of COVID-19. This funding was allocated based upon formulae; £15.56 million has been received in year by the council.

53 The government has extended, for three months to 30 June 2021, the 'Income Guarantee Scheme' to provide financial support for lost sales, fees and charges income. The scheme requires councils to bear the first 5% of any qualifying income loss after which the government will provide a grant for 75% of subsequent losses. A number of areas of income loss such as commercial income and rental income are not covered by the scheme. In addition, any underspends generated in the areas in question must be utilised to offset any lost income.

- 54 The council is required to submit returns for support under the Income Guarantee Scheme. It is estimated that the council may be able to claim circa £2.6 million from the Income Guarantee Scheme for 2021/22 subject to further work and the extent of the claims that are made and paid.
- 55 Based on the position to 31 December 2021 service groupings are forecasting a net overspend of £14.217 million before any adjustment for COVID-19 related items. This net overspend position mainly arises from additional expenditure and loss of income associated with the COVID-19 outbreak of £22.882 million, offset by COVID-19 related underspends (relating to closure of facilities and disruption to normal service activity as a result of the pandemic) of £7.224 million – giving a net COVID-19 related position of a £15.658 million overspend. When this is excluded there is a forecast cash limit underspend of £1.441 million across all service groupings.
- 56 The forecast COVID-19 overspending across the various service groupings is fully offset by the circa £18.2 million the council expects to receive from the government to cover the financial impact of the pandemic. At this stage, net COVID-19 costs are £2.5 million below the grant funding the council expects to receive, which is an improved position on that forecast at quarter two when the net impact was forecast to be £0.5 million below the grant funding provided. This reflects a £1 million improvement in net spending and £1 million of additional grant from the Sales, Fees and Charges Income Guarantee Scheme.

Cash Limit Position

- 57 The reasons for the major variances against the revised budgets are detailed below. It is important to note that the cash limit positions exclude all COVID-19 related issues which are outside the control of budget managers.
- 58 In quarter 2 the former Chief Executive service grouping was absorbed into the REG and Resources service groupings.

Adult and Health Services (AHS)

- 59 The 2021/22 updated projected outturn for AHS is a cash limit underspend of £0.189 million, representing circa 0.15% of the total budget for AHS. This compares with a cash limit underspend at quarter two of £2.350 million. The position factors in the in year £4.5 million budget transfer to CYPs in quarter two.

- 60 The projected outturn takes into account adjustments for sums outside the cash limit including redundancy costs which are met from the corporate reserve, capital accounting entries and use of / contributions to earmarked reserves. COVID-19 related expenditure and loss of income has also been excluded from the cash limit outturn.
- 61 The outturn is a managed position, reflecting the proactive management of activity by Heads of Service across AHS to remain within the cash limit. The outturn position is accounted for as follows:
- (a) careful management and control of vacant posts and supplies and services budgets across the service together with uncommitted budgets, results in an estimated net under budget position for the year of £1.844 million;
 - (b) net spend on adult care packages is £1.655 million over budget. This includes a part-year 10% increase on the domiciliary care fee rate. This area of spend is being closely monitored to assess the impact of COVID-19, which has seen a reduction in care home placements but an increase in domiciliary care, as well as ongoing demographic and procedural/operational changes, where significant MTFP savings have been taken over recent years;
 - (c) Net expenditure on Public Health-related activity is in line with grant allocations, with under and overspending in year met from the Public Health Grant reserve.
- 62 In arriving at the forecast outturn position, the service has estimated £2.659 million of additional costs and lost income relating to COVID-19 and £3.101 million of COVID-19 related underspends.
- 63 In addition, a net £2.451 million relating to contributions to and from reserves and contingencies has been excluded from the cash limit outturn forecasts, details as follows:
- (a) use of £0.370 million Adult Cash Limit reserve to fund temporary staffing and short term support;
 - (b) contribution of £2.5 million to the Adult Social Care reserve to in the main fund joint projects with NHS partners;
 - (c) use of 0.376 million Adult Social Care reserve to fund temporary staffing and short term support; and
 - (d) contribution of £0.697 million to Public Health reserves for Public Health projects in future years.

- 64 Taking the projected outturn position into account, including the transfers to/from reserves in year, the estimated cash limit reserve to be carried forward for AHS is forecast to be £6.145 million.

Children and Young People's Services (CYPS)

- 65 The updated forecast revenue outturn for 2021/22 is a cash limit overspend of £2.210 million for the year, representing circa 1.59% of the total budget for CYPS. This compares to a cash limit underspend forecast at quarter two of £1.607 million. The position takes into account the in year £4.5 million budget transfer from AHS.
- 66 The updated outturn forecast takes into account adjustments for sums outside the cash limit, including redundancy costs which are met from the corporate reserve, capital accounting entries and use of/ contributions to earmarked reserves. COVID-19 related expenditure and loss of income has also been excluded from the cash limit outturn.
- 67 The projected outturn includes an overspend within Education of £2.370 million and an underspend within Children's Services of £0.160 million, with further details provided below:
- (a) the Education Service is forecasting an overspend of £2.370 million. This includes a £2.272 million forecast overspend on Home to School Transport, a forecast shortfall in school and academy SLA income of £0.597 million, a forecast shortfall on other income (contributions from schools, course income etc) of £0.456 million and a small overspend on general supplies, printing and postages of £29,000. These overspends are partially offset by savings of £0.413 million in employee costs, mainly due to vacant posts and other pay budgets, a projected underspend of £0.195 million on Other Pay (normally retained for incremental drift), £0.111 million under spend on staff recharges, £0.103 million savings on staff travelling, an underspend on the Early Years Sustainability budget of £82,000 and a reduced pension liability of £80,000; and
 - (b) Children's Services (Children's Social Care and Early Help & Intervention) is forecast to be a net £0.160 million under budget for the year. The Service is forecasting an overspend of £2.817 million in relation to the cost of looked after children's placements, following a budget transfer of £4.5 million from Adult and Health Services; £0.364 million over budget for premises; £1.839 million over budget for supplies and services offset by forecast savings of £0.405 additional income in relation to joint funded arrangements with County Durham Clinical Commissioning Group; £0.705 million on Special Guardianship, Child

Arrangement and Adoption Allowances; £0.239 million for young people placed on remand; £2.467 million for employees including £0.880 million for the Looked After Children restructure, £1.113 million for transport and £0.237 million from Direct Payments and a further £14,000 on other care related activity for children and young people.

- 68 The 2021/22 Children's Social Care and Early Help & Intervention budget includes growth of £6.14 million, a further £4.50 million in-year transfer from Adult and Health Services and £0.821 million temporary funding in order to meet the challenges and pressures being experienced by the service.
- 69 The 2021/22 budgets also included additional budget growth of £1.7 million to recognise the financial pressures being experienced in delivering home to school transport, which has seen costs increase by 35% over the last two years.
- 70 In arriving at the forecast outturn position, the service has identified £2.764 million of additional costs and lost income relating to COVID-19, and £0.629 of COVID-19 related underspends. The net COVID-19 impact is therefore £2.135 million and this is being funded corporately by utilising Central Government grants.
- 71 The forecast cash limit outturn shows the position after a net £325,222 use of reserves. Transfers to and from earmarked reserves, cash limits and contingencies have been applied to finance the following items:
- (a) £16,960 use of the Early Years Activity reserve linked to Early Years Professional Development Programme spend;
 - (b) £40,000 use of the Liquid Logic – Enhance Performance Reserve to fund a Project Manager post;
 - (c) £59,665 use of corporate ER/VR reserve to fund Adult Learning Support Service redundancies;
 - (d) £175,805 use of Aycliffe Secure to cover the costs of a kitchen and bathroom project;
 - (e) £49,141 to National Supporting Families Programme Reserve to fund a Senior EH Adviser in 2022/23;
 - (f) £71,933 use of DFE Holiday Activities and Food Grant; and
 - (g) £10,000 use to support Vulnerable Young Learners.
- 72 In 2020/21, £1.576 million was transferred from general reserves to the CYPS cash limit reserve to prevent the service having a deficit reserve

balance carried forward at 31 March 2021 and to balance the CYPs cash limit reserve to zero.

- 73 Taking the updated forecast outturn position into account, there is a forecast £2.210 million deficit cash limit position at year end. Consideration will need to be given at final outturn as to how to address this issue.

Neighbourhoods and Climate Change (NCC)

- 74 The updated forecast revenue outturn for 2021/22, based on the position to 31 December 2021, is a cash limit underspend of £1.006 million, after taking account of the forecast use of reserves and items outside the cash limit, including COVID-19 related expenditure and loss of income. This compares with a cash limit underspend forecasts at quarter two of £0.101 million.
- 75 The outturn is a managed position, reflecting the proactive management of activity by Heads of Service across NCC to try and remain within the cash limit. The main reasons accounting for the cash limit outturn position are as follows:
- (a) Environmental Services is forecast to be £0.229 million underspent. This is mainly resulting from staffing underspends of £99,000 in Neighbourhood Wardens where staff are not yet at the top of the grade, £0.107 million increased income for trade waste, £0.105 million increased income for commercial waste at the waste transfer stations and £0.106 million savings due to staff turnover. These have been offset by additional transport costs of £0.188 million due to additional vehicles being retained in the service for staff health and safety reasons, until social distancing is phased out;
 - (b) Technical Services is underspent by £0.411 million. Strategic Highways is £0.503 million underspent, which is mainly due to electricity savings in streetlighting, and there are savings of £136,000 associated with the vacant Head of Service post. These savings are partially offset by an overspend in revenue maintenance to cover additional work on gullies, drainage, structures and emergency action work, and an overspend in trading areas due to reduced income;
 - (c) Consumer Protection is forecast to underspend by £0.300 million. There is a net underspend on employees of £0.161 million mainly due to vacant posts which are planned to be filled next financial year, and additional fees and charges income of £99,000. The outturn for this service also includes planned expenditure of £1.353

million on COVID-19 Outbreak Management activities, which is offset by specific government grant;

- (d) Partnerships & Community Engagement is forecast to underspend by £29,000, mainly due a net underspend on employees. The outturn for this service also includes planned expenditure of £2.263 million on COVID-19 Outbreak Management funded activities. The budgets in this area have been augmented with £2.240 million of funding drawn down from the Towns & Villages Reserve to increase Members' budgets by £1.26 million, and AAP budgets by £0.980 million. This year there also an additional £1.400 million being provided to AAPs for Community Recovery that is being funded from the Local Council Tax Support Grant.

76 In arriving at the forecast outturn position, the service is estimating £5.709 million of additional costs, and lost income relating to COVID-19, offset by COVID-19 related savings of £58,000 which have been excluded from the cash limit forecasts. This will be met corporately by utilising central government grants wherever possible.

77 There is a forecast £0.756 million overspend on the winter maintenance budget this year, which is being met from a draw down from the winter maintenance reserve in year, leaving a £0.744 estimated balance on this earmarked reserve at 31 March 2022. The winter maintenance budget was increased by £1.000 million in 2021/22.

78 In addition, £0.407 million relating to use of reserves and cash limits has been excluded from the outturn. The major items being:

- (a) £0.756 million drawdown from reserves relating to the Winter Maintenance budget overspend in year;
- (b) £0.248 million drawdown from reserves relating to additional planned expenditure in Highways Services;
- (c) £0.146 million drawdown from reserves relating to the Horden Together Project;
- (d) £0.242 million contribution to reserves relating to Environmental Schemes; and
- (e) £0.493 million contribution to reserves relating to the Town & Villages Reserve, and the Syrian Refugees Settlement Programme.

79 Taking the projected outturn position into account, the forecasted cash limit reserve for Neighbourhoods & Climate Change will be £1.9 million at 31 March 2022.

Regeneration, Economy and Growth (REG)

- 80 The forecast revenue outturn for 2021/22, based on the position to 31 December 2021, is a cash limit underspend of £1.695 million, after taking account of the forecast use of reserves and items outside the cash limit, including redundancy costs which are met from the corporate reserve, capital accounting entries and use of / contributions to earmarked reserves. Covid-19 related expenditure and loss of income has also been excluded from the cash limit outturn. The cash limit underspend forecast at quarter two was £0.230 million.
- 81 The outturn is a managed position, reflecting the proactive management of activity by Heads of Service across REG to try and remain within the cash limit. The main reasons accounting for the outturn position are as follows:
- (a) Culture, Sport and Tourism is forecast to underspend by £0.569 million against budget. The main reasons are underspends in Service Development (£0.243 million) and Locality Services (£0.485 million), primarily relating to vacant posts offset by an unrealised MTFP saving of £0.201 million;
 - (b) Transport and Contract Services is forecast to underspend by £0.535 million against budget. In Strategic Traffic there is an underspend of £0.299 million in Road Safety and Traffic Assets mainly in relation to staff turnover, projected additional enforcement income across the county of £0.313 million and an underspend of £0.092 million relating to the temporary closure of Durham Bus Station offset by costs of repairs to bus shelters and additional security due to anti-social behaviour. In Care Connect there is a shortfall of £0.120 million in relation to reduced SLAs and subsidised client income offset by underspends in staffing. In Sustainable Transport there are additional costs of £36,000 to bring in a consultant to assist on the new database and a reduction of £0.120 million in departure charges from Durham Bus Station;
 - (c) Development and Housing is forecast to underspend against budget by £0.323 million. This is the net effect of an underspend of £0.626 million in Planning Development resulting from higher than budget levels of planning fee and building control income, offset by overspends of £0.170 million in Strategy and Project Development and £0.117 million in Economic Development. There were also various minor overspends across the service. There is a forecast net cost of £0.404 million in this area to be covered via COVID general grant;

- (d) Business Durham is forecast to be in line with budget after the use of £2.710 million of COVID general grant funding to support the payment of business recovery grants;
- (e) Corporate Property and Land is forecast to underspend by £17,000 against budget. This is the net effect of an overspend due to costs associated with external support for case work in the Strategy and Property Management service, offset by lower costs associated with the Energy Centre at Freeman's Reach and savings in Facilities Management. There is a forecast net cost of £0.638 million in this area to be covered via COVID general grant;
- (f) Communications Management is forecast to underspend by £0.127 million against budget due to a combination of vacant posts held in advance of MTFP savings required in 2022/23, and reduced costs due to not publishing a Summer Fun Guide or Guide to Services in 2021/22; and
- (g) Central costs are forecast to underspend by £0.124 million against budget.

82 In arriving at the forecast outturn position, the service is declaring £9.233 million of additional costs, and lost income and relating to Covid-19 and £2.173 million of Covid-19 related underspends. The net Covid-19 impact is therefore £7.060 million, and this will be covered corporately by utilising Central Government grants.

83 In arriving at the forecast outturn position, £0.586 million relating to contributions to / use of reserves, cash limits and contingencies has been excluded from the outturn. The major items being:

- (a) £0.850 million contribution to central contingencies in respect of underspending on Concessionary Fare reimbursement payments;
- (b) £0.600 million use of the Culture, Sport and Tourism Transformation reserve to fund a capital contribution to Beamish Museum;
- (c) £0.400 million contribution to the Regeneration Initiatives reserve included as part of the recent review of earmarked reserves and one-off budgets;
- (d) £0.307 million contribution to the County Durham Lettings Agency reserve to be used in future years to fund major repairs and replacement costs for properties;
- (e) £0.301 million use of the Cultural Programme reserve to fund costs incurred for Lumiere and BRASS in 2021/22;

- (f) £0.279 million use of the Business Durham Programme reserve to provide match funding for schemes that are part funded from European grants;
- (g) £0.219 million use of the Housing Solutions Selective Licensing reserve to cover staffing costs associated with setting up the scheme in advance of commencement on 1 April 2022; and
- (h) £0.200 million contribution to the Planning reserve to fund forecast costs associated with major planning appeals next year and to provide external support for work on the Economic Strategy.

84 Taking the projected outturn position into account, the forecasted cash limit reserve to be carried forward for Regeneration, Economy and Growth is £2.709 million.

Resources

85 The 2021/22 forecast revenue outturn for Resources is a cash limit underspend of £0.761 million. This takes into account adjustments for sums outside the cash limit such as redundancy costs which are met from corporate reserves and use of / contributions to earmarked reserves. Covid-19 related expenditure and loss of income has also been excluded from the cash limit outturn. The forecast cash limit underspend at quarter two was £0.588 million.

86 The Heads of Service across Resources continue to proactively manage activity to remain within the cash limit. The projected under budget position is the net effect of the following items:

- (a) Corporate Finance and Commercial Services is forecast to be under budget by £0.250 million, with includes a managed underspend on employee costs within Occupational Health of £52,000, as well as a forecast underspend of £26,000 on supplies & services costs. These are largely offset by underachieved income of £67,000. There is a managed overspend on supplies & services costs in Health and Safety of £5,000 which has been offset by additional income of £95,000. There is a managed underspend on employee costs in Strategic Finance of £0.110 million, as well as additional income of £39,000. There are also a number of other minor variances in this service area;
- (b) Finance and Transactional Services is forecast to be under budget by £0.829 million, due to underspends on employee costs of £0.593 million, partially offset by a forecast overspend on supplies and services costs of £0.113 million. There is also

additional unbudgeted income of £0.435 million in Revenues and Benefits. Payroll & Employee Services is forecasting to be over budget by £89,000 due to unachievable income of £41,000 and managed overspends on employee costs of £45,000 and £3,000 on supplies and services costs. Service Management / Management is forecasting to be under budget by £50,000 mainly due to a managed underspend on employee costs. Financial Management is forecasting an overspend of £47,000 primarily due to a managed overspend on employee related costs;

- (c) Digital and Customer Services is forecast to be over budget by £0.534 million. Within this area, employee costs are forecast to be £0.663 million under budget, premises costs are forecast to be £85,000 under budget and additional income is forecast to be £0.338 million. This is more than offset by forecast overspends on transport costs of £19,000 and supplies and services costs of £1.458 million. However, this includes an overspend of £0.535 million relating to Oracle software licensing as a result of dual licensing costs in 2021/22 in order to achieve an MTFP saving, which will not be realised until next financial year. In addition, a sum of £0.200 million has been set aside in an earmarked reserve to cover the increased licence costs for Resourcelink. In quarter one a provision was made for Direct Revenue Funding of three ICT capital projects to the value of £0.160 million. There are also a number of other minor variances in this service area;
- (d) Internal Audit, Risk and Corporate Fraud is forecast to be on budget, comprising of a managed overspend of £43,000 on employee related expenditure, offset by additional income of £34,000 and an underspend of £9,000 on supplies and services costs;
- (e) Legal and Democratic Services is forecast to be under budget by £0.136 million. This includes a £0.466 million managed underspend on employee related expenditure, a forecast underspend on premises related costs of £26,000 and overachieved income amounting to £0.115 million. There is a forecast overspend of £0.477 million on supplies and services costs (which includes a forecast overspend on barrister costs of £0.173 million) and a £6,000 overspend on transport costs;
- (f) People and Talent Management is forecast to be over budget by £84,000, which includes a £0.126 million managed overspend on employee related expenditure, a £8,000 overspend on supplies and services and a £26,000 overspend on central support, partially offset by £76,000 of additional income;

- (g) Strategy is forecast to be over budget by £54,000, primarily due to a managed overspend on employee related costs of £35,000 and a forecast overspend on central support of £20,000. There are also a number of other minor variances in this service area;
- (h) Transformation is forecast to be under budget by £99,000, primarily due to a managed underspend on employee costs of £86,000. There are also a number of other minor variances in this service area;
- (i) Procurement, Sales and Business Services is forecast to be under budget by £82,000, which includes a managed overspend on employee related of expenditure of £13,000 and a £31,000 underspend on supplies and services. The service is also forecasting £64,000 of additional income.

87 In arriving at the forecast outturn position, the service is declaring £1.886 million of additional costs, and lost income and relating to Covid-19 and £1.238 million of Covid-19 related underspends. The net Covid-19 impact is therefore £0.648 million, and this will be covered corporately by utilising Central Government grants wherever possible.

88 The forecast cash limit outturn shows the position after a net £0.434 million of contributions to/from reserves, cash limits and contingencies have been applied. The major items being:

- (a) £0.309 million to the Welfare Assistance Scheme Reserve to reflect the forecast underspend for 2021/22 relating to discretionary housing payments; and
- (b) £0.200 million to the Resourcelink ICT Reserve to fund the anticipated cost of additional licences required for the Resourcelink system.

89 Taking the outturn position into account, including items outside the cash limit and transfers to and from earmarked reserves, the cash limit reserve to be carried forward for Resources is forecast to be £1.441 million.

Corporate Costs

90 The forecast revenue outturn for 2021/22 for Resources – Centrally Administered Costs is a cash limit overspend of £10,324. This takes into account adjustments for sums outside the cash limit such as the use of / contribution to earmarked reserves. The forecast position at the end of quarter two was a cash limit overspend of £1,495.

- 91 The forecast outturn position is mainly due to reduced expenditure on expenses associated with raising loans (£30,000) and £71,000 in respect of Contributions to Other Bodies. However, this has been offset by a projected overspend on Audit Fees (£30,000), a projected overspend on professional fees (£15,000) and a forecast shortfall of income from de-minimis capital receipts (£50,000) arising from the sale of assets. There are also a few other minor variances in this service area.

Central Budgets

Interest Payable and Similar Charges - Capital Financing

- 92 This budget has been increased by £0.012 million to £39.057 million, following a budget transfer from services to fund increased leasing costs. The forecast outturn position is in line with the budget.

Interest and Investment Income

- 93 The forecast income of £3.008 million is £0.108 million more than the £2.900 million budget. The forecast surplus reflects the combined effect of reduced investment returns, as interest rates achievable on short term investments have reduced significantly which have been offset in year by increased one off dividends, primarily from Durham Villages Regeneration Limited and higher than usual cash balances due to the receipt of significant grant funding linked to COVID-19.

Council Earmarked Reserves Forecast

- 94 Earmarked reserves are funds set aside for specific, known or predicted future expenditure. Appendix 4 details the council and school earmarked reserves showing the opening balance at 1 April 2021, the forecast movement on reserves during the year and the forecast closing balance as at 31 March 2022.
- 95 A summary of the forecast of council reserves (excluding school reserves) is shown below. This factors in the review of earmarked reserves set out at paragraphs 49 and 50. The summary highlights that the total earmarked and cash limit reserves are forecast to reduce by £38.458 million in 2021/22, from £245.532 million to £207.074 million, primarily relating the defraying of COVID-19 and other one off funding received last year and carried over at year end. The movement in earmarked reserves is explained in the service grouping commentaries.

	Earmarked £ million	Cash Limit £ million	Total £ million
Opening Earmarked Balances as at 1 April 2021	-229.759	-15.773	-245.532
Adjusted for increase (-) / use of Earmarked Reserves	40.357	-1.899	38.458
Transfers Between Earmarked and Cash Limit Reserves	-7.686	7.686	0.000
Earmarked Reserve Balances as at 31 March 2022	-197.088	-9.986	-207.074

96 The position forecast at quarter two indicated that total earmarked and cash limit reserves (excluding school reserves) were forecast to reduce by £36.559 million in 2021/22, to £208.973 million.

97 Further to comments and queries raised on the councils earmarked reserve position, the earmarked reserves analysis at Appendix 4 now includes a breakdown of sums held for corporate purposes, sums held on behalf of partner organisations / external grants and other sums earmarked for specific purposes, as summarised in the table below:

Type	Actual Balance at 1 April 2021 £'000	Forecast Balance at 31 March 2022 £'000	Change in Year £'000
Earmarked – Corporate Reserves	-67,329	-75,644	-8,315
Earmarked – Partner/External Grant	-62,241	-31,969	30,272
Earmarked - Other	-100,189	-89,475	10,714
Sub-Total	-229,759	-197,088	32,671
Earmarked - Cash Limit	-15,773	-9,986	5,787
Total Earmarked Reserves	-245,532	-207,074	38,458

98 The cash limit forecasts include a deficit cash limit reserve of £2.210 million at the end of 2021/22 for CYPS. In previous years the deficit at year end has been cleared by a transfer from General Fund reserves. Based on the quarter three forecast this would result in a cash limit reserve of £12.195 million, with a corresponding adjustment (reduction) in the forecast general reserves position included in this report.

Dedicated Schools Grant and Schools

99 The council currently maintains 176 schools, including nursery, primary, secondary, special schools and a single Alternative Provision (AP) school. The AP school is for pupils who have been permanently excluded from other schools, or who are at risk of permanent exclusion.

100 The forecast outturn for 2021/22 for these 176 maintained schools is £266 million, funded by income of £72 million, budget shares of £193 million (from central government funding), and a forecast £1 million use of accumulated schools' reserves. The table below summarises the forecasts.

	Nursery	Primary	Secondary	Special / AP	Current Annual Budget
	£ million	£ million	£ million	£ million	£ million
Employees	4.615	145.177	30.479	30.852	211.123
Premises	0.298	10.359	2.424	1.269	14.349
Transport	0.001	0.312	0.406	1.187	1.905
Supplies and services	0.505	27.884	5.967	4.717	39.073
Gross expenditure	5.418	183.731	39.276	38.025	266.451
Income	(4.103)	(46.478)	(13.647)	(7.853)	(72.081)
Net expenditure	1.315	137.253	25.629	30.173	194.370
Budget share	(1.072)	(135.659)	(25.751)	(30.524)	(193.007)
Contribution to/(from) reserves	0.243	1.594	(0.123)	(0.352)	1.363
Balance at 31 Mar 2021	(1.034)	(22.599)	(1.060)	(3.216)	(27.910)
Balance at 31 Mar 2022	(0.791)	(21.005)	(1.183)	(3.568)	(26.547)

101 The balance at 31 March 2021 in the table above is the balance for the schools that are currently maintained. The total balance at 31 March 2021, including schools that have now converted to academies was £31.174 million. For schools that have now converted to academies, the balances at 31 March 2021 were £3.264 million. These balances are paid over to academies unless the council has agreed to write-off deficit balances, which it has done this year for St Thomas More RC primary, which converted on 1 September and had a deficit balance of £58,000 on conversion.

	Nursery	Primary	Secondary	Special / AP	Total
	£ million	£ million	£ million	£ million	£ million
Balance at 31 March 2021	(1.034)	(25.721)	(1.273)	(3.216)	(31.174)
Less academy convertors	-	3.052	0.212	-	3.264
Less use of reserves	0.243	1.594	(0.123)	(0.352)	1.363
Balance at 31 March 2022	(0.791)	(21.075)	(1.183)	(3.568)	(26.547)

102 At quarter two it was highlighted that schools were reforecasting their budgets with the School Funding Team as part of the autumn term review. At that stage schools were forecasting end of year retained balances of £17.926 million. It was noted that past experience had shown that schools usually underspend significantly against their initial budgets and early forecasts. This has proved to be the case once again, with the quarter three position indicating an improvement in the forecast of the end of year retained balances of £26.547 million. A comparison of the quarter two and quarter three forecasts is summarised in the table below:

	Nursery	Primary	Secondary	Special / AP	Total
	£ million	£ million	£ million	£ million	£ million
Q2 Budgeted Balance at 31 March 2022	(0.731)	(14.789)	(0.498)	(1.909)	(17.926)
Q3 Forecast Balance at 31 March 2022	(0.791)	(21.075)	(1.183)	(3.568)	(26.547)
Change QTR2 to QTR3	(0.061)	(6.286)	(0.685)	(1.659)	(8.621)

103 Note that the budgeted balance is different to that quoted at Quarter 2, (£19.560 million), because of the conversion of more primary schools to academies.

104 Four schools were given approval to set deficit budgets where planned expenditure during 2021/22 would result in a deficit balance at 31 March 2022 (known as a licensed deficit). One of the schools (St Thomas More RC) has now converted and the forecast outturn for the remaining three schools is summarised in the table below.

School Name	Phase	Deficit at 31 March 2021	Planned in-year use or (contribution) to reserves	Planned / Licensed deficit at 31 March 2022	Forecast deficit at 31 March 2022
		£ million	£ million	£ million	£ million
Ferryhill Station	Primary	0.045	(0.026)	0.019	0.009
Wellfield	Secondary	3.114	(0.200)	2.914	2.788
Durham Community Business College	Secondary	0.504	0.310	0.814	0.770

105 In all cases, the quarter three forecasts show an improved position against the licensed deficit position approved for 2021/22.

106 St Thomas More RC Primary converted to an academy in September 2021. This was expected and a licensed deficit of £65,000 to conversion

was approved. To facilitate the conversion of this school the council agreed to write-off the deficit balance at the point of conversion. This limited the council's exposure to having to write-off a larger deficit in the future if the school was to convert with a larger deficit having been accumulated. The final balance upon conversion was a deficit of £58,000, so within the licensed deficit.

- 107 The School funding Team will continue to closely monitor the budget position for these schools and will work with them to identify further savings.

Dedicated Schools Grant Centrally Retained block

- 108 The quarter two financial forecasts for the centrally retained DSG budgets show an overspend of £1.678 million against a total expenditure budget of £101.059 million to year end, which represents a 1.66% overspend.

DSG Block	Budgeted Expenditure £ million	Budgeted Income £ million	Net Budget £ million	Forecast Outturn £ million	Forecast Over / (Under) Spend £ million
Schools de-delegated	0.352	(0.352)	0	0	0
High Needs	67.424	(65.746)	0	1.678	1.678
Early Years	31.935	(31.935)	0	0	0
Central Schools Services	3.026	(3.026)	0	0	0
TOTAL	102.827	(101.059)	0	1.678	1.678

- 109 The forecast overspend position relates to an overspend against the High Needs Block (HNB), which is forecast to overspend by £1.678 million. This is broadly in line with (slight deterioration) the quarter two forecast position which showed a £1.455 million overspend against the HNB.
- 110 The overspending largely relates to Top Up Funding for mainstream Nursery, Primary and Secondary pupils and the Local Authority Pupil Referral Unit and associated income.
- 111 All areas of HNB expenditure will be kept under close review in light of continuing COVID-19 issues, with particular attention on the impact of schools returning where it is possible we will see an upward trend in the volume of requests for additional support for high needs pupils.

112 The impact of the current forecast on the DSG reserves position is shown in the following table:

DSG Reserves	High Needs Block (Unusable Reserve) £ million	Early Years Block £ million	Schools Block £ million	Total DSG £ million
Balance as at 1 April 2020	(5.726)	1.275	0.644	(3.806)
Early Years adjustment 2019/20	0	0.097	0	0.097
Use [-] / Contribution [+] in 2020/21	(2.321)	0.003	2.105	(0.213)
Balance as at 1 April 2021	(8.047)	1.375	2.749	(3.923)
Use [-] / Contribution [+] in 2021/22	(1.678)	0	0	(1.678)
Forecast balance as at 1 April 2022	(9.725)	1.375	2.749	(5.601)

113 The overall DSG reserve was in deficit of £3.923 million at the start of the financial year as a result of the accumulated deficit position in relation to the high needs block. The overall deficit position is now forecast to increase to £5.601 million to the year end.

114 A five-year plan for high needs block funding and expenditure, including recovery of the accumulated deficit by the end of the five-year period, was approved by Cabinet in January 2020. An updated version of the plan was reported to Cabinet in July 2020.

115 Following a funding announcement from Government on 21 July 2021, further information is now available about HNB funding levels in 2022/23. The funding position for Durham is better than forecast in the previous version of the five-year plan and the process of updating the plan to reflect this change, as well as the revised forecast outturn position for 2021/22, is underway, with a further update to be presented to Cabinet in April 2022.

116 Legislation came into force in November 2020 which means that, where a local authority has a deficit in respect of its schools budget for a financial year beginning on 1 April 2020, 2021 or 2022, the authority:

- (a) must not charge to a revenue account an amount in respect of that deficit; and
- (b) must charge the amount of the deficit to an account established, charged and used solely for the purpose of recognising deficits in respect of its schools' budget.

- 117 This means that the council can no longer hold a deficit earmarked DSG reserve and must instead transfer any DSG deficit balance to a new account (held in a specific unusable reserve). The £8.047 million deficit balance as at 1 April 2021 has been transferred out of the earmarked reserve and is held in a new unusable reserve, whilst the five-year plan continues to recover the accumulated deficit.

Capital

Background

- 118 The 2021/22 original budget of £205.408 million was revised at both Quarter 1 and Quarter 2, with the revised budget of £199.218 million being approved by Cabinet on 17 November 2021 in the Quarter 2 Forecast of Revenue and Capital Outturn 2021/22. Details of the original and revised budget are shown in the table below.
- 119 The council's Capital Member Officer Working Group (MOWG) that closely monitors the capital programme has since considered further revisions to the capital programme, taking into account additional resources received by the authority and further requests for reprofiling as Service Management Teams continue to monitor and review their capital schemes, especially in light of delays associated with the impact of COVID-19.

Current Position

- 120 The following table summarises the latest capital budget for approval alongside the original budget. The table also shows the actual capital spend as at 31 December 2021.

Service Grouping	Original Budget 2021/22	Revised Budget 2021/22 Quarter 2	Amendments recommended by MOWG	Revised Budget 2021/22 Quarter 3	Actual Spend to 31 Dec 2021
	£ million	£ million	£ million	£ million	£ million
Adult and Health Services	1.210	1.210	-0.833	0.377	0.320
Children and Young People's Services	33.641	25.451	-8.558	16.893	10.696
Neighbourhoods and Climate Change	58.740	62.232	-16.828	45.403	29.637
Regeneration, Economy and Growth	87.554	96.722	-9.746	86.976	51.285
Resources	24.263	13.805	-4.475	9.330	3.759
TOTAL	205.408	199.419	-40.440	158.979	95.696

121 Since the original 2021/22 budget was agreed, MOWG has considered a number of variations to the capital programme which are a result of additions and reductions in resources received by the council and reprofiling of budgets over future years. Variations of note are as follows:

Additions and Reductions

(a) **CYPS** – the service has the following additions and reduction:

- (i) **School Devolved Capital** – a budget increase of £0.320 million for Rural Gigabit Connectivity Fund Broadband schemes financed by a grant from DfE. Increases to the devolved capital budgets of various schools financed from £0.171 million direct revenue funding and £27,367 Salix loan;
- (ii) **School Related** – the budget for the new build primary school in Bowburn was reduced by £1.000 million, which is no longer required and has been returned to capital contingencies: and
- (iii) **Secure Services** - a budget increase of £0.438 million for a Transition Home at Aycliffe Secure Centre, funded from DfE grant.

(b) **NCC** – the service will utilise additional funding as follows:

- (i) **Environmental Health & Consumer Protection** - a budget increase of £62,995 for Horden Social Welfare Centre, funded from reserves.
 - (ii) **Environmental Services** - £1.290 million for Mountsett Crematorium Extension and Cremator Replacement, financed by a loan from the council and £0.156 million for Crimdon Coastal Hub, funded from direct revenue funding.
 - (iii) **Technical Services** – grant of £0.140 million from the Environment Agency for various flood defence schemes and a reduction of £0.100 million to the NIDP – Sedgfield (Ivy Row) Flood Defence scheme which was to be funded by Environment Agency grant, as the scheme will no longer go ahead.
 - (iv) **Members Neighbourhood Fund** – a £14,417 budget increase funded from the Members Neighbourhood Revenue Reserve and £10,000 for the Members Towns & Villages Capital Spend budget, funded from direct revenue funding.
 - (v) **AAP Capital Budget** – a £28,508 increase funded from the AAP Revenue Reserve.
- (c) **REG** – the service has the following additions:
- (i) **Development and Housing** - an increase of £0.509 million for Green Homes Phase 1b schemes, funded from BEIS grant of £0.414 million and a £95,000 contribution from Believe Housing. A budget increase of £1.637 million for the Rough Sleeper Accommodation (COMF) scheme, to be funded by Contain Outbreak Management Fund (COMF) grant. The budget was increased by £4.100 million for the Bishop Auckland Towns Deal scheme, relating to the purchase of the Newgate Centre and site to allow the Future High Street Fund programme to proceed. £1.100 million will be funded from capital contingencies and £3.000 million from self-financing. £25,000 of this budget is profiled in 2021/22 and the remaining £4.075 million in 2022/23;
 - (ii) **Business Durham** - £0.350 million for the Netpark Phase 3 scheme funded by self-financing from future revenue budgets. The total budget for this scheme is £49.592 million, phased over the period 2021/22 to 2024/25.
 - (iii) **Transport & Contracted Services** – £0.650 million NECA grant for Walking and Cycling Routes.
- (d) **RES** – the service has the following addition:

- (i) **Financing Resources** - £12,000 for the Digital Workforce HR/Payroll System financed from direct revenue funding.
- 122 Following the December MOWG, a new capital scheme for £0.335 million will be added to the AHS capital budget for Specialist Accommodation: Increased Capacity for People with Learning Disabilities and Complex Needs in the Community (Harelaw).
- 123 Budget managers continue to challenge and review the programming and phasing of works, which has resulted in the re-profiling of the following budgets in line with anticipated activity in 2021/22:
- (a) **AHS** - £0.833 million has been re-profiled from 2021/22 to 2022/23 for the Hawthorn House Development scheme in Adult Care;
- (b) **CYPS** - £8.579 million (net) has been re-profiled from 2021/22 into 2022/23 and 2023/24. The most significant amount is the re-profiling of £2.314 million from 2021/22 to 2022/23 for the High Needs Capital Provision Fund. £0.784 million has also been re-profiled from 2021/22 to 2022/23 for the Special Provision Capital Fund as no further schemes have been identified for this financial year. Other amounts re-profiled from 2021/22 to 2022/23 include £1.514 million of School Devolved Capital budget covering a number of schools, £1.000 million of the Schools Capital Grant unprogrammed budget, £0.460 million for St. Stephen's CE Primary replacement demountable, £0.686 million for the New Build Primary School in Bowburn and £0.300 million for Spennymoor New Build Primary School;
- (c) **NCC** - a sum of £18.931 million has been re-profiled from 2021/22 into 2022/23. Significant amounts include £3.161 million for Annfield Plain Battery Storage, £1.130 million for Morrison Busty Vehicle Workshop Refurbishment, £0.800 million for Burnigill Bank, £0.555 million for Whorlton Suspension Bridge Repairs, and £0.946 million for schemes relating to community buildings. £2.472 million of the SLERP 2 Street Lighting budget and £0.613 million for other Street Lighting schemes has been re-profiled from 2021/22 to 2022/23. £1.658 million of the Members Neighbourhood Fund budget and £0.359 million of the AAP Capital budget has been re-profiled into 2022/23, representing budget which has not yet been spent or committed to projects in 2021/22. Budget of £1.052 million for Chester le Street Deculverting project has been re-profiled from 2021/22 to 2022/23 as this project completed with an underspend on budget and some of the grant funding will be due for repayment in 2022/23. £0.750 million for New Elvet Bridge has been re-profiled from

2021/22 to 2022/23 as, although works are now complete, the final payment will be made in 2022/23;

- (d) **REG** - a sum of £12.512 million (net) has been re-profiled from 2021/22 across the period from 2022/23 to 2024/25. £2.128 million for the Aykley Heads Plot C scheme and £1.162 million for Beamish Museum Redevelopment has been re-profiled from 2021/22 to 2022/23 and 2023/24 to bring the budgets into line with revised cashflows. £1.650 million has been re-profiled from 2021/22 to 2022/23 for schemes at various Leisure Centres, due to delays in the programme. In Transport & Contracted Services £2.590 million has been re-profiled from the 2021/22 budget for Durham Bus Station and North Road Development due to delays in the programme, with £0.500 million going into 2022/23 and £2.090 million into 2023/24. £2.904 million has been re-profiled into 2021/22 for the Finance Durham Investment Fund, with £1.000 million coming from 2022/23 and £1.904 million from 2023/24, to reflect the fact that six additional investments are expected to be made by the end of this financial year. On the Consett Leisure Pool Tiling Defect scheme £1.215 million has been re-profiled from 2022/23 to 2021/22 as it is now confirmed that the majority of the works will take place in 2021/22; and
- (e) **Resources** - a sum of £4.487 million (net) has been re-profiled from 2021/22 into 2022/23. This includes £2.267 million for Digital Durham schemes, £0.633 million for the Accommodation Project ICT schemes, £0.219 million for Middleware Software – Enterprise Application Integration, £0.200 million for the Decommission and Refurbishment of Data Centres, £0.428 million for the End User Equipment Replacement programme, £0.100 million for Operational Equipment Replacement and £0.270 million for the PSN-PCI Security and Firewalling project. Some schemes have been delayed due to a change in service priorities as a result of COVID-19, and global shortages of ICT equipment have also delayed spend on a number of projects. £0.125 million has been re-profiled from 2022/23 to 2021/22 due to an early start to the Cyber Security Vault Expansion project.

- 124 In February 2022 MOWG received A Transforming Cities Funding Update Report on the Durham Bus Station and Park and Ride schemes and a revised “Durham City Approaches” programme. The re-aligning of TCF budgets as a result of this report will be actioned at the May MOWG.

Capital Financing

- 125 The following table summarises the recommended financing of the revised capital programme:

Financed By:	Original Budget 2021/22	Revised Budget 2021/22 Quarter 2	Amendments recommended by MOWG	Revised Budget 2021/22 Quarter 3
	£ million	£ million	£ million	£ million
Grants and Contributions	66.970	74.867	-1.738	73.129
Revenue and Reserves	13.634	19.489	-1.203	18.286
Capital Receipts	12.204	11.432	-3.719	7.713
Borrowing	112.601	93.631	-33.780	59.851
TOTAL	205.408	199.419	-40.440	158.979

Council Tax and Business Rates Collection Funds

Council Tax

- 126 Council Tax is charged for all residential dwellings in bandings agreed by the Valuation Office Agency, which is part of Her Majesty's Revenues and Customs (HMRC). Exemptions, reliefs and discounts are awarded dependent upon the state of the property, its use and occupiers' personal circumstances.
- 127 The in year collection rate at 31 December 2021 was 82.18%; an improvement on the position as at 31 December 2020 when in-year recovery for 2020/21 stood at 79.12%. This improvement is to be expected as debt recovery procedures were paused during 2020/21 due to the pandemic with debt collection processes only reintroduced from May 2021. The delay in recovery processes is resulting in lower in year recovery rates than the council would normally expect, resulting in larger than normal outstanding debts. The normal bad debt provision calculations are being adjusted to take this position into account.
- 128 The council is continuing to provide support to those impacted by COVID-19 through Hardship payments of up to £300 for those in receipt of council tax support who are still left with a bill to pay, with £3.654 million having been awarded to 31 December 2021.
- 129 On 9 June 2021, the Corporate Director of Resources took a delegated decision to fully reinstate formal recovery action.
- 130 The in-year collection rates at the end of quarter three for the current and last two financial years, are detailed below:

Billing Year	Position at 31 December Each Year %
2021/22	82.18
2020/21	80.52
2019/20	83.71

- 131 The income shown in the Council Tax Collection Fund is the amount collectable from council taxpayers in the long run, rather than the actual cash collected in the year the charges are raised. Likely bad debts are accounted for by maintaining a bad debt provision. The amount estimated to be collectable is calculated each year by reference to the actual council tax base for all domestic properties in the county (schedule of all properties, discounts and reliefs) with an allowance for non-collection.
- 132 Actual cash collected as at 31 December 2021 was £255.738 million compared with £235.254 million as at 31 December 2020. When the council tax increases for 2021/22 are factored in this represents a year on year real terms increase of £12.650 million in terms of council tax income received.
- 133 Due to changes in the number of properties (including new build and demolitions), eligibility of discounts and reliefs during the year, the actual amount collectable increases or decreases from the estimate on a day to day basis. In addition, adjustments for previous billing years take place during each accounting year. All of these adjustments mean that the actual amounts collected will always differ from the original budget.
- 134 Such differences at the end of each accounting year, after taking into account the calculated change required in the bad debt provision, determines whether a surplus or deficit has arisen, which is then shared proportionately between the council and its major preceptors, being Durham Police Crime and Victim's Commissioner and County Durham and Darlington Fire and Rescue Authority.
- 135 In July 2020 the government however, announced that repayments to meet any collection fund deficits accrued in 2020/21 would be phased over a three-year period (2021/22 to 2023/24) to ease immediate pressures on budgets.
- 136 At the 2020/21 budget setting stage the estimated in year outturn for the council tax element of the Collection Fund was a deficit of £5.720 million. In the preceptors 2021/22 budgets one third of this sum (£1.907 million) had to be repaid to the Collection Fund. The council share of

this amounted to £1.612 million and this requirement was built into the council's 2021/22 budget.

- 137 In forecasting the 2021/22 outturn for the Collection Fund the second repayment of the 2020/21 deficit must be included in the forecast. The sum for the whole Collection Fund again being £1.907 million and the sum for the council being £1.612 million.
- 138 The 2021/22 forecast Collection Fund position must also take into account the final outturn position for 2020/21. The final outturn position for the council tax element of the Collection Fund had deteriorated from the budget setting stage with an increase (undeclared) in the deficit of £3.741 million with the council share being £3.162 million. This undeclared deficit for 2020/21 must also be taken into account in the 2021/22 Collection Fund.
- 139 In terms of the in year position for the council tax element of the Collection Fund at 31 December 2021, the estimated outturn is a deficit of £0.173 million, with the council's share of the deficit being £0.146 million.
- 140 After taking into account the need to account for the second instalment of the phasing of the 2020/21 deficit of £1.907 million, the undeclared 2020/21 deficit of £3.741 million and the forecast in year deficit of £0.173 million, the overall forecast for the council tax element of the Collection Fund is a £5.821 million deficit. The council's share of this deficit is £4.906 million.

	£ million
Net Bills issued during Accounting Year 2021/22	367.464
LCTRS and previous years CTB adjustments	-60.489
Calculated change in provision for bad debts required and write offs	-4.309
Net income receivable (a)	302.666
Precepts and Demands	
Durham County Council	241.266
Parish and Town Councils	13.734
Durham Police Crime and Victim's Commissioner	32.607
County Durham and Darlington Fire and Rescue Authority	15.232
Total Precepts and Demands (b)	302.839
Net Surplus / (-) Deficit for year (a) – (b)	-0.173
Spreading of Deficit Adjustment	-1.907
Undeclared Surplus / (-) Deficit brought forward from 2020/21	-3.741
Estimated year end deficit	-5.821

Business Rates

- 141 Business Rates Retention was implemented in 2013/14 and the council now has a vested budget interest and stake in the level of business rate yield, as income generated from Business Rates is shared between Central Government (50%), Durham County Council (49%) and County Durham and Darlington Fire and Rescue Authority (1%). Therefore, it is not only the accuracy and timeliness of bills levied and collected that is monitored and audited, but also the level of income anticipated for the year is important.
- 142 In the Budget on 3 March 2021, the Chancellor announced that Expanded Retail Discount (2020/21) was to be extended for three months for eligible properties at 100% relief, uncapped, for the period 1 April 2021 to 30 June 2021. From 1 July 2021 to 31 March 2022, the Expanded Retail Discount will apply at 66% relief for eligible properties in the scheme, with a cash cap of £2 million for businesses that were required to close as at 5 January 2021, and up to £105,000 for business permitted to open at that date.

- 143 The Nursery Discount 2021 was also extended for three months, at 100%, uncapped, for the period 1 April 2021 to 30 June 2021. From 1 July 2021 to 31 March 2022 the Nursery Discount would apply at 66% relief for eligible properties, with a cash cap of £105,000.
- 144 In making these series of announcements the government stated that local authorities would be fully compensated for these Business Rate measures, which have the impact of significantly reducing the business rates chargeable/ business rates yield, via a Section 31 grant.
- 145 As with residents, local businesses have been severely impacted by the COVID-19 pandemic, particularly during the national lockdown periods. The extraordinary levels of relief provided during 2020/21 to assist businesses cope with the impact of COVID-19 have been mainly withdrawn this year. The most significant change has been the withdrawal of the Retail Discount and in accordance with legislation, accounts subject to that relief have just been billed.
- 146 The collection rate at 31 December 2021 was 80.91%, which is 1.79% points above the same position last year. The in-year collection rates at the end of quarter three for the current and last two financial years, are as follows:

Billing year	Position at 31 December Each Year %
2021/22	80.91
2020/21	79.12
2019/20	83.01

- 147 In line with the position for council tax the repayments to meet any collection fund deficits accrued in 2020/21 can be phased over a three-year period (2021/22 to 2023/24) to ease immediate pressure upon the 2021/22 budget.
- 148 At the 2020/21 budget setting stage the element of the deficit on the business rate element of the Collection Fund which the council was able to spread over the following three years was £1.138 million. In the preceptors 2021/22 budgets one third of this sum (£0.379 million) had to be repaid to the Collection Fund. The council share of this amounted to £0.186 million and this requirement was built into the council's 2021/22 budget.
- 149 In forecasting the 2021/22 outturn for the Collection Fund the second repayment of the 2020/21 deficit must be included in the forecast. The

sum for the whole Collection Fund again being £0.379 million and the sum for the council being £0.186 million.

- 150 The 2021/22 forecast Collection Fund position must also take into account the final outturn position for 2020/21. The final outturn position for the business rate element of the Collection Fund had improved from the budget setting stage with an improvement (undeclared) in year position of £6.337 million. This undeclared deficit for 2020/21 must also be taken into account in the 2021/22 Collection Fund.
- 151 In terms of the in year position for the business rate element of the Collection Fund as at 31 December 2021, the estimated outturn for the year is an in year deficit of £17.234 million of which the council's 49% share is £8.445 million. This deficit for the council however is offset by the receipt of additional Section 31 grant of £8.933 million due to the additional business rate relief. This results in a forecast in year surplus for the council of £0.488 million.
- 152 After taking into account the need to account for the second instalment of the phasing of the 2020/21 deficit of £0.379 million, the undeclared improvement in the 2020/21 position of £6.337 million and the forecast in year deficit of £17.234 million the overall forecast for the business rate element of the Collection Fund is a £11.276 million deficit, of which the council's share is £5.525 million. This deficit position for the council is offset by the forecast Section 31 grant of £8.933 million resulting in a forecast 2021/22 surplus on the business rate element of the Collection Fund of £3.408 million.
- 153 The total position for the business rate element of the Collection Fund for 2021/22 is detailed in the following table.

	£ million
Net rate yield for 2021/22 including previous year adjustments	97.255
Estimate of changes due to appeals lodged and future appeals	4.098
Estimated losses in Collection – Provision for Bad Debts and Write-offs	-0.631
Net income receivable (a)	100.722
Agreed allocated shares:	
Central Government (50%)	58.344
Durham County Council (49%)	57.696
County Durham and Darlington Fire and Rescue Authority (1%)	1.172
Cost of Collection Allowance and Renewable Energy (paid to Durham County Council)	0.744
Total fixed payments (b)	117.956
Net deficit for year (a) – (b)	-17.234
Spreading of Deficit Adjustment	-0.379
Undeclared Surplus / (-) Deficit brought forward from 2020/21	6.337
Estimated year end deficit	-11.276

- 154 Taking into account the forecast positions at the end of quarter three for council tax and business rates, alongside the receipt of Section 31 grant, the overarching position for the council in terms of the 2021/22 Collection Fund are as set out below, highlighting a forecast overall £1.498 million deficit.

	£ million
Council Tax Deficit	-4.906
Business Rates Deficit	-5.525
Section 31 Grant	<u>8.933</u>
NET DEFICIT	<u>-1.498</u>

Section 31 Grant - Small Business Rate Relief

- 155 Small business ratepayers with properties with rateable values under £15,000 benefit from relief on their rates payable. The government has awarded local authorities a Section 31 grant to cover their share of the shortfall in business rates that these small business ratepayers would have paid had the relief scheme not been in place.
- 156 Small business ratepayers with properties with rateable values up to £12,000 are now being granted full relief, and properties with rateable values between £12,000 and £15,000 have a tapered relief applied to them ranging from 100% down to 0%.
- 157 The government has agreed to pay Section 31 grant for any additional small business rate relief in respect of business rates bills and adjustments thereof relating to the period commencing 1 April 2013. Any adjustments that relate to bills for years prior to this will be dealt with as part of the normal rate retention shares.
- 158 At 31 December 2021, the gross small business relief awarded against the 2021/22 business rates bills and adjustments to 2013/14 to 2020/21 bills is £18.098 million, and the council will receive £6.061 million in Section 31 grant, including the capping adjustment and threshold change adjustments, in this regard.

Other Section 31 Grants

- 159 In the Autumn Statement 2016, Spring Budget 2017 and Autumn Statement 2018 additional business rate relief schemes were announced on which Section 31 grants would be payable. These relief schemes include Rural Rate Relief and Local Newspaper Reliefs, Supporting Small Business, Local Discretionary Relief Scheme, Pub Relief and Retail Relief Schemes. Funding for these schemes is provided through Section 31 grants.
- 160 In response to the economic impact of COVID-19, the government has introduced the expanded retail discount. The business rates retail discount has been increased to 100% and now covers the leisure and hospitality sectors. The £51,000 rateable value threshold has also been removed. This relief applied to occupied retail, leisure and hospitality properties in the year 2020/21 only, however has since been extended to 30 June 2021, and will continue at a rate of 66% from 1 July 2021 to 31 March 2022. This discount will be fully funded by way of Section 31 grant.
- 161 A nursery discount was also introduced for 2020/21 as a response to COVID-19. The discount has been extended to 30 June 2021 at 100%,

and will continue at 66% from 1 July 2021 until 31 March 2022. This will be fully reimbursed by Section 31 grant.

- 162 When assessing estimated outturn income from business rates, due regard must also be given on the effect that changes in estimated reliefs will have on the Section 31 grants. When the additional Section 31 grants to compensate for the extended retail, hospitality and leisure discounts and the extended nursery discounts are factored in the net impact is an increase in Durham County Council's Section 31 grants of £10.712 million of which £8.933 million relates to the additional reliefs in response to COVID-19.

Update on Progress towards achieving MTFP(11) savings

- 163 The delivery of the MTFP(11) agreed savings considers:
- (a) the duties under the Equality Act;
 - (b) appropriate consultation;
 - (c) the HR implications of the change including consultation with employees and trade unions;
 - (d) communication of the change and the consultation results;
 - (e) sound risk management.
- 164 MTFP(11) savings proposals for 2021/22, agreed by County Council on 24 February 2021 total £5.312 million.
- 165 At 31 December 2021, savings totalling £4.805 million, representing 90% of the £5.312 million total savings target have been delivered.

Consultation

- 166 There has not been any public consultation on any of the MTFP11 proposals in the last quarter.

HR implications

- 167 It is not possible to effectively analyse the equality data relating to the two staff leaving through voluntary redundancy, early retirement and ER/VR during quarter two of MTFP11, due to the low numbers. In terms of race and disability, again the numbers of leavers are too low to effectively analyse.
- 168 The numbers of those leaving through compulsory redundancy are also too low to effectively analyse (three).
- 169 Since 2011, equality data relating to staff leaving through voluntary redundancy, showed that 65.6% were female and 34.4% were male.

The higher proportion of female leavers is likely due to the exercises which took place in previous years which focused on traditionally female occupied professions, (these included the closure of care homes, reduction in service in the Pathways and Youth service and a restructure and change of working pattern for Care Connect). This is also reflective of the council's overall gender balance in terms of employees.

- 170 In terms of race, since 2011, 45.78% of leavers had not disclosed their ethnicity, with 53.81% stating that they were white British or white English. Regarding disability status 2.97% said they had a disability, 13.16% had no disability and 83.87% did not disclose their disability status.

Equality Impact Assessments (EIA)

- 171 Services have completed EIA screenings and assessments where necessary as part of the decision-making process for 2021/22 MTFP11 proposals.
- 172 Projects to deliver growth proposals will be supported to ensure robust planning and that EIA screening are also completed.

Other useful documents

- County Council – 24 February 2021 – Medium Term Financial Plan 2021/22 to 2024/25 and Revenue and Capital Budget 2021/22
- Cabinet – 7 July 2021 - 2020/21 Final Outturn for the General Fund and Collection Fund
- Cabinet – 15 September 2021 – Forecast of Revenue and Capital Outturn 2021/22 – Period to 30 June 2021 and Update on Progress towards achieving MTFP(11) savings
- Cabinet – 17 November 2021 – Forecast of Revenue and Capital Outturn 2021/22 – Period to 30 September 2021 and Update on Progress towards achieving MTFP(11) savings.

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Appendix 1: Implications

Legal Implications

The consideration of regular budgetary control reports is a key component of the council's Corporate and Financial Governance arrangements. This report shows the forecast spend against budgets agreed by Council in February 2021 in relation to the 2021/22 financial year. The forecasts contained within this report have been prepared in accordance with standard accounting policies and procedures.

Finance

The report details the 2021/22 forecast of outturn position for Revenue and Capital and details the forecast movement on reserves.

Consultation

None.

Equality and Diversity / Public Sector Equality Duty

None.

Climate Change

None.

Human Rights

None.

Crime and Disorder

None.

Staffing

None.

Accommodation

None.

Risk

The figures contained within this report have been extracted from the General Ledger, and have been scrutinised and supplemented with information supplied by the Service Management Teams and budget holders. The projected outturn has been produced taking into consideration spend to date,

trend data and market intelligence, and includes an element of prudence. This, together with the information supplied by Service Management Teams and budget holders, helps to mitigate the risks associated with achievement of the forecast outturn position.

Procurement

None.

Appendix 3: Revenue Summary by Expenditure / Income 2021/22

	Original Budget 2021/22	Revised Budget	Proposed Budget Revisions, including sums outside the cash limit	Contribution to / Use of Cash Limit Reserve	Contribution to / Use of Earmarked Reserves	Budget - incorporating adjustments	Service Groupings Forecast of Outturn	Corporate Costs Forecast of Outturn	Forecast of Outturn (including Corporate Costs)	Forecasted Variance (including Corporate Costs)	Forecasted Variance - Corporate Costs
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Employees	509,033	529,957	-285	0	1,356	531,028	518,204	335	518,539	-12,489	-2
Premises	50,677	52,655	7	0	-493	52,169	53,855	0	53,855	1,686	0
Transport	47,496	47,469	-6	0	194	47,657	51,205	0	51,205	3,548	0
Supplies & Services	113,643	126,687	144	0	1,158	127,989	142,018	2,044	144,062	16,073	734
Agency & Contracted	427,506	471,828	-927	0	136	471,037	481,682	4,157	485,839	14,802	-6
Transfer Payments	166,814	174,490	440	0	-109	174,821	210,404	8,400	218,804	43,983	2,811
Central Costs	127,115	128,761	47	0	-5,289	123,519	129,726	158	129,884	6,365	43
DRF	3,641	4,388	255	0	0	4,643	5,526	120	5,646	1,003	0
Other	0	1,495	218	370	-370	1,713	36	0	36	-1,677	0
Capital Charges	62,796	62,796	0	0	0	62,796	62,796	0	62,796	0	0
GROSS EXPENDITURE	1,508,721	1,600,526	-107	370	-3,417	1,597,372	1,655,452	15,214	1,670,666	73,294	3,580
Income											
Government Grants	548,132	613,828	239	0	702	614,769	662,849	12,895	675,744	60,975	-3,638
Other Grants and Contributions	83,208	85,243	-89	0	3,126	88,280	97,800	0	97,800	9,520	0
Sales	7,235	6,876	-6	0	0	6,870	5,229	100	5,329	-1,541	50
Fees and Charges	104,257	104,936	165	0	78	105,179	97,257	-34	97,223	-7,956	34
Rents	9,086	10,335	-84	0	0	10,251	11,529	0	11,529	1,278	0
Recharges To Other Services	296,974	300,396	-4	0	-65	300,327	295,948	0	295,948	-4,379	0
Other	9,790	7,256	0	0	0	7,256	8,410	0	8,410	1,154	0
Total Income	1,058,682	1,128,870	221	0	3,841	1,132,932	1,179,022	12,961	1,191,983	59,051	-3,554
NET EXPENDITURE	450,039	471,656	-328	370	-7,258	464,440	476,430	2,253	478,683	14,243	26

Appendix 4: Earmarked Reserves Position as at 31 December 2021

EARMARKED RESERVES AND CASH LIMIT RESERVES	OPENING BALANCE	USE OF RESERVES	CONTRIBUTION TO RESERVES	TRANSFERS BETWEEN RESERVES	TOTAL MOVEMENT ON RESERVES	CLOSING BALANCE AT 31/03/22
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Reserves						
Budget Support Reserve	-16,440	3,778		-2,500	1,278	-15,162
Business Support Reserve	-1,949	61		938	999	-950
Capital Reserve	-273			273	273	
Commercialisation Support Reserve	-10,096	238		-410	-172	-10,268
COVID-19 Support Grant Reserve						
Equal Pay Reserve	-9,479					-9,479
ER/VR Reserve	-3,993	252		-1,000	-748	-4,741
Feasibility Study Reserve	-500					-500
Inspire Programme Reserve	-246			125	125	-121
Insurance Reserve	-9,564					-9,564
Levelling Up Feasibility Reserve	-1,000					-1,000
Office Accommodation Capital Reserve	-1,945	233			233	-1,712
Office Accommodation Project Reserve						
Recovery Support Reserve	-8,236			1,800	1,800	-6,436
Resources DWP Grant Reserve	-1,895	343	-2,845	-336	-2,838	-4,733
Resources Elections Reserve	-1,713	735			735	-978
Resources Housing Benefit Subsidy Reserve						
Members' Priorities-NCC Reserve				-7,160	-7,160	-7,160
Members' Priorities-REG Reserve				-2,840	-2,840	-2,840
Total Corporate Reserves	-67,329	5,640	-2,845	-11,110	-8,315	-75,644
Sums held for other organisations/grants						
Collection Fund Deficit Reserve	-24,863	23,894			23,894	-969
Local Taxation Income Guarantee Reserve	-1,224	514			514	-710
North Pennines AONB Partnership Reserve	-1,127					-1,127
Public Health Reserves	-7,332	1,282	-942	1,006	1,346	-5,986
Resources Council Tax Hardship Reserve	-2,820	3,020	-3,663		-643	-3,463
Resources COVID-19 Support Grants	-4,873	4,482		191	4,673	-200
Social Care Reserve - Community Discharge Grant	-121	85			85	-36
Social Care Reserve - CCG	-19,881	653	-2,500	2,250	403	-19,478
Total Sums held for other organisations/grants	-62,241	33,930	-7,105	3,447	30,272	-31,969
Other Specific Reserves						
Business Growth Fund Reserve	-604			150	150	-454
CEO Grant Reserve	-86	121	-121			-86
CEO Operational Reserve	-431	125			125	-306
Children's Services Reserve	-2,761	569	-49	-181	339	-2,422
Community Protection Reserve	-1,145	146	-9	-1,942	-1,805	-2,950
Corporate Property & Land Reserve	-1,913	80	-1,008	1,100	172	-1,741
Culture and Sport Reserve	-15,289	1,848	-716	-1,000	132	-15,157
Economic Development Reserve	-5,899	3,225	-1,055	70	2,240	-3,659
Education Reserve	-14,946	406	-48	188	546	-14,400
Employability and Training Reserve	-276		-20		-20	-296
Environmental Services Reserve	-4,835	2,117	-900		1,217	-3,618
Funding and Programmes Management Reserve	-540					-540
Housing Regeneration Reserve	-473	219			219	-254
Housing Solutions Reserve	-3,523	105	-838		-733	-4,256
Neighbourhoods AAP Reserve						
Partnerships and Community Engagement Reserve	-6,204	3,048	-518	-4,361	-1,831	-8,035
Planning Reserve	-168	55	-200		-145	-313
Public Health Reserves	-2,293	503			503	-1,790
REG Match Fund Programme Reserve	-843	238	-27		211	-632
Resources Corporate Reserve	-680	70		299	369	-311
Resources Customer Services Reserve	-250					-250
Resources Financial Services Reserve	-94					-94
Resources Grant Reserve	-154					-154
Resources Human Resources Reserves	-392	482	-101	-154	227	-165
Resources ICT Reserves	-1,166	319	-214	-250	-145	-1,311
Resources Internal Audit & Corporate Fraud Reserve	-125	41	-70		-29	-154
Resources Legal Reserves	-535	188		55	243	-292
Resources Operational Reserve	-199	108		19	127	-72
Resources Operations and Data Reserve	-38	28	-30		-2	-40
Resources Registrars Trading Reserve	-150			150	150	
Resources Revenue and Benefits Reserve	-906	198	-52	224	370	-536
Resources System Development Reserve	-308	110			110	-198
Resources Transformation Reserve	-967	-327		764	437	-530
Restructure Reserve						
Social Care Reserve - Specific Purpose	-4,673	1,972	-284	695	2,383	-2,290
Technical Services Reserve	-2,044	1,003		-40	963	-1,081
Town and Villages Regeneration Reserve	-24,084			4,200	4,200	-19,884
Transport Reserve	-1,195	159	-159	-9	-9	-1,204
Total Other Specific Reserves	-100,189	17,156	-6,419	-23	10,714	-89,475
TOTAL EARMARKED RESERVES	-229,759	56,726	-16,369	-7,686	32,671	-197,088

EARMARKED RESERVES AND CASH LIMIT RESERVES	OPENING BALANCE	USE OF RESERVES	CONTRIBUTION TO RESERVES	TRANSFERS BETWEEN RESERVES	TOTAL MOVEMENT ON RESERVES	CLOSING BALANCE AT 31/03/22
	£'000	£'000	£'000	£'000	£'000	£'000
Cash Limit Reserves						
Adult and Health Services	-10,451	-1,507	-189	6,002	4,306	-6,145
Chief Executive's Office	-135	0	0	135	135	0
Children and Young People's Services	0	0	2,210	0	2,210	2,210
Neighbourhoods and Climate Change	-1,294	400	-1,006	0	-606	-1,900
Regeneration, Economy and Growth	-1,431	422	-1,695	-5	-1,278	-2,709
Resources	-2,462	227	-761	1,554	1,020	-1,442
Total Cash Limit Reserves	-15,773	-458	-1,441	7,686	5,787	-9,986
Total Council Reserves	-245,532	56,268	-17,810	0	38,458	-207,074
Schools' Balances						
Schools' Revenue Balance	-31,174	9,982	-5,355	0	4,627	-26,547
DSG Reserve	-4,124	0	0	0	0	-4,124
Total Schools and DSG Reserves	-35,298	9,982	-5,355	0	4,627	-30,671
Total Earmarked Reserves	-280,830	66,250	-23,165	0	43,085	-237,745

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Cabinet**16 March 2022****Bus Service Improvement Plan and
Concessionary Fares Budget****Report of Corporate Management Team****Amy Harhoff, Corporate Director of Regeneration, Economy and Growth****Councillor Elizabeth Scott, Cabinet Portfolio Holder for Economy and Partnerships****Electoral division(s) affected:**

Countywide.

Purpose of the Report

- 1 Currently a number of bus services across County Durham are no longer commercially viable due to uncertainty of Government support and reduced passenger numbers as a result of the Covid pandemic. The following report considers whether the County Council should support some of these services in the short-term using budget received from Government for the concessionary fares scheme which would otherwise not be required for that purpose.

Executive Summary

- 2 In October 2021, Cabinet was advised of progress on formulating a Bus Service Improvement Plan (BSIP) in response to the Government's National Bus Strategy which highlighted our commitment to improving Public Transport. Local authorities were encouraged to submit ambitious bids to what was then heralded as a £ 3 billion investment in bus services.
- 3 At that time, it was envisaged that with an increasing return to more normal life, bus patronage would continue to recover closer to pre-pandemic levels. The current position however is that passenger numbers remain subdued, temporary Government support for the industry is set to be withdrawn and the amount of future national funding available is likely to be significantly reduced with the timing of any announcement yet to be confirmed.

- 4 Against this backdrop, bus companies across our region are starting to plan for the new financial year with no guarantees of financial support from Government either in the short or medium term. As a result, without intervention, we currently expect cuts to bus services across the region of around 10% which would impact directly on people accessing employment, education, and other essential services.
- 5 If these cuts go ahead, they will vary significantly across the County. Some areas may experience a reduction in frequencies, others a loss of evening or weekend services, and a minority will see entire services curtailed. By contrast some communities may see no change at all.
- 6 However, there are short term options for Durham to support further our bus services using savings within the Concessionary Fares budget to allow time for Government interventions to be confirmed and the full state of a post Covid transport system can start to emerge.

Recommendations

- 7 Cabinet is recommended to agree that:
 - (a) the contents of the report are noted together with the potential impacts of the respective funds set to be announced in March;
 - (b) short term support is given to bus services in County Durham by redirecting funding from the Concessionary Fares budget which is forecast to underspend by £1.934 million during 2022/23.

Background

- 8 Since March 2020, bus services have been protected by special Government funding paid directly to operators. As part of this scheme, local authorities have been maintaining reimbursement for concessionary services without adjustment for reduced volumes.
- 9 Three significant issues which are now coming together to be considered are the end of the Bus Recovery Grant, the assumption that funding via the Bus Service Improvement Plan (BSIP) will be insufficient, and guidance that concessionary fare reimbursement should transition in 22/23 to reflect actual travel.
- 10 It is also the case that bus operators have introduced a number of “emergency” timetable changes to deal with issues around driver shortages however, these issues are expected to be resolved by the Spring and are not addressed in this report.

Bus Recovery Grant (BRG)

- 11 Currently bus operators across the County are in receipt of a Bus Recovery Grant (BRG) which replaced previous Government support in the form of Covid-19 Bus Service Support Grant (CBSSG). These payments are essentially allowing bus operators to continue to provide a national bus network against a backdrop of a significant reduction in passenger numbers as a result of the ongoing pandemic.
- 12 The current BRG funding was set at a lower rate than the preceding CBSSG as it was previously anticipated that patronage would recover following the removal of the previous Covid restrictions in mid-2021. While there was considerable recovery in summer/autumn 2021, patronage was hit by the impact of Omicron. The previous reduction in levels of Government support has already resulted in some services in County Durham being cut as operators try to stem their loss-making position, even before the impacts of Omicron had been considered.
- 13 Prior to the outbreak of Covid, bus passenger numbers had started to increase after many years of decline however, by December 2021 bus ridership was around 75% of pre-pandemic levels. Although the impact of the Omicron outbreak on ridership has yet to be fully understood, it will have further reduced demand and hence potential revenue in the short term.
- 14 BRG was to end at the start of April 2022, and plans were being made accordingly. However, the Government announced on 1 March that funding is to continue for a further six months. Operators must maintain

at least 90% of the total mileage operated before the pandemic. The intention is this will enable more time for recovery in patronage, and mean operators can avoid making premature decisions on the future scale of their viable businesses. However, it seems almost certain that there will be an ongoing material shortfall in passenger numbers.

- 15 Bus operators were already planning on the assumption that the BRG funding would end in March and preparations were well advanced to adjust their services for the reduced patronage in order to remain viable as commercial businesses. Service changes had been expected to occur in April and May. It is understood at least some of those changes are likely to proceed, especially as BRG has not been enough to prevent significant losses on routes with low profit margins pre-pandemic.

Bus Service Improvement Plan (BSIP)

- 16 In October 2021 the North East Joint Transport Committee (JTC) produced a Bus Service Improvement Plan (BSIP), in line with the requirements of the Government's National Bus Strategy. The BSIP had significant input from the County Council and genuinely reflected the bus service needs of people in our County.
- 17 The BSIP set out improvements in a wide range of areas including network coverage, frequencies and fares. The vast majority of improvements were contingent on new funding being made available by Government as part of what was initially announced as a £3 billion national fund for bus improvements.
- 18 Government has now confirmed that funding for BSIP's across the 79 Local Transport Authorities will be limited to £1.4 billion over 3 years. This funding will also need to meet the Government aspirations for Zero Emission Buses. An announcement on funding had been due by the end of February but is now expected by mid-March.
- 19 In formulating the BSIP, a priority element of the bid was for funding to offset the loss of income caused by reduced patronage, enabling current services to continue. However, informal indications from the Government are that any BSIP funding is to be restricted to new and improved services, rather than providing support for existing services. Therefore, whatever Government funding is derived from the BSIP process, it seems inevitable that existing bus services will need to be cut across the region in the short to medium term to counteract the fall in passenger numbers.

- 20 The National Bus Strategy also requires that local authorities and bus operators work together in partnership, with a statutory “Enhanced Partnership” (EP) scheme being put in place.
- 21 The adverse financial environment means that the partnership will be starting from a weak position, but nevertheless it offers an opportunity to work closely to deliver better outcomes for bus passengers than by working apart. Formal consultation over implementing the Enhanced Partnership scheme has therefore begun although Government have now asked that draft partnership documents are submitted in April rather than final commitments. A formal position of the Enhanced Partnership is yet to be agreed by the North East Joint Transport Committee.

English National Concessionary Travel Scheme

- 22 In normal times, funding for Concessionary travel is provided by central Government via local authorities such as Durham County Council, which then have a duty to provide appropriate reimbursement to operators. This funding is given to offset fare revenue lost by bus operators due to the concession they are obliged to provide.
- 23 As the amount of funding from Government has remained unchanged, local authorities have been reimbursing bus operators for concessionary travel at broadly pre-pandemic levels; this has been assumed by Government as part of the CBSSG and BRG arrangements.
- 24 The level of ridership by concessionary passengers has currently reduced to around 65% of pre-pandemic levels. Although it is likely to recover, it is thought that it may remain at somewhat lower levels than other passengers due to more material behaviour changes including a large increase in on-line shopping by older people.
- 25 As of 1 April 2022, new Department for Transport guidance advises authorities to move concessionary payments towards actual patronage levels, with payments reducing from current levels by 5% every other month until the new appropriate rate is reached. As the grant paid to local authorities remains unchanged then perversely, we could see bus services being cut whilst local authorities receive a financial benefit.
- 26 In Durham we could potentially retain up to £ 2 million of funding next financial year which could be used to offset many of the services which would be withdrawn by bus operators as not being commercially viable.
- 27 By contrast, in Tyne and Wear it is proposed to use these savings to partially meet the financial challenges created by the termination of

emergency Covid-19 payments for the Tyne and Wear Metro. Nexus' budget for funding concessionary travel is therefore proposed to reduce by £7.5 million which would be lost to regional bus operators placing a potential further financial strain on services in County Durham.

- 28 Currently no indication has been given that the concessionary fares budget will be reduced however this cannot be discounted which would reduce further our options to intervene.

Subsidised Services Budget

- 29 Currently the County Council directly supports a significant element of non-commercial public transport across the County. In the current year the budget to procure bus services sits at £4.6 million with a net cost of £2.7 million once fare income is taken into consideration. These services are a mixture of entire tendered routes and extensions of commercial services into non-commercial time periods ie late evenings. In the past year, this budget has come under pressure from a combination of reduced fare income and a greater call on support after some previously commercial services were withdrawn at the end of last year.
- 30 The way in which bus services are funded and the split between commercial and supported services is not well understood by the public and generally when bus services are reduced it is the Council which faces criticism.

Options/Financial Implications

- 31 In order that bus services in County Durham have the ability to fully recover and in order to remove some of the uncertainty of Government funding, Cabinet is requested in principle to allow the forecast savings from the Concessionary fares budget to allow the County Council to procure as many of the previously commercial services which are being lost as is practicable.
- 32 In terms of concessionary fares, it has been assumed that travel returns to 80% of the pre-pandemic level, and we follow the Government guidance that reimbursement payments reduce by the 5 % taper to reach the new rate. In addition, it is the case that operators are planning to reduce the number of services they deliver across the County which will see a proportionate reduction in concessionary fare reimbursement. It is therefore predicted that funding paid to Arriva will reduce to 75% of the pre-pandemic rate and 70 % for GNE. Together with smaller bus operators (including the County Council in terms of Park and Ride) this will deliver a saving of £1.825 million.

- 33 If the County Council were to procure the majority of the non-commercial services discontinued by operators this will maintain concessionary travel opportunities for more people, with associated reimbursement forecast to be £0.47 million for the coming year.
- 34 Setting aside the planned changes above, the amount of funding available for concessionary fares already has significant headroom in the current year due to a number of bus operator reductions which have already occurred. In total it is forecast that the concessionary fare budget will underspend by £1.934 million in the coming financial year.
- 35 In terms of those services, we could choose to put back once previously commercial services are withdrawn, initial preference has been given to areas that would otherwise be without a service. Particular attention has been given to preserving times that allow key travel opportunities (eg capacity at school time, or journeys largely used for travel to work). Where the frequency of a main service may have been reduced for commercial reasons it is not envisaged that previous frequencies are restored.
- 36 In addition to the cost of procuring additional bus services account needs to be taken of the existing £ 4.6 million of existing commitments which are facing inflationary costs with contracts being renewed. Our current contracts will continue until the end of October and it is assumed that a cost increase of 5% is likely thereafter.
- 37 Assuming a cautious approach to any income that will accrue from both existing and planned subsidised services and allowing for inflation, then a net increased spend of £1.77 million is forecast for the coming year.
- 38 Once new services have been tendered should the forecasts costs be above the budget available from concessionary fares, the number of services ultimately secured could be reduced to match.

Conclusion

- 39 The short term option is available for Durham to support bus services across the County using savings within the Concessionary Fares budget to allow time for Government interventions to be confirmed and the full state of a post Covid transport system can start to emerge.
- 40 It is concluded that funding which is given to the County Council for the reimbursement of Concessionary fares to bus operators, which can no longer be paid due to reduced demand, is used to subsidise bus services which have become loss making, for the remainder of 2021/22 and in to 2022/23.

Background papers

None.

Other useful documents

None.

Author(s)

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Appendix 1: Implications

Legal Implications

None.

Finance.

As set out in the report

Consultation

No consultation required however information will be provided to the newly formed bus board and ultimately local members in the areas impacted.

Equality and Diversity / Public Sector Equality Duty

Failure to act is likely to have a disproportionate effect on the elderly and people with limited mobility who rely on public transport.

Climate Change

Failure to act is likely to increase the number of people travelling by private car.

Human Rights

No impact.

Crime and Disorder

No impact.

Staffing

No impact.

Accommodation

No impact.

Risk

Failure to act is likely to have a negative impact of people's ability to access employment, education and health.

Procurement

Additional services will follow well established procurement methodologies.

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Cabinet

16 March 2022

Public Space Protection Order – Durham City

Ordinary Decision



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

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

Electoral division(s) affected:

Durham City

Purpose of the Report

1. To provide an overview of the powers, benefits and risks available under a Public Space Protection Order (PSPO).
2. To consider consulting on a proposed new behaviours and actions to be included in the existing Public Space Protection Order (PSPO) to help control:
 - begging, more specifically aggressive/anti-social type begging in Durham City

Executive summary

3. A PSPO can be an effective tool to tackle anti-social type behaviour in areas where it has been evidenced that there is a persistent and ongoing problem that is having an adverse impact on residents, businesses, and visitors.
4. Introducing a PSPO for specific activities does not guarantee that the problem will be completely eradicated and should only be used along with a range of other intervention methods including education and, consideration should also be given to the resources to enforce such an order.
5. Some types of activities can generate negative reputational concerns for both the Local Authority and the local areas where the PSPOs are proposed/in force.

6. There is a PSPO currently for the centre of Durham City for the consumption of alcohol outside premises which is due to run until July 2022 and requires a review.

Recommendation(s)

7. Cabinet is recommended to:
 - (a) agree that a full consultation exercise is undertaken to gauge the level of public support and to gather evidence on the merits of introducing a new activity to control aggressive begging which could be introduced as a new Public Space Protection order in Durham City;
 - (b) agree to a consultation exercise which will allow for a full review of the existing PSPO in Durham City which limits the consumption of alcohol.

Background

- 8 The Antisocial Behaviour, Crime and Policing Act 2014 was introduced in October 2014 which, amongst other things, brought in a range of powers that included Public Space Protection Orders (PSPO). The PSPO replaced dog control orders, designated public place order (DPPO) and gating orders, and create area-based restrictions on quality-of-life issues with the penalty for not complying being a Fixed Penalty Notice (FPN) or prosecution.
- 9 With the legislation came a requirement to review the existing controls including the Dog Control Orders and Designated Public Space Protection Orders before October 2017 (3years). A public spaces protection order is made by a Local Authority if satisfied on reasonable grounds that two conditions are met. Firstly, that:
 - (a) activities carried on in a public place within the authority's area have had a detrimental effect on the quality of life of those in the locality; and
 - (b) it is likely that activities will be carried on in a public place within that area and that they will have such an effect.
- 10 The second condition is that the effect, or likely effect, of the activities is, or is likely to be of a persistent or continuing nature, such as to make the activities unreasonable, and therefore justifies the restrictions imposed by the notice.
- 11 Since the introduction of the Act, there has been a PSPO introduced in Durham City which was last updated in July 2019. The order restricts the consumption of alcohol in public places within the defined area of Durham City and can require the surrender of such alcohol for immediate disposal. Any person who fails to comply without reasonable excuse commits a criminal offence but in practice the sanctions for breaches of the order are dealt with by fixed penalty notice which can be issued by "authorised officers" of the local authority, or any person authorised by Durham Constabulary. A county wide PSPO for dog fouling also exists.
- 12 An advantage of a PSPO over other forms of byelaw is the instant and proportionate availability of enforcement by way of out of court disposal through a Fixed Penalty Notice.
- 13 A public spaces protection order is an order that identifies the public place and prohibits specified things being done in the restricted area and/or requires specified things to be done by persons carrying on specified activities in that area. It can make normally legal behaviours and actions illegal.
- 14 The order may have effect for up to 3 years and the Local Authority must consult with the chief officer of the police, the local policing body, and local communities before issuing the order.

- 15 A "public place" is defined at section 74 of the Anti-Social Behaviour Crime and Policing Act as: "any place to which the public or any section of the public has access, on payment or otherwise, as of right **or by virtue of express or implied permission**. Accordingly, land used by the public as a matter of custom and practice but not by virtue of any right or express permission will still count as a public place.
- 16 A PSPO needs to be advertised and adopted in accordance with regulations, but challenge is restricted to High Court review and such review must be applied for within 6 weeks of the Order.
- 17 Prior to the latest review of the PSPO in Durham City, there were considerations as to whether to extend its scope to include other activities including begging and rough sleeping. There had been requests from Durham Constabulary, Durham BID and from the City of Durham Parish Council for these to be considered.
- 18 At that time, the decision was not to progress these other matters as part of the PSPO. However, the desire to include activities such as rough sleeping and particularly begging is still very much in the minds of Durham Constabulary and the City Parish Council.
- 19 Although they are often considered together and may appear to be linked it is considered that rough sleeping and, more likely, aggressive begging are two separate matters. The Homeless provision in Durham is good and effective service but it is known that those who may be begging, possibly in an aggressive manner, are not actually homeless and have accommodation in Durham but chose to frequent the City to generate an income from those residents and visitors who choose to give money.

Considerations for a PSPO to control aggressive/anti-social begging in Durham City

- 20 Begging in Durham City centre is seen as a persistent and continuing issue and there has been a reported increase in the severity and volume of this problem. Persistent beggars who deploy aggressive begging techniques have been identified in the city centre area by partners (including the Council, Durham Constabulary, and City Parish Council).
- 21 There is a concern begging is contributing to anti-social behaviour and is detrimental to quality of life of those in the locality. If this trend continues to grow, begging, in particular aggressive begging, will become unmanageable and damage the reputation of the city centre, including loss of trade and attractiveness to new businesses. It is therefore unreasonable to allow this persistent issue to grow and does justify action.
- 22 It is understood that the Police do not record reports of begging. They have information which suggests that daily their staff are approached by members of the public advising that individuals in the city are asking for

money. Some of these occasions involve an element of aggressive or anti-social behaviour.

- 23 Existing legislation has and can be used to act against those who are begging, but sanctions seem more proportionate and necessary if the begging is of an aggressive nature. Community Protection Warnings (CPWs) and Notices (CPNs) can and have been used. It is also an offence under the Vagrancy Act which states that anyone found to be sleeping in a public place or trying to beg for money can be arrested. In addition to those sanctions, it is also possible to obtain injunctions against individuals as well as Criminal Behaviour Orders, which the Warden service have secured against several individuals in the city over the period.
- 24 There is anecdotal information that suggests those who beg in the City are travelling from neighbouring authority areas as it is seen as a lucrative opportunity in Durham City. It is known that at one individual has travelled from Middlesbrough however his reasons to frequent Durham have not been fully established. Most of those begging do have somewhere to live in County Durham.
- 25 It is known that most individuals who are regularly visible in prominent locations, and perhaps give the appearance or perception of being homeless, are not and do have fixed accommodation in other parts of the County. Currently there are between 2 and 5 individuals begging in Durham City, this varies daily and is impacted on things like the weather.
- 26 This issue nationally has created some controversy as for some areas as it links to sleeping rough and is seen by some, including many charities, that the introduction of a financial penalty linked to begging would be punishing some of the more vulnerable individuals in our society. Indeed, the government guidance has been updated to reflect this consideration.
- 27 If this were to progress to consultation, then the PSPO would need to be carefully worded. It would not be proposed to simply prohibit begging but would need to make more of a link to the activities around begging such as aggressive, intimidating, or threatening behaviour. The following conditions could be considered:
- (a) all persons are prohibited from approaching another person either in person or verbally or using signage to beg from another person;
 - (b) all persons are prohibited from sitting or loitering in the public space for an unreasonable time, where behaviour is clearly inappropriate, excessive, or harmful to the public in degree or kind and lacking justification in fact or circumstance; or with any receptacle used to contain monies for the purpose of begging.

Regional Comparison (Begging)

- 28 Three north east authorities have introduced a PSPO to control/tackle forms of begging.

- 29 Middlesbrough Council's states "No person shall continue to beg or persistently beg in the restricted area following a request by an authorised person to stop".
- 30 Sunderland City Council's states "No person shall engage in aggressive or assertive behaviour, or any other behaviour which may be regarded anti-social or nuisance in nature, in the course of begging".
- 31 Gateshead Council's states "Persons begging by sitting in pedestrian areas with items in front of them for accepting money".

Enforcement

- 32 For the issues tackled by this report there is existing legislation that regulates some of the activities that are being considered.
- 33 Police and Council officers can utilise Community Protection Warning/ Notices that were introduced under the same legislation as PSPO's. A PSPO would allow a swift sanction in the form of an FPN, however it still relies on either the offence being witnessed, or sufficient evidence being provided which could identify an offender. It should be noted that the sanction would not necessarily lead to the individual to leave the vicinity if they comply with the PSPO.
- 34 Although PSPOs are made by the Council, enforcement is available to Council officers, community safety accredited staff and police officers (including PCSOs).
- 35 Resources across all these enforcing agencies are reducing and consideration should also be given to the enforceability of the issues outlined under a new PSPO and their priority when compared to other demands.
- 36 Although a PSPO may be used to tackle aggressive or anti-social begging in Durham City it may not completely eradicate the problem as it would not result in those individuals who currently frequent the city from being there.
- 37 A SWOT analysis on the issue of begging in Durham City is attached as Appendix 2.

Consideration of Evidence Against PSPO Criteria

- 38 As outlined above, the legislation requires the satisfaction of several things, namely:
- (a) activities carried on in a public place within the Authority's area have had a detrimental effect on the quality of life of those in the locality; and it is likely that activities will be carried on in a public place within that area and that they will have such an effect;
 - (b) the second condition is that the effect, or likely effect, of the activities is, or is likely to be of a persistent or continuing nature, such as to

make the activities unreasonable, and therefore justifies the restrictions imposed by the notice.

- 39 Against these criteria certainly the issues do affect the quality of life and have done so for some years and are persistently occurring in public places.

Consultation/Publicity

- 40 To meet the consultation, notification, and publicity requirements in making a PSPO, it would be proposed to develop a full consultation and implementation publicity plan which will include:
- (a) launch a minimum 8-week consultation on the proposals;
 - (b) It is proposed to consult on the existing restrictions (i.e. alcohol) and a separate consultation for any new matters being considered (e.g. aggressive begging);
 - (c) report back the findings and subject to the relevant conditions and considerations being satisfied, confirm the conditions of the PSPO;
 - (d) should a PSPO be introduced, publicise the new order on the website in line with the government guidance;
 - (e) should a PSPO be introduced, launch a publicity campaign to raise awareness of the new order and offences it creates;
 - (f) if a PSPO is introduced, implement enforcement across all the PSPO conditions.
 - (g) The area considered relevant for this type of activity will be set out in the consultation exercise. It is proposed that the area covered by the existing PSPO would be appropriate

Main implications

- 41 The decision to consult on a PSPO would likely be considered a positive step to the City of Durham Parish Council, the Police, and some residents.
- 42 The introduction of a PSPO for begging does bring potential risks to the local authority as it could be seen as introducing a financial punishment to those most vulnerable in our communities.
- 43 The introduction of a PSPO can provide the Police and the Local Authority with a swift enforcement tool to those who breach the order and could act as a deterrent to others from trying and may deter those who currently engage in this activity from visiting the City.
- 44 However, it does not generate a ban for those who currently beg in Durham, and it may not prevent those individuals from being present and visible in Durham City.
- 45 The homeless and rough sleeper provision in DCC is considered an effective and valued service and this work will continue to support those

individuals affected. Durham County Council and its partners work tirelessly in providing an excellent homelessness provision, but the control of aggressive begging would be a separate issue

- 46 Other areas affected by some form of apparent anti-social behaviour may see the application of a PSPO to be relevant for their area. Although this does not present too much in the way of a challenge, providing the issue can be evidenced, it may raise expectations and put extra demands on the enforcement capability.

Other matters for consideration

- 47 Although the main focus of this report is seeking to consult on the existing PSPO and the possible introduction of a new PSPO to control aggressive begging, it may be an opportunity to consult on other matters which could be introduced in the City.
- 48 Some neighbouring authorities have added several other controls to their PSPO and although that could be relevant to that locality it does not always follow that similar measures would be necessary in other areas. The more items covered in a PSPO could lead to negative feedback and challenge.
- 49 As consultation on possible controls in Durham City is likely to take place, it would be an opportune time to include other matters that may be introduced. This would give the public the opportunity to give their views should other matters rather than just aggressive begging and alcohol.

Conclusion

- 50 A PSPO can be introduced to provide a swift and effective tool to tackle persistent and ongoing matters that are affecting the lives of residents, businesses, and visitors.
- 51 The problems should be evidenced and a PSPO should be considered part of a suite of measures, including support and education, as generally it is not possible to resolve the matters by enforcement alone.
- 52 Consultation on issues can be used the gauge the level of public support or otherwise to introducing a PSPO although it is known that the introduction of a PSPO in Durham City will be welcomed by both the Police and the City Parish Council.

Background papers

None.

Other useful documents

None.

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Appendix 1: Implications

Legal Implications

Public Space Protection Orders are provided for under the Antisocial Behaviour, Crime and Policing Act 2014. The report sets out the conditions to be met for a local authority to make a PSPO. The proposed consultation forms an important part of the process to be followed when a local authority is considering making a PSPO.

Finance

None.

Consultation

A full consultation exercise must be carried out in determining the need/demand for a PSPO. If it is decided to publicly consult on any of the issues contained in this report, there will be a consultation process lasting at least 8 weeks. All comments will be collated and assessed before a decision is made to introduce any of the matters in this report.

Equality and Diversity / Public Sector Equality Duty

An EQIA screening will be completed prior to any final reporting.

Climate Change

None.

Human Rights

None.

Crime and Disorder

The introduction of a PSPO could have a positive impact on crime and disorder issues in the areas affected.

Staffing

Should PSPOs be introduced it will generally lead to an increase in enforcement activities and legal services creating additional pressures on those services.

Accommodation

None.

Risk

There is a reputational risk from some partner agencies should a decision be made not to consider either consulting or introducing a PSPO as detailed in this report. Should consultation take place on the issue of begging, it may bring negative national media attention to DCC as well as other comments and concerns from charity providers, faith groups and homelessness services.

Procurement

None.

Appendix 2: SWOT Analysis – Begging

SWOT Analysis re Begging PSPO

Strengths	Weaknesses
<ul style="list-style-type: none"> • Begging legislation does not include sitting for many hours in high-footfall public areas with a receptacle without asking anyone for money. • The Council has a good track record working with homeless people. • Targeted use will send a clear message to those who beg, to other rough sleepers. • Leniency at the time of contact towards rough sleepers who are engaging with services will strengthen its justifiable use on those who do not. • BiD survey, businesses would like us to tackle begging. • This summer saw a greater impact with higher numbers of disruptive rough sleepers who also beg. • Improvement in working relationships and reputation with some key partners • Sanction is swift but could result in non-payment which would require court action 	<ul style="list-style-type: none"> • The sanction is a fixed penalty notice • Unpaid FPNs will result in a summons (£1000 fine) – strong well-evidenced case required. • It does not provide lawful grounds to demand the person move so may not immediately solve the problem. • The person begging may not provide their details – partnership working may resolve this. • Police may not be issuing FPNs – may not be a weakness if police attend or assist with difficult risk-assessed cases.
Opportunities	Threats
<ul style="list-style-type: none"> • Provides a legal basis to engage with rough sleepers as many also beg. • Greater public awareness of how the issue affects the public (businesses would like us to tackle), businesses and the work of the Council. • Opportunity to change public opinion to favour giving money to local homeless charities. • Through engaging with people who beg in Durham City the Council can highlight the dangers and detriments of homelessness and rough sleeping, which is also an issue in the town. 	<ul style="list-style-type: none"> • Local reputational damage / Regular FOIs and negative publicity. • Reprisals. • Photo opportunities for negative social media attacks on the Council. • Additional confrontational situations for enforcement staff. • Impact on working relationships with Student population • Perception that the problem would be eradicated and very quickly • Council staff may not be available at key times i.e., Saturday and Sunday and after 10pm

Cabinet

16 March 2022

**Review of Community Engagement
and Funding Processes**



Ordinary Decision

Report of Corporate Management Team

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

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

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 To provide Cabinet with an outline of a planned review of the community engagement and funding processes currently provided by our Area Action Partnerships (AAPs) and to set out the scope of the review, governance arrangement and proposed timescales for its completion.

Report Summary

- 2 The Council carries out a number of community engagement functions across its services. One of the vehicles that is used to engage with the public is through Area Action Partnerships (AAPs). AAPs have been in operation since 2009 when the new Unitary County Council was established. AAPs have been a key way of engaging on a more local level across a large Council area comprising over 530,000 people.
- 3 Since then, the Council's community engagement work has constantly evolved in terms of new work areas, management of budgets and new approaches to engage with the community, including providing a local response to the COVID pandemic and local resilience support to Storm Arwen and Storm Malik.
- 4 There is a need for the Council to ensure it effectively discharges its duty to consult with the public on important local decisions and also

there is the opportunity to enhance the support provided to local Elected Members in their community champion role.

- 5 Over recent years national and local agendas have changed and innovation needs to continue. We need to ensure that our community engagement mechanisms are fit for the future and that they continue to meet the corporate needs of the Council and our key partners and deliver outcomes for our communities and Councillors. For example, there is an exciting opportunity to look at how we could potentially enhance more 'area based' delivery across our communities. This review will look at a series of issues and key questions to ensure that we can respond appropriately.

Recommendation

- 6 Cabinet is recommended to note the content of this report and agree:
 - (a) the principle of undertaking a review of the Council's community engagement functions, including the work of AAPs;
 - (b) the scope of the review set out in paragraphs 29 – 31;
 - (c) the proposed review timescales set out in paragraph 44;
 - (d) the review governance arrangements set out in paragraphs 38 – 41.

Background

- 7 After 12 full years of operation since becoming a new Unitary Council, it is appropriate that the Council conduct an independent review of its community engagement processes. The review will provide an opportunity to examine a range of issues and ensure the service continues to deliver quality outcomes for the people of County Durham. The review will look at what changes are required to support a range of new emerging agendas to ensure Durham's is known as a listening and engaging Council.
- 8 Currently our principal structures for community engagement are Area Action Partnerships (AAPs). AAPs were a fundamental part of Durham County Council's bid for Unitary Council status. They became operational in Spring 2009 with work focused around 4 key aims: Engagement, Empowerment, Local Action and Performance Review.
- 9 County Durham is served by 14 AAPs based around local geography, with boundaries agreed through extensive local consultation. While the size of population covered by AAPs differs, the structure of the AAP Board remains the same with 21 Board members representing 3 different groupings, members of the public, elected members and partner representative covering the following sectors; Police, Fire, Health, Housing, Voluntary Sector, Business Sector and a DCC Head of Service.
- 10 Through the work of the AAPs the Council has allocated £59.5 million to over 10,000 community-based projects, leveraging in £69.7 million of external matched funding. Resulting in a funding return ratio of £1.29 for every £1 of DCC investment.
- 11 In July 2011 Overview and Scrutiny Management Board undertook a Review of AAPs entitled 'Fit for the Present, Fit for the Future'. This review made a series of recommendations which were acted on and implemented at the time.
- 12 Although AAPs have continued to evolve over the last 12 years in terms of adjusting to new policy areas and funding allocations, no fundamental review has been conducted that considers how AAPs are placed to support the new corporate priorities of the Council and the wider needs of the County Durham Partnership.

Initial Engagement with Elected Councillors

- 14 May 2021 Local Government Election's saw 58 new Councillors join Durham County Council. This was felt to be a good opportunity to obtain some initial views on the Council's community engagement work and feedback on how the AAPs are currently operating.
- 15 From the overall feedback received from the 61 returns, there was clear recognition for the need for countywide engagement of communities. There was strong support for both the presence of locality staff bases and the impact of having delegated locality budgets. The need for AAPs to focus on delivering local action was also a key finding from the survey.
- 16 However, the feedback identified a number of areas that a review should consider, including the reach of our AAPs, how consultation is conducted with AAPs, Board structures and decision-making processes to ensure speedier decision making to deliver more immediate impact on the ground.
- 17 After 12 years it was recognised that many AAPs have developed different processes as the Board culture has evolved. An evaluation of this to identify any areas of good practice and learning was seen as a positive aspect to a future review, whilst at the same time identifying areas for improvement.
- 18 The initial feedback received from the Councillors has been built into the review scope outlined in paragraph 33 of the report.

Engagement with Partners

- 19 A key strength of the current structure is the regular engagement from a range of partners and also the wider public through the local Boards, Task and Finish Groups and the AAP Forum process.
- 20 In developing the suggested scope of the review, initial engagement has taken place with key partners from the County Durham Partnership, who occupy AAP Board positions to ensure that the overall objectives and themes of the review can capture their potential future engagement needs moving forward. It is also proposed that a member of the County Durham Partnership sit on the Review Steering Group to ensure their involvement throughout this process. Further details are contained in paragraph 41.
- 21 Information outlining the main principles of the review and its suggested draft scope has also been shared with the 14 AAP Boards. This will be confirmed following consideration of the proposed review scope by Cabinet.

Changes in the Community Engagement Environment

- 22 One area that the review needs an active focus on is the national context emerging from Government on how communities could influence decision making in the future. For example the new Levelling Up white paper outlines a desire to *“Restore a sense of community, local pride and belonging, especially in those places where they have been lost”*. One of the 12 Levelling Up ‘Missions’ is - *Pride in place, such as people’s satisfaction with their town centre and engagement in local culture and community*. We need to consider what structures could support that work.
- 23 Also the Procurement Social Value agenda is one where local engagement could play a more significant role in determining local needs and aspirations that could be supported by the wider spending power of the Council through our procurement processes.
- 24 Councils from across the country have visited us to learn from our approach, but it is felt that we now also need to reflect more on national best practice, as it has developed since 2009, that would further enhance our own service delivery.

AAP Funding and local delivery

- 25 Since 2009, the budgets aligned to AAPs have constantly evolved. As AAPs have cemented their place at the forefront of local engagement, many other funding streams from across the Council and of other organisations have been devolved down to the local level for locally based allocation.
- 26 In 2021/2022 AAPs have the following budgets aligned to them;
- AAP Area Budget (DCC) £100,000;
 - Older People Social Isolation Fund £25,000;
 - Youth Grant £9,902;
 - Welfare Assistance Grant £10,000;
 - COVID Restoration Grant £100,000;
 - Towns & Villages Funding £210,000.
- 27 Whilst the existence of these budget has been positive in terms of grant giving to deliver local action, the capacity of local Teams (most with only 2.5 FTE staff) has been stretched and a balance has had to be struck between the project development, application and grant

monitoring processes and the opportunity to undertake more grass roots community development work. This needs to be examined further through the proposed review.

- 28 Through the initial feedback on the Storm Arwen response, it is clear that our AAPs played a critical role in connecting with many community and voluntary sector groups which stepped up to provide support to our communities. This therefore provides us with a potential opportunity to build on that work and consider how community structures are placed to support future emergency resilience situations.

Review Scope

- 29 The review will focus on assessing our current structures and governance with a view to ensuring the Council has a community engagement mechanism that provides support for our communities in line with the Council's future vision and priorities and also reflects the needs of the wider County Durham Partnership.
- 30 As highlighted above, there are a range of ideas that will be built into the review to establish what opportunities exist to transform aspects of the AAPs work.
- 31 The Review will focus on the following key themes:
- reflect on what we do well and look at opportunities for future development backed by national good practice;
 - review of governance and decision-making processes;
 - to consider local Board membership and remit;
 - to review if the AAP geography is still appropriate after 12 years of operation
 - management of funding vs capacity to support more grass roots Community Development work;
 - funding arrangements and timescales for funding awards;
 - how do we adapt so that we improve local delivery of wider Council priorities?;
 - how can local structures best provide effective support to Councillors?;

- to review the developing national picture and how community engagement will inform government strategies such as Levelling Up and Left Behind Neighbourhoods etc;
- Local Area Delivery & Resilience;
- review opportunities for local engagement to influence social value;
- Local Economic Development & links with the Inclusive Economic Strategy;
- Our Council Vision includes ‘Connected Communities’ engagement will be key to this – what form should that take and how should AAPs be involved.

Review Methodology

- 32 The intention is to appoint a third-party independent specialist to carry out the review. Therefore, the exact methodology used to gain feedback to inform the review will be influenced by the organisation which is appointed to undertake the review. As a key point of principle, we would expect the review to include dedicated engagement with the people who make up the AAP Board structure. This would include face to face or virtual interviews and focus groups with AAP Boards and also engagement with a sample of representatives who have previously held an AAP Board position over the past 12 years of operation. This will ensure that the review is balanced, and we involve the people who are critical to the current work of the AAPs.
- 33 The review will also look at our current decision making and funding processes to look for any efficiencies and improvements to ensure better and quicker outcomes for our communities.

Stakeholder Mapping

- 34 The review will look to seek opinion and views from a wide range of stakeholders including:
- Key Partner Organisations;
 - Elected Members;
 - Town and Parish Councils;

- Voluntary Sector Organisations including those who have received funding support from AAPs;
- The wider public (including those not previously engaged in AAP activity) to assess the current reach of the AAPs;
- AAP Chairs (Past and Present);
- AAP Board and Forum Members including Public & Partner Representatives;
- DCC Heads of Service who sit on AAP Boards;
- AAP Staff;
- Local Voluntary Groups/Organisations;
- Other Council departments;
- Comparator/visiting Local Authorities.

35 How these stakeholders are engaged with will be determined by the Team undertaking the review.

Procurement

36 The Review will be carried out by an independent body, and as such, a detailed procurement process will be carried out to appoint a suitable organisation to undertake the review. Desktop research is currently being undertaken to establish a long list of possible consultants and the Head of Procurement, Sales and Business Services has been contacted to support this process. The appointment will be conducted through the 'Bloom' procurement process.

37 The cost of the review will be met from within the Neighbourhoods and Climate Change service budget.

Governance of the Review

38 A single officer Point of Responsibility will be aligned to the review process. This role will be responsible for communication with, and direction of the appointed consultants. They will act as a bridge between the consultants and elected members, staff and

stakeholders. They will deliver regular feedback to all interested parties.

- 39 A Review Steering Group will also be created to act as the interface with the independent consultants undertaking the review.
- 40 The Review Steering Group will include a mix of Council officers. Proposed membership includes the following representatives:
- Cabinet Portfolio Holder for Economy and Partnerships;
 - Corporate Director of Neighbourhoods and Climate Change;
 - Head of Service for Partnerships and Community Engagement;
 - Chair of Corporate Overview and Scrutiny Management Board;
 - Member of the County Durham Partnership;
 - Head of Strategy and Transformation;
 - Single officer Point of Responsibility.
- 41 The Review Steering Group will agree the overall methodology with the appointed consultants and also review its work plan to discharge the completion of the review. It will be used to test out initial feedback and agree any additional items of scope / investigation.

Engagement with Staff

- 42 The dedicated staff aligned to AAPs have been so critical to the work done over the past 12 years. They have had to adapt to many different demands placed upon their work and they remain a critical resource to ensure both the success of the review and also in supporting any findings and recommendations that emerge from the completed review process.
- 43 A staff briefing session has been held prior to Cabinet receiving this report to ensure staff are aware of the wider principles of the review. Initial engagement has also taken place with Trade Unions to make them aware of the proposed review.

Proposed Review Timeline

- 44 An envisaged timeline was shared at the Cabinet Transformation. This will be subject to review throughout the review process and will be governed by the Review Steering Group.

February (Activity already undertaken)

- Held Staff Briefing Session
- Communication to AAP Boards on the proposed scope of the review prior to the Cabinet Report being published.
- Engagement with key partners on the scope of the Review.
- Engagement with DCC Procurement to soft market test the Review and develop the Bloom invitation to tender.

March

- Report to 16 March Cabinet
- Start the appointment process for the consultants to undertake the Review

April – May

- Commence Review (subject to selected consultants' ability to hit that start date)

Autumn 2022

- Initial review findings received
- Report back to Cabinet on the implementation of the findings and a timeframe for their implementation

Conclusion

- 45 After over 12 years of operation, it is appropriate to conduct a review of our community engagement and funding processes, to ensure the Council's community engagement mechanisms to provide the support and investment for our communities in line with our future vision and priorities.
- 46 By having an independent organisation conduct the review we can obtain an unbiased view on any improvements that may be required to ensure the Council engages with communities in a meaningful way that ensures residents feel empowered and able to influence service provision and support community action in the coming years.

Other useful documents

- None

Author(s)

Alan Patrickson

Appendix 1: Implications

Legal Implications

The review team will need to be aware of the AAP Terms of Reference and the delegated authorities originally signed off by Cabinet.

Finance

A detailed procurement process will be undertaken to select an organisation to undertake the review. A budget has been identified to meet the costs of the review.

Consultation

The planned AAP review will consult with many different stakeholders as identified in the report before any recommendations and findings come forward.

Equality and Diversity / Public Sector Equality Duty

There is a need to make sure that engagement is inclusive and includes hard to reach audiences. Any revised engagement arrangements will need to take account of and discharge the Council's public sector equality duty. As the review reports any key findings with respect to this area, it may be necessary to conduct an EIA and the implications fed into the outcome report which will be brought back to Cabinet in due course.

Climate change

None identified.

Human Rights

None identified.

Crime and Disorder

None identified.

Staffing

There is a need to engage with all AAP staff to ensure they are aware of the aims of the review and the timescales we are working to.

Accommodation

None identified.

Risk

A number of risks exist that could impact on the delivery of this proposal. This includes not being able to recruit a suitable organisation to undertake the review, or not being able to hit our envisaged timeline. Risks also exist

in terms of ensuring appropriate engagement with stakeholders and this will be tested during the selection phase for the organisation who will conduct the review.

Procurement

A full procurement process will need to take place and work is ongoing to commence that following this decision.

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