



RECORD OF EXECUTIVE DECISIONS

The following is a record of the decisions taken at the meeting of **CABINET** on. **Wednesday 8 February 2023**. The decisions will come into force and may be implemented from **Monday 20 February 2023** unless the Corporate Overview and Scrutiny Management Committee or its Committees object to any such decision and call it in.

Medium Term Financial Plan 2023/24 to 2026/27 and Revenue and Capital Budget 2023/24 **Key Decision: CORP/R/22/01**

Summary

The Cabinet considered a report of the Corporate Director of Resources which provided comprehensive financial information to enable Cabinet to agree the 2023/24 balanced revenue budget, an outline Medium Term Financial Plan MTFP(13) 2023/24 to 2026/27 and a fully funded capital programme to be recommended to Council on 22 February 2023.

Cabinet is committed to strong financial governance and getting value for money for public money whilst ensuring that the council sets a sustainable balanced budget with any council tax increases being justified and affordable. The budget and medium term financial plan for the Cabinet seeks to balance the need for both short term and long term investment in front line services with the need for financial prudence and reasonable council tax increases. In summary the budget proposals in the report include:

- (a) careful consideration of the impacts of the Autumn Statement and the Provisional Local Government Finance Settlement announcements in November and December 2022 respectively, which have seen government grant allocations increase by £39.8 million in 2023/24 and by a forecast £13.7 million in 2024/25;

- (b) provision for £78.9 million of unavoidable base budget pressures in 2023/24, resulting from pay and price inflation (£32.6 million – including £6 million in relation to energy); increased costs of children's (£13.8 million) and adults' (£22.9 million) social care; increased transport costs (£9.5 million including £8.3 million in relation to Home to School Transport); increased waste disposal and recycling costs (£1.6 million), expenditure in relation to specific grants (£6.7 million), additional demand pressures in service groupings (£6.8 million) offset by savings resulting from the triennial review of the pension fund resulting in reductions in employers pension contributions (£5.1 million) and a short term forecast increase in investment income for 2023/24 (£7 million);
- (c) new capital investment totalling £121.9 million, taking the approved capital programme to £778.3 million, with additional capital expenditure of £11.8 million proposed for the Belmont Community Arts College and Belmont CE Primary School new build, an additional £10 million investment in the refurbishment of Greenfield School, a £14.8 million investment in highways and a £15 million investment to repair a landslip on the A690, an additional £9.5 million investment in the Town and Villages programme, additional investment of £11 million in NetPark Phase 3, an additional £3 million budget to match fund future Levelling Up bids to government in anticipation of these being successful and an additional £2 million allocation for building investment to enable the council to meet Net Zero targets;
- (d) a range of savings options were presented to Cabinet on 12 October 2022 and subject to consultation which if implemented could help support balancing budgets across the MTFP(13) period. The savings consulted upon amounted to £11.872 million for 2023/24, rising to £17.731 million across the MTFP(13) period. Additional savings have been identified in addition to the savings consulted upon, resulting in savings of £12.383 million for 2023/24 with £18.261 million across the MTFP(13) period;
- (e) a 2.99% increase in relation to the base council tax referendum limit and a necessary increase in the adult social care precept of 2.0% in 2023/24 to help meet the significant cost pressures in this budget, giving a total overall increase of 4.99% which is expected by government as part of their Core Spending Power calculations and assumptions;
- (f) although savings of £12.383 million are recommended for 2023/24 and a 4.99% council tax increase is proposed, there will still be a requirement to utilise £10.231 million of the MTFP Support Reserve to balance the 2023/24 budget. The use of the MTFP Support Reserve can only be a short term solution to buy time to develop sustainable base budget savings to balance the 2024/25 budget.

November 2022 Autumn Statement

On 17 November 2022 the Chancellor of the Exchequer published an Autumn Statement (AS). The timing and content of the AS was vital due to the need to calm financial markets following the fiscal event (mini budget statement) in September 2022, which came at a time of high inflation and led to widespread uncertainty and reductions in the value of the pound followed by rapid increases in interest rates. The AS contained important announcements on future forecasts for government borrowing, taxation, and public sector expenditure, alongside the Office for Budget Responsibility forecasts for inflation, economic growth, and taxation yields

It was widely expected that the AS would result in funding reductions for the public sector, particularly previously unprotected departments such as the Department for Levelling Up, Housing and Communities, alongside a potential cap on public sector pay increases, due to the significant increases in the forecast of annual national deficits over the coming years - a combination of post Brexit economic challenges, the ongoing impact of the pandemic upon the economy and the poor outlook for the economy in the medium term.

In making the AS, the Chancellor of the Exchequer however deferred decisions on any significant funding reductions in the public sector until the next parliamentary period, with reductions now expected in the period 2025/26 to 2027/28. In the next two years, in recognition of the significant inflationary pressures being faced, additional funding was provided to the health service, education and to local government, as well as local government being provided with additional council tax raising flexibilities.

The additional funding being provided will result in an improved financial outlook for the council in the short term, with budget shortfalls reducing from those reported to Cabinet on 12 October 2022, where it was previously forecast that savings required over the next four years (assuming the council maximised its council tax raising powers at that time) would be £52.569 million with £37.389 million of this falling into 2023/24.

The updated forecasts included in the report highlight that once the available government funding, taxbase growth, updated base budget pressures, and an assumption that the council raises council tax by the maximum sums available, the savings required over the next four years has reduced to £41.641 million, with £22.614 million of this falling into 2023/24.

The AS announced additional funding to meet rising demographic and costs pressures in social care (both adult and children social care) with specific grant funding also provided in order to focus investment to facilitate early discharge of patients from hospital into the community.

In this regard local government was allocated £400 million as a Market Sustainability and Improvement Grant in 2023/24, rising to £680 million in 2024/25 to be focussed on early discharge from hospital.

There was also an increase in the Better Care Fund nationally, with an additional £600 million allocated in 2023/24 rising to £1 billion in 2024/25. This funding is ring-fenced and must be pooled within the Better Care Fund and will be shared 50%/50% between the NHS and Local Authorities, with local investment plans to be agreed with the Integrated Care Board.

Significantly, the AS also announced the deferral of the planned Adult Social Care Reforms from October 2023 to October 2025 i.e., after the next General Election. These reforms included revised means tests for adult social care charging and the introduction of a £86,000 cost care cap, as well as a requirement for authorities to undertake a review and implement changes which demonstrated that they were moving towards the payment of a fair cost of care to providers.

Whilst the reforms have been deferred, the funding previously allocated to the Market Sustainability and Fair Cost of Care Grant associated with these new policies is to be retained and repurposed into the Social Care Grant – to help upper tier authorities to meet demographic and costs pressures in social care (both adult and children social care).

The sums being made available to local government are £1.265 billion in 2023/24 rising to £1.877 billion in 2024/25. The AS announced that this funding would be provided to local authorities via the current Social Care grant distribution methodology, which takes into account council tax raising capacity, and was being made available to assist local authorities to address budget pressures in both children's and adult's social care.

The AS announced additional council tax flexibilities for local authorities. The current council tax referendum limit is 1.99% but from 2023/24 this will be increased to 2.99%. Upper tier local authorities were also provided with the powers to increase council tax by an additional 2% in 2023/24 and in 2024/25 for an adult social care precept. This means that upper tier local authorities now have the ability to increase council tax by up to 4.99% in both 2023/24 and 2024/25, with a clear expectation from government that these authorities do so in order to help meet the extraordinary inflationary pressures they are facing and to help protect front line services as far as possible. Every 1% of council tax increase generates the council circa £2.55 million of additional income. By increasing the council tax by 4.99% instead of the previously forecast / assumed 2.99%, the council will be able to reduce the savings required to balance the budget by circa £5.1 million next year and the year after and by circa £2.6 million in 2025/26 and 2026/27, reducing the cuts / savings required by circa £15.4 million over the MTFP(13) planning period.

In 2022/23 the council had the flexibility to increase council tax by 1.99% for the referendum limit and by up to 3% for the adult social care precept. After due consideration, the council agreed to limit the 2022/23 council tax increase to 3% for the adult social care precept only and to forgo the 1.99% base council tax increase rather than increasing council tax by the maximum 4.99%, which is what the government expectation was (this is baked into the Core Spending Power calculations) and what the majority of other upper tier councils did. This resulted in the loss of circa £5 million of council tax raising capacity within the base budget.

In County Durham 83% of all households reside in properties that are in Bands A-C. A 4.99% increase in the council's council tax charge would result in an increase of between £1.12 and £1.50 per week for these residents. The circa 54,000 households on low incomes who qualify for support through the Local Council Tax Reduction Scheme, many of which would qualify for 100% support and pay no council tax, would be protected from any increase either in full or in part.

The AS confirmed that the National Living Wage would increase by 9.7% from April 2023, higher than the forecast 8.6% that was included in the previous MTFP forecasts adding circa £3.4 million of additional budget pressure into 2023/24 and £0.4 million into 2024/25. It was also confirmed that local authorities would not fall within the energy price cap arrangements post April 2023, exposing local authorities once again to energy price volatility for 2023/24 although clear guidance on this is still awaited.

Local Government Finance Settlement

The provisional local government settlement was published on 19 December 2022, with the final settlement expected to be confirmed in February 2023. The provisional settlement confirmed the additional funding forthcoming to local government that was announced in the AS and the allocation methodologies for 2023/24. It was a one year settlement again, so whilst the additional sums for 2023/24 were detailed, at this stage there are no approvals for 2024/25. Forecasts have been included as to what the sums forthcoming may be for 2024/25.

The provisional settlement confirmed the additional allocation for the council from the Better Care Fund of £4.327 million in 2023/24. Although the sum for 2024/25 was not confirmed it is forecast that this sum will increase to circa £7.1 million in 2024/25. This grant is ring fenced and will be pooled with a similar allocation to the NHS to be utilised to facilitate early discharge of patients from hospital. An additional sum of £4.704 million in 2023/24 was confirmed from the renamed (and repurposed) Market Sustainability and Improvement Grant with a forecast additional £3.2 million in 2024/25.

After discounting specific grants being transferred into the Social Care Grant from next year, the council will receive an additional sum of £17.066 million in 2023/24, with a forecast additional sum of £7.800 million in 2024/25.

After the discounting of specific grants being transferred into the Revenue Support Grant from next year the settlement also confirmed a 10.1% Consumer Price Inflation (CPI) uplift in Revenue Support Grant of £2.952 million as well as a CPI uplift in business rate retention funding of £15.1 million in 2023/24. Unfortunately, the provisional settlement also announced a reduction in the Services Grant of £3.831 million in 2023/24 with a forecast additional reduction of £0.120 million in 2024/25, partly due to the removal of funding provided to finance the now withdrawn 1.25% employers' national insurance increase but also to facilitate a transfer of this funding to finance increases in Supporting Families funding – which is a specific grant aligned to our Children and Young People's Service. Alongside this reduction, the New Homes Bonus and Lower Services Tier grants have also been reduced by £3.008 million in 2023/24 to provide a guaranteed funding increase in the main for district councils. It is forecast, that the remaining 2023/24 payment of New Homes Bonus of £1.860 million will be fully withdrawn in 2024/25.

The provisional settlement also confirmed £100 million of additional funding for local authorities to support the most financially vulnerable households in England in 2023/24 with meeting their council tax costs. The Council Tax Support Fund is aimed at providing further support to those low income vulnerable households already receiving Council Tax Reduction Support. Durham has been allocated £1.440 million, with the government guidance stating that the council should seek to offer further reductions of up to £25 per claimant to those facing financial hardship – targeted at those already in receipt of some element of Local Council Tax Reduction Scheme (LCTRS) award for 2023/24 but still left with a bill to pay.

In 2020/21 and 2021/22 the government provided Local Council Tax Support Grant funding of £14 million to support communities during the pandemic. The council has utilised this funding to deliver Local Council Tax Reduction Scheme Top Up Payments, which have provided up to an additional £300 of support to working age claimants in both 2020/21 and 2021/22. This support continues to be provided with awards of up to £150 being applied this year and a plan in place to provide awards of up to £75 in 2023/24.

Updated modelling indicates that the funding remaining as at 31 March 2023 from the pandemic funding will be insufficient to maintain Local Council Tax Reduction Scheme Top Up Payments at £75 next year, with forecasts indicating this would need to reduce to awards of up to £60.

However, the additional £1.440 million of funding the council will receive next year will allow the council to increase the support to residents with their council tax bills. With the new funding provided, it is proposed, that the council uses it to reduce the bills by up to £50 in 2023/24, for pension age and working age residents who receive Local Council Tax Reduction but still have council tax to pay. It is forecast, that this will benefit 9,000 pension age residents and 18,500 working age residents. This level of support is double the £25 recommended by the government and would be on top of the utilisation of residual Local Council Tax Support Grant funding provided during the pandemic.

The council is able to offer this higher level of support because its Local Council Tax Reduction scheme already provides 100% reductions for most qualifying residents.

For working age LCTRS claimants with a bill to pay, factoring in the (as amended) up to £60 awards next year from the remaining pandemic funding, together with the up to £50 of additional support, this will result in up to £110 in additional assistance with their council tax.

It is of significant concern however, that there is a likelihood of funding reductions for the public sector from 2025/26 onwards. The AS announced that for the period 2025/26 to 2027/28 public sector funding will increase by 1% in real terms. This would intimate that the public sector funding will increase by 1% above inflation. On the basis that health, education and defence are expected to be protected, this will likely lead to some tough grant reductions for that period for unprotected government departments such as the Department for Levelling Up, Housing and Communities. At this stage, for modelling purposes, it is assumed, that grant settlements for the council will be cash flat for the period 2025/26 to 2026/27. This may prove to be an optimistic assumption.

Savings Plans

The council constantly strives to identify efficiency savings which can be realised without impacting upon front line service delivery. A range of savings options were detailed in the 12 October 2022 MTFP(13) Cabinet report and were part of the MTFP(13) consultation process between October and December 2022.

Taking into account the need to balance the 2023/24 budget, to protect front line services and taking on board consultation responses £12.383 million of savings are recommended for 2023/24. In addition, £5.878 million of savings are recommended in the later years of MTFP(13) bringing total savings recommended to £18.261 million across the four years 2023/24 to 2026/27. The vast majority of savings recommended have no impact upon front line service provision.

Capital Investment

The council continues to prioritise investment in its assets through an ambitious and extensive capital programme. MTFP(13) contains significant additional investment in the capital programme, with new additional schemes totalling £121.9 million included, taking the forecast investment from 2022/23 to 2025/26 to £778.3 million. This is the largest capital programme the council has ever had in development.

Capital investments in MTFP(13) include an additional £11.8 million to rebuild both Belmont Community Arts College and Belmont CE Primary School on a shared campus bringing total investment to £37 million plus a further £10 million investment in Greenfield School bringing total investment to £20 million.

The council will invest the £14.8 million Local Transport Plan (LTP) government grant in highways maintenance with a £15 million investment to repair a landslip on the A690. There will be additional £9.2 million investment in the Town and Villages programme, additional investment of £11 million in NetPark Phase 3, an additional £3 million budget to match fund future Levelling Up bids to government in anticipation of a successful award and an additional £2 million allocation for building investment to enable the council to meet Net Zero targets.

Council Tax

In the setting of council tax levels for 2023/24, careful consideration needs to be given to the significant current and future financial pressures facing the council and the lack of information in relation to future financial settlements beyond next year – particularly from 2025/26 onwards. Consideration also needs to be given to the government's expectations and to the impact of increases in council tax on residents.

The government has confirmed that the council tax referendum limit for 2022/23 will be 2.99%. The council also has the option to increase council tax by an additional 2% for an adult social care precept. The government published Core Spending Power figures assume all authorities utilise the ability to increase council tax by the maximum possible sum in 2023/24 which for the council would be 4.99%.

After considering the impact on the council's budget and on local council taxpayers, the most financially vulnerable of which continue to be fully protected by our Local Council Tax Support Scheme, the top up scheme for those left with a bill to pay and support available through the council's welfare assistance programme, this report recommends that the council utilises the full 4.99% council tax increase.

Costs within Adult Social Care and Health, which are some of the largest budgets the council has, are increasing significantly in 2023/24 especially due to the 9.7% increase in the national living wage and the impact this has upon care fees. On that basis a 2% increase in the adult social care precept will help ensure that the increased costs in adult social care can be funded in 2023/24. The overall council tax increase, including the resources generated from the Adult Social Care precept, will generate additional council tax income of around £12.6 million per annum. The total increase would result in a Band D increase of £1.68 per week and an increase of £1.12 per week for the majority of Council Taxpayers in County Durham, 56.6% of who live in the lowest value properties (Band A).

The council has been able to set a balanced budget for 2023/24 with £12.383 million of savings but also with the utilisation of £10.231 million of the MTFP Support Reserve. It is forecast that significant additional savings could be required over the period 2024/25 to 2026/27 to enable budgets to be balanced in future years. The savings shortfall will be very much influenced by the outcome of any possible restriction in funding for the public sector from 2025/26 onwards, by the outcome of any fair funding review but also by the emergence of any further inflationary and demographic base budget pressures. At this point the forecast savings shortfall for the period 2024/25 to 2026/27 is £23.380 million, with £10.432 million (45%) of this falling into 2024/25.

Despite this very challenging financial period and the significant base budget pressures faced by the council, this report includes some very positive outcomes for the people of County Durham including:

- (a) continued support to protect the 54,700 working age households in receipt of low incomes through the continuation of the existing Council Tax Reduction Scheme, where 80% of eligible households will continue to be awarded 100% relief against their Council Tax payments and where those left with a bill will receive up to £50 for pensioners and up to £110 for working age claimants of additional support next year;
- (b) ongoing work with health partners to ensure health and social care funds are maximised for the benefit of vulnerable people through the services we provide;
- (c) significant investment in capital expenditure including investment in school provision, in our town centres and infrastructure, including new transport schemes and maintenance of our highways and pavements. In total, additional capital investment of £121.9 million is recommended in this report.

As with previous MTFP reports, equality impact assessments are also summarised to inform the consultation and subsequent decision making. Workforce implications arising from proposals for MTFP(13) savings.

Dedicated Schools Grant and Schools Funding Formula

The School Block allocation for 2023/24 has increased by £19.051 million year on year. This increase includes the effect of incorporating supplementary funding from 2022/23 into the Schools Block for 2023/24. The supplementary funding in 2022/23 was £10.502 million, therefore the net increase is £8.549 million. Further supplementary funding will be provided for mainstream primary and secondary schools in 2023/24 and this is estimated to be £13 million on top of the Schools Block allocation.

The local formula to be applied in 2023/24, which is subject to approval from the DfE, is aligned to the National Funding Formula for Schools and was set out in the report.

The Central Schools Block funding allocation for 2023/24 is £2.812 million, which is £98,000 lower than 2022/23. An application has been made to DfE to reverse the deduction as it relates to a historic commitment and is used to fund prudential borrowing costs relating to the Building Schools for the Future programme.

There is an increase of £9.403 million in High Needs DSG funding in 2023/24, a year on year increase of 11.7%.

Other Considerations

As part of the budget setting process, the council will need to consider and agree updates to the Pay Policy, the Treasury Management Policy and Strategy, including the Prudential Indicators, and the Cash Management Strategy and Reserves Policy. Revised and updated policies and strategies, which will ensure the council continues to fully comply with relevant statutory requirements were set out in the report.

Decision

The Cabinet resolved to recommend the following to full Council for approval:

(a) 2023/24 Revenue Budget

- (i) approve the identified base budget pressures included in Table 4;
- (ii) approve the Discretionary Rate Relief and Business Rates Hardship Relief Policy detailed in Appendix 2;
- (iii) approve the updated Council Tax Discretionary Discount and Hardship Relief Policy detailed in Appendix 3;

- (iv) approve the revised top up payments to Council Tax Reduction claimants left with a bill to pay to ensure full use of the Government's Council Tax Support Grant allocations to support vulnerable residents experiencing financial difficulty. This will mean making maximum payments of up to £110 for eligible Working Age Council Tax reduction claimants and up to £50 to eligible residents in receipt of Council Tax Reduction who are pensioners in 2023/24;
- (v) approve recommending the savings plans detailed in Appendix 5, which total £12.383 million in 2023/24, £2.225 million in 2024/25, £1.873 million in 2025/26 and £1.780 million in 2026/27 to Council on 22 February 2023;
- (vi) approve recommending a 2.99% 2023/24 Council Tax increase and a 2% increase which relates to the Adult Social Care precept, totalling a combined 4.99% overall increase in council tax to Council on 22 February 2023;
- (vii) approve the 2023/24 Net Budget Requirement of £519.973 million for consideration by Council on 22 February 2023.

(b) MTFP(13)

- (i) agree the forecast MTFP(13) financial position, as set out at Appendix 8;
- (ii) set aside sufficient sums in Earmarked Reserves as are considered prudent. The Corporate Director of Resources should continue to be authorised to establish such reserves as required to review them for both adequacy and purpose on a regular basis reporting appropriately to the Cabinet Portfolio Member for Finance and to Cabinet;
- (iii) aim to maintain General Reserve in the medium term between 5% and 7.5% of the Net Budget Requirement which in cash terms is between £26 million and £39 million.

(c) Capital Budget

- (i) approve the revised 2022/23 Capital Budget of £165.074 million and the 2023/24 Capital Budget of £290.977 million;
- (ii) approve the Capital Strategy at Appendix 10;

- (iii) approve the additional capital schemes detailed at Appendix 11. These schemes will be financed from additional capital grants, from one off revenue funding, from capital receipts and from prudential borrowing;
- (iv) note the option for the council to utilise capital receipts to finance severance costs utilising available flexibilities in this regard. The utilisation of such flexibility would require the approval of Cabinet;
- (v) approve the MTFP(13) Capital Budget of £778.294 million for 2022/23 to 2025/26 as detailed in Table 13.

(d) Savings Proposals

- (i) note the approach taken by service groupings to achieve the required savings.

(e) Equality Impact Assessment

- (i) consider the identified equality impacts and mitigations;
- (ii) note the programme of future work to ensure full impact assessments are included where appropriate at the point of decision once all necessary consultations have been complete.

(f) Pay Policy

- (i) approve the Pay Policy Statement at Appendix 13.

(g) Risk Assessment

- (i) note the risks to be managed over the MTFP(13) period.

(h) Dedicated Schools Grant

- (i) note the position on the Dedicated Schools Grant;
- (ii) approve the local formula for schools set out in Table 15 and authorise the Corporate Director of Resources to approve any amendments required following review by the DfE.

(i) Prudential Code, Treasury Management and Property Investment

- (i) agree the Prudential Indicators and Limits for 2023/24 – 2026/27 contained within Appendix 14 of the report, including the Authorised Limit Prudential Indicator;
- (ii) agree the Minimum Revenue Provision (MRP) Statement contained within Appendix 14 which sets out the council's policy on MRP;
- (iii) agree the Treasury Management Strategy and the Treasury Prudential Indicators contained within Appendix 14
- (iv) agree the Cash Investment Strategy 2023/24 contained in the Treasury Management Strategy (Appendix 14 including the detailed criteria;
- (v) approve the Property Investment Strategy at Appendix 15.

School Admission Arrangements Academic Year 2024/25
Key Decision: CYPs/01/2023

Summary

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 2024/25 academic year.

It is a mandatory requirement of the National School Admissions Code that all schools must have admission arrangements that clearly set out how children will be admitted, including the criteria that will be applied if there are more applications than places at the school.

All admission authorities must agree admission arrangements annually. However, if there are no changes proposed they only need to be consulted on at least every 7 years. The current admission arrangements were consulted on between 1 October to 31 December 2022. There is no need to consult this year other than where it is proposed that some Community and Voluntary Controlled schools have a reduction in the admission number. The proposed admission number for each Community and Voluntary Controlled School is detailed in Appendix 2 to the report.

Decision

The Cabinet agreed:

- (a) that the proposed admission numbers as recommended in Appendix 2 of the report for Community and Voluntary Controlled schools be approved;
- (b) that the admission numbers advised by Governing Bodies of Voluntary Aided Schools and Academies be noted;
- (c) that the admission arrangements in Appendix 3 of the report be approved.

Council Plan 2023/24 – 2026/27 Refresh

Key Decision: CORP/R/22/04

Summary

The Cabinet considered a report of the Chief Executive which considered the draft refresh of the Council Plan covering the four-year period 2023-2027 prior to submission to Council for approval.

The Council Plan is the primary corporate planning document. It details the council's contribution towards achieving the objectives set out in the Vision for County Durham 2035. It aims to provide a readable and accessible summary for Members, officers, partners, and the public on the priorities for the county and the main programmes of work that will undertake over the forthcoming four years to help achieve these priorities.

The current Council Plan covers the period 2022/23 – 2025/26 and was agreed at Council in June 2022. In line with that report, it is intended that the plan is updated and refreshed on an annual basis going forward in line with our medium term financial planning and budget setting arrangements, with approval of both plans scheduled for Council on 22 February 2023.

The Council Plan aligns to both the council's Medium-Term Financial Plan which sets out how priorities will be resourced and the County Durham Plan which is a spatial representation of the ambitions contained within the Council Plan around housing, jobs, and the environment until 2035 as well as the transport, schools, and infrastructure to support it.

The Council Plan is underpinned by a series of corporate strategies and service planning arrangements providing more detailed information on the actions, major projects and improvements which are being undertaken to deliver the priorities.

Decision

The Cabinet:

- (a) Considered and agree the content of the draft Council Plan 2023-2027 attached at Appendix 3.
- (b) Agreed that the refreshed Council Plan be considered by Council on 22 February.
- (c) Delegated authority to the Corporate Director of Resources in consultation with the Leader to make any further minor amends and updates to the document as necessary before it is taken to Council for approval.

Developer Viability, Affordable Housing and Financial Contributions, Housing Needs, Design Code and Trees, Woodlands and Hedges Supplementary Planning Documents

Summary

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth which sought Cabinet's approval to commence consultation on the second draft of the Developer Contributions Supplementary Planning Document and the first draft of the Housing Needs, County Durham Design Code and Trees, Woodlands and Hedges Supplementary Planning Documents. All four documents support the County Durham Plan, adopted in October 2020.

The County Durham Plan seeks to ensure that County Durham is a successful place to live, work, invest and visit by focussing on supporting and creating vibrant communities. The Plan is a comprehensive document covering all aspects of planning however, to provide more detailed advice or guidance on the policies in the Plan, Government guidance allows the preparation of supplementary planning documents (SPDs). SPDs are capable of being a material consideration in planning decisions but are not part of the development plan.

The Development Viability, Affordable Housing and Financial Contributions SPD sets out the Council's approach to determining and securing contributions from developers for new developments to ensure we secure the infrastructure required to support new development. It also sets out the Council's requirements for the submission of site-specific viability appraisals, and the information and evidence needed to support them.

The Housing Needs SPD supplements a range of policies in the CDP which seek to meet the different housing needs of our residents. The SPD provides further guidance on the implementation of M4(2) Accessible and Adaptable housing and what constitutes a multi-generational home. Both of these measures are part of the CDP approach to meeting the needs of older people. The SPD also introduces guidance as to what should be considered as part of assessments for determining local area housing needs and the need for purpose-built student accommodation. Furthermore, the SPD provides additional guidance on the application of the Nationally Described Space Standard in different forms of C Class Development, including hotels, dwellings and houses in multiple occupation. Finally, the SPD contains a First Homes Interim Policy Statement, including local eligibility criteria consisting of a lower price cap to ensure that a First Home is genuinely affordable.

The County Durham Design Code SPD sets down guidance for ensuring development is well designed and better suited to their context. It articulates an approach for developers to follow to enable their developments to reflect a meaningful understanding and evaluation of place. It is applicable to all scales and types of development. The SPD will be supported by Settlement Character Studies which provide a key evidence base for understanding the history and essential character of our settlements. It also fulfils a requirement to prepare a design guide/code as set out in the National Planning Policy Framework (NPPF).

The Trees Woodland and Hedges SPD sets out guidance to ensure that trees, woodlands and hedges are fully considered as part of the planning process, so that the multiple benefits they provide can be experienced by the residents of, and visitors to the county. It was agreed that consultation will be undertaken on the SPDs from 24 February to 11 April 2023. All consultation will be undertaken in accordance with the Council's Statement of Community Involvement.

Decision

The Cabinet:

- (a) agreed the second draft of the Development Viability, Affordable Housing and Financial Contributions Supplementary Planning Document (Appendix 2) for consultation 24 February to 11 April 2023;
- (b) agreed to delegate to the Corporate Director of Regeneration, Economy and Growth in consultation with the Portfolio Holder for Economic Regeneration and Partnerships the power to make minor modifications and adopt the document following consultation (if significant changes are required then the SPD will need to return to Cabinet for adoption); and

- (c) agreed the first drafts of the Housing Needs (Appendix 4), County Durham Design Code (Appendix 5) and Trees, Woodlands and Hedges (Appendix 6) for consultation from 24 February to 11 April 2023.

Public Space Protection Order – Aggressive begging in Durham City

Summary

The Cabinet considered a report of the Corporate Director of Neighbourhoods and Climate Change which provided the outcome of the consultation exercise which was carried out in relation to a potentially new Public Space Protection Order (PSPO) for aggressive begging in Durham City and to make a recommendation in respect of the proposed next steps.

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. The current PSPO in Durham City for the consumption of alcohol outside premises was reinstated but the consultation on “aggressive begging” produced some mixed results and there is a split of opinion as to whether this measure is necessary. Officers considered the legal tests and the evidence available and do not consider that, at this time, there is sufficient evidence to warrant the introduction of a PSPO for the reasons outlined in the report.

Decision

The Cabinet:

- (a) noted the contents of the report that there is insufficient evidence to warrant a PSPO for aggressive or non-aggressive begging currently;
- (b) agreed for relevant teams and agencies to adopt a problem solving approach for matters that are occurring in the City as set out in the report.

Home to School Transport Services – Consultation

Summary

The Cabinet considered a joint report of the Corporate Director of Children and Young People's Services, the Corporate Director of Regeneration, Economy and Growth and the Corporate Director of Resources which sought approval to undertake a public consultation on proposals to transform Durham County Council's Home to School Transport Service for Children and Young People.

The Local Authority has a statutory duty to provide home to school transport to children and young people who meet circumstances prescribed in legislation. This is set out in statutory guidance from the Department for Education. The Home to School Transport offer for eligible children and young people is currently set out in the Durham County Council "Home to Primary, Secondary and Special School and College Travel and Transport Policy", which mirrors the statutory guidance and also allows for additional discretionary arrangements. The existing Home to School Transport (H2ST) service provides daily transport for approximately 9,000 children and young people, with over 1,000 contracts in place with Transport Providers. At the end of September 2022, projected net expenditure on statutory Home to School Transport is approx. £24.3 million, against a current net budget of £19.5 million. This represents an overspend of £4.8 million. It is estimated that net expenditure on Home to School Transport will increase by a further £4.8 million in 2023/24. This estimated increase reflects both the full year impact of price increases experienced in 2022/23 and an estimate of further demand and price pressures in 2023/24. The Home to School Transport Budget has been increased by £9.6 million in 2023/24 to cover the additional estimated demand and cost pressures.

With increasing pressure on funding and growing demand for council services, especially statutory services, decisions need to be made about how the council meets this demand in an affordable yet effective way in the future. An external review of the County Council's Home to School Transport Service was undertaken in 2021, in order to identify opportunities to transform the service and manage demand and pressures on the service. Following the Service review, a number of opportunities were identified in relation to transforming the Home to School Transport Service, these were:

- Review the provision of the Durham County Council's Concessionary Schemes.
- Consider how the Council can more effectively and efficiently support the provision of journeys and passenger assistants on transport.
- Promote Independence skills of young people through travel training and other opportunities

- Introduce a simplified process for providing personal travel budgets for parents/cares of pupils with SEN and those living in remote rural areas where it is cost effective to do so.
- Review unsafe walking routes and existing travel routes across the County, especially schools with high volumes of routes.
- Review potential procurement options for home to school transport services in relation to impact on value for money and associated competitive pricing.

The report proposed that a consultation on the above elements of the Home to School Transport Service be undertaken and the report outlined the detail of the transformation priorities and the public consultation process.

Decision

The Cabinet:

- (a) agreed that a public consultation will take place from 27 February 2023 to 9 April 2023 on the proposals outlined above in relation to the transformation of the Home to School Transport Service;
- (b) agreed to delegate the sign off of the final consultation documentation to the Corporate Director of Children and Young Peoples Services in conjunction with the relevant Portfolio Holders.

Helen Lynch
Head of Legal & Democratic Services
10 February 2023

