



## **Corporate Overview and Scrutiny Management Board**

**Date**            **Friday 17 June 2022**  
**Time**            **9.30 am**  
**Venue**           **Committee Room 2, County Hall, Durham**

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### **Business**

#### **Part A**

**Items during which the Press and Public are welcome to attend.  
Members of the Public can ask questions with the Chair's agreement.**

1. Apologies for Absence
2. Substitute Members
3. Minutes of the meeting held on 31 March 2022 (Pages 3 - 12)
4. Declarations of Interest
5. Council Plan 2022-2026 - Report of the Corporate Director of Resources (Pages 13 - 78)
6. Poverty Strategy and Action Plan - Report of the Corporate Director of Resources (Pages 79 - 104)
7. Medium Term Financial Plan(13), 2023/24 - 2026/27 Scrutiny Role in Development of Savings Options - Report of the Corporate Director of Resources (Pages 105 - 118)
8. Refresh of the Work Programme 2022/23 for the Corporate Overview and Scrutiny Management Board - Report of the Corporate Director of Resources (Pages 119 - 132)
9. Durham County Council Headquarters Alternative Options Assessment - Report of the Corporate Director of Resources (Pages 133 - 184)

10. Request for Call-in - Durham County Council Headquarters Alternative Options Assessment - Report of the Head of Legal and Democratic Services (Pages 185 - 192)
11. Notice of Key Decisions - Report of Head of Legal and Democratic Services (Pages 193 - 202)
12. 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  
9 June 2022

To: **The Members of the Corporate Overview and Scrutiny  
Management Board**

Councillor C Martin (Chair)  
Councillor C Lines (Vice-Chair)

Councillors E Adam, A Batey, R Charlton-Lainé, J Charlton, I Cochrane, J Cosslett, B Coult, R Crute, J Elmer, O Gunn, P Heaviside, C Hood, L Hovvells, J Howey, A Jackson, P Jopling, L Maddison, R Manchester, C Marshall, B Moist, K Shaw, M Stead, A Surtees and M Wilson

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**Contact: Jackie Graham**

**Tel: 03000 269 704**

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## DURHAM COUNTY COUNCIL

At a Meeting of **Corporate Overview and Scrutiny Management Board** held in Committee Room 2, County Hall, Durham on **Thursday 31 March 2022 at 9.30 am**

### **Present:**

**Councillor C Martin (Chair)**

### **Members of the Committee:**

Councillors E Adam, J Cosslett, B Coult, J Elmer, D Freeman, P Heaviside, C Hood, J Howey, P Jopling, C Lines (Vice-Chair), R Manchester, C Marshall, K Shaw, M Stead, A Surtees and M Wilson

### **1 Apologies for Absence**

Apologies for absence were received from Councillors Batey, Charlton-Laine, Charlton, Gunn and Jackson

### **2 Substitute Members**

There were no substitute members present.

### **3 Minutes**

The minutes of the meeting held on 10 February 2022 were agreed as a correct record and signed by the Chair.

### **4 Declarations of Interest**

There were no declarations of interest.

### **5 Report on the Council's use of powers under the Regulation of Investigatory Powers Act 2000 - Quarter 3 - 2021/2022**

The Board considered a report of the Head of Legal and Democratic Services which informed Members of the Council's use of its powers under the Regulation of Investigatory Powers Act 2000 (RIPA) during the period 1 October 2021 to 31 December 2021 (for copy see file of Minutes).

### **Resolved:**

- (i) That the quarterly report on the Council's use of RIPA for the period covering quarter 3 2021/22, be received.

- (ii) That the powers were being used consistently with the Council's policy and that the policy remained fit for purpose.

Councillor Elmer joined the meeting at 9.35 a.m.

## **6 Resources - Quarter 3 December 2021: Forecast of Revenue and Capital Outturn 2021/22**

The Board considered a report of the Corporate Director of Resources which provided details of the forecast revenue and capital outturn budget position for the Resources service grouping, highlighting major variances in comparison with the budget based on the position to the end of December 2021 (for copy see file of Minutes).

Councillor Jopling commented about services being under budget and expressed concerns she said about staff going through re-organisations, especially in the social care field. She asked why no further staff were being appointed. The Principal Accountant, Resources advised that this report only covers Resources so would be unable to comment on social care staffing issues without consulting colleagues in the relevant services. Therefore, this particular query would be better directed to the appropriate Overview and Scrutiny Committee.

### **Resolved:**

That the forecast revenue and capital outturn budget position be noted.

## **7 Quarter Three, 2021/22 - Performance Management Report**

The Board considered a report of the Corporate Director Resources (Interim) which presented an overview of progress towards achieving the key outcomes of the council's corporate performance framework and highlighted key messages to inform strategic priorities and work programmes for Quarter 1, October to December 2021 (for copy see file of Minutes).

The Corporate Scrutiny and Strategy Manager advised that performance had already been reported via the thematic committees however the report provided details of performance relating to:

- More and Better Jobs
- Long and Independent Lives
- Connected Communities
- An Excellent Council and;
- The impact of COVID-19

The report further provided details of the overall position and direction of travel in relation to quarter one performance and the actions being taken in

service areas to address areas of underperformance including the significant economic and well-being changes because of the pandemic.

Councillor Freeman joined the meeting at 9.45 a.m.

Referring to page 35 of the report Councillor Coult asked if there was more we should be doing in terms of looking at bullying, mental health for children. The Corporate Scrutiny & Strategy Manager said he would ask Public Health colleagues for further information.

Councillor Howey asked if the Council worked with companies for aged 16+ children. The Corporate Scrutiny & Strategy Manager advised that this is carried out a region approach and that apprenticeship figures throughout the Council and County reflected that. He could obtain an update on figures from colleagues.

Councillor Elmer referred to the cost of living crisis and asked if there was anything available for people to review what they were entitled to and were they confident in claiming them. He went on to talk about the increase in energy prices and people in rural communities having to rely on oil rather than gas heating and asked if conversations were taking place with these communities. The Corporate Scrutiny & Strategy Manager confirmed that the Welfare Rights team had been involved in work around benefit claims, but the Council recognised that more needed to be done around this area of work as the crisis developed. He went on to advise that 14,000 properties in the County were using heating oil as were not connected to the gas network. There has been some EU funded work about different heating systems and insulation but more work was required around this.

Councillor Adam also commented on the cost of living crisis and in particular from paragraph 89 of the report relating to gym memberships. With 4,500 fewer memberships from April 2020 he was concerned that this was having a negative impact on people's health and wellbeing. 31% fewer people were attending pre-covid but a full recovery was being reported for by March 2023. He asked how this could be guaranteed with the cost of living crisis. The Corporate Scrutiny & Strategy Manager said that it was impacting people financially and people may chose to exercise elsewhere. Leisure colleagues had provided the estimate of recovery by March 2023 so this would be monitored closely.

Councillor Marshall found the report a useful snapshot of performance but not the best way in which to judge the Council's performance. He added that health is likely to get worse, that energy caps were increasing, there was direct pressure on Council services, and national insurance increases which were all having a knock on effect and a lasting effect. He referred to a recent Economy Scrutiny meeting which would pick up on the effects to the

economy and access to good well paid jobs via developments such as Merchant Park.

The Corporate Scrutiny & Strategy Manager said that this would be taken on board as part of the Poverty Action Plan.

Councillor Surtees asked when the recent census data was due and was advised that this data would start coming in shortly and was included on the work programme. Information on when to expect certain data sets would be circulated to members. She went on to talk about the Poverty Action Plan, due to be approved by Cabinet, and suggested that this should be looked at by this Committee. In paragraph 4 the mention of financial hardship should be looked at further as affected people being able to eat, heat their homes and not being able to cover those basic needs. In relation to the Council, Councillor Surtees commented on the increase in sickness rates and health and safety incidents. She was concerned with the movement of staff back into the building they were not receiving management support if they had particular circumstances to take on board.

In response, the Corporate Scrutiny & Strategy Manager referred to reportable health and safety incidents and that the figures had increased due to COVID. With regards to return to work he advised that guidance had been issues to all staff and that managers could look at individual circumstances.

Councillor Surtees was still concerned that there was no consistency in place as each service area were managing their expectancy of staff returning to the office in different ways.

The Chair agreed that the Poverty Action Plan would come back to this committee.

**Resolved:**

That the content of the report be noted.

## **8 Customer Feedback Report, Quarter Three, 2021/22**

The Board considered a report of the Corporate Director of Resources which provided an overview of information collected from the Council's customers which described their experiences of using our services in the 12 months to 31 December 2021, compared to the same period in the previous year (for copy see file of Minutes).

Councillor Elmer referred to the lengthy process for someone to make a complaint or give a compliment and asked if they were being listened to. The Head of Digital Services gave re-assurance that the service do work closely with the Ombudsman's office to ensure that complaints are brought to a

resolution as quickly as possible. She pointed out that there were some complex cases that did take more time to investigate.

Councillor Adam was surprised not to see potholes and surface of roads as a frequent requested service on paragraph 49 of the report. He went on to comment that with regards to surveys the response rate was very low. He believed that this was due to people putting in a service request and then within 14 days receiving a survey, when all they had received at that point was an acknowledgement. The Head of Digital Services explained that the initial request data was populated from the CRM but then passed to alternative systems for action and that the survey was generated at the point the request was closed within the CRM but may still be open in the service-based system. She advised that all timescales for surveys sent were agreed by the owning service and that this was regularly reviewed and updated where appropriate.

Councillor Elmer said that it was hard for councillors to feedback to their residents as the system would issue an auto generated e-mail rather than giving specific detail. The Head of Digital Services advised that the current CRM was reaching the end of contract over the coming 2 years and in preparation for any renewal or procurement there would be a full consultation exercise to gather future system requirements. This would include consultation on methods for surveying user feedback and request tracking. The Head of Digital Services also noted a current trail being conducted with a small group of members as a separate piece of work and that feedback would be provided in a future report.

**Resolved:**

That the content of the report be noted.

## **9 Review of the Durham Light Infantry (DLI) Collection and Archive - Feasibility Study Outcomes**

The Board considered a report of the Corporate Director of Resources which provided an opportunity to comment on the outcomes of further feasibility studies regarding the refurbishment and re-use of the former DLI museum and art gallery building reported to Cabinet on 16 March 2022 (for copy see file of Minutes).

The Chair informed the Committee that when this report was considered by Cabinet it was accompanied by a Part B report, which contained commercially sensitive information. He reminded Members not to stray into discussions around the information contained in the Part B report as he wanted to ensure that the meeting remained open to the public and media.

The Chair said that the report set out the rational for the decision made by Cabinet on 16 March 2022 however if Members felt that they required further discussions around the information contained in the Part B report a meeting could be arranged in order to do that.

Councillor Marshall commented that the Part A report contained the strategic case and the rational however the Part B report contained the level of detail that he would like the opportunity to discuss. He would welcome the opportunity to discuss this at a special meeting.

Councillor Adam said that he would have a number of questions around the finance, success and risk factors but that they related to the Part B report.

Referring to paragraph one of the report, Councillor Surtees commented that the full feasibility studies were not included, just the extracts. She was also concerned that the implications appendix showed no financial risks. She did not see the benefit of discussing this item today and requested holding a closed meeting.

The Head Transformation, Planning and Performance explained that Scrutiny meetings had never been held behind closed doors and that as the Part B report contained information as to potential bidders and contained commercial sensitive information it had been agreed that the Part A report contained enough rational for Members to debate. This was for Members to decide.

Councillor Marshall said that he would prefer to discuss the rational in more detail at a special meeting. He left the meeting at 10.50 a.m.

Councillor Surtees said that as there were no specific costings in this Part A report she would not be able to make comment on the details. She did not feel that she could consider or comment on the report.

Councillors Adam, Manchester, Shaw, Surtees and Wilson left the meeting at 10.52 a.m.

The Head Transformation, Planning and Performance introduced the report. He referred to a special meeting of this Committee held on 28 July 2021 which involved gathering a range of stakeholders views. The September 2021 Cabinet report took on board those views and instructed that a feasibility study be carried out. The Cabinet report of 16 March 2022 set out three options for consideration, and Option 3 was agreed. Details of Option 3 were as follows:-

- Maximum Intervention similar to Option 2 but the extension along the eastern elevation doubled increasing the net internal area of the

building by around 96%. This option had the most exhibition space and dedicated display space for the DLI Collection. The space for artists in residence / creative hub was also more than double the space provided in Option 2. In addition to a larger café this option also included additional space for a new restaurant. Works to the garden were based on the top-level scope.

The Head of Culture and Sport explained the logic in setting out the options for the refurbishment and re-use of the former DLI Museum, from the minimum that could be done to the maximum offer. The business case, benefits to the Council and the MTFP impact were discussed at Cabinet and Option 3 had been the preferred option, with maximum intervention.

Councillor Hood said that as the museum had been closed for the last six years, he was disappointed that colleagues had left the meeting before listening to the officers report.

As this was the year of culture, Councillor Jopling was pleased this option had been agreed. She was hopeful that the grounds were respected as this was owed to those who had lost their lives. She said that this was a huge asset and would help the County promote tourism.

Councillor Howey was pleased at the amazing work that had been carried out and was excited about the future of people being able to show off their work. She asked how this would be promoted, as it was important for the culture bid. The Head of Culture and Sport agreed that the marketing aspect was key. She added that the DLI collection would be housed in the new history centre.

Councillor Coult said how important it was for children to learn and understand about the history of the DLI and believed this to be a fantastic asset for the County.

The Durham History Centre Programme Lead explained that they would look at how best to use the grounds and that creating space and performances would be part of the offer. She added that Wharton park and other venues across the City and County would also link in with the DLI.

Councillor Freeman asked if there were any plans to link the military history of the museum by having artillery equipment where visitors could fully engage. In response, Durham History Centre Programme Lead said that there was a display at Shildon but realised the opportunity for children and families to engage through play with the link to the history of the military connections. Discussions with the National Army Museum had taken place.

Councillor was delighted about the re-opening of the museum and asked how the team propose to market this. He would also like to see engagement with local artists. The Head of Culture and Sport explained that the bigger the offer, the more funding opportunities would arise. For example, with option 3 the catering side would create more jobs and a greater footfall. If the maximum capacity was achieved for the exhibition space the target would be achievable. The Durham History Centre Programme Lead explained there would be greater marketing opportunities by going with option 3.

In response to a question from Councillor Howey about interactive exhibitions, the Head of Culture and Sport said that it was about getting the balance right. The Durham History Centre Programme Lead added that there were great opportunities to develop this, linking the past to the present through climate change and environmental issues. She said that there would be a mix of spaces so that engagement with all residents in County Durham were achievable. The Head of Culture and Sport said that there would also be opportunities to go into schools as part of their learning programme.

Further to a question regarding fees for admission from Councillor Freeman, the Head of Culture and Sport said that this would form part of the business plan whereby part of the offer would be free but there would be options to pay for some offers, as it was all about balancing it out. Councillor Freeman added that it would be a good opportunity to link assets together, such as Bowes Museum, Killhope and the DLI, by means of a leisure card for County Durham residents.

Councillor Elmer thanked officers for their hard work and for the engagement carried out with stakeholders and partners.

Councillor Lines thanked the officers and members for having a timely and open discussion as the answers had given re-assurance about the financial business plan being developed and the risk of finances being mitigated. He referred to the recent online offer and asked if this was still viable and sustainable. The Head of Culture and Sport said that there would be an opportunity to still provide an offer online but those discussions were still ongoing.

The Chair referred to the discussions around a reflection/contemplation area and asked how this would work with the Aykley Heads development. The Head of Culture and Sport said that there would be benefits to the development as this would bring more footfall as part of the whole site. Catering is likely to be key in attracting those working, visiting and travelling through the site.

**Resolved:**

That comments on the outcome of the options appraisal report considered by Cabinet at its meeting on 16 March 2022 be noted.

**10 Update in relation to Petitions**

The Board considered a report of the Head of Legal and Democratic Services which provided for information the quarterly update in relation to the current situation regarding various petitions received by the Authority (for copy see file of Minutes).

The Head of Strategy and Transformation advised that the schedule provided a list of those petitions that were active, and those that were to be closed and which would be removed from the list prior to the next update.

Since the last update five new e-petitions have been submitted. Two have been completed, one was not a valid petition and, two are collecting signatures on the website until 30 April 2022, after which a response will be provided.

One new paper petition had been submitted and has closed. A list giving details and current status of all active petitions was attached as Appendix 2 to the report.

**Resolved:**

That the content of the report be noted.

**11 Notice of Key Decisions**

The Board considered a report of the Head of Legal and Democratic Services which listed key decisions which were scheduled to be considered by the Executive.

The Head Transformation, Planning and Performance advised that new to the plan were the following:

- Medium Term Financial Plan and Review of the Local Council Tax Reduction Scheme
- Proposal to close the Sunnydale site of Greenfield Community College on 31 August 2022 and rebuild the Newton Aycliffe site.
- Leisure Transformation Update
- Tees Valley Energy Recovery Facility, Local Authority Special Purpose Vehicle

Members were advised that since publication of the papers, a special Cabinet meeting had been scheduled for 27 April and would consider

- Council Plan 2022 – 2026

- HQ Review
- Climate Emergency Response Plan: Approval of Updated Version (2022-24)

**Resolved:**

That the content of the report be noted.

**12 Information Update from the Chairs of the Overview and Scrutiny Committees**

The Board considered a report of the Corporate Director Resources which presented for information an update on overview and scrutiny activity from January to March 2022 (for copy see file of Minutes).

**Resolved:**

That the content of the report be noted.

The Chair thanked the Head of Transformation, Planning and Performance, as this was his last meeting, for being a real asset to the Committee in his role as the Statutory Scrutiny Officer, and wished him well for the future.

**Corporate Overview and Scrutiny Management**

**Board**

**17 June 2022**

**Council Plan 2022-2026**



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**Report of the Corporate Management Team**

**Paul Darby, Corporate Director of Resources**

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

**Electoral division(s) affected:**

Countywide

**Purpose of the Report**

- 1 To consider the draft updated Council Plan, covering the period 2022-2026 before it is submitted for consideration and approval by Full Council in June 2022.

**Executive summary**

- 2 The Council Plan is our primary corporate planning document. It details Durham County Council's contribution towards achieving the objectives set out in the Vision for County Durham 2035, together with our own objectives and change agenda. It aims to provide a readable and accessible summary for members, partners and the public on our priorities for the county and the main programmes of work that we will undertake over the coming four years to help achieve these priorities.
- 3 The Council Plan aligns to both the council's Medium-Term Financial Plan which sets out how our priorities will be resourced and the County Durham Plan which is a spatial representation of our 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.
- 4 The current Council Plan was approved in by County Council in November 2020, covering a period of four years. It has been refreshed to reflect the political changes in the Council in May 2021, sets an additional objective relating to the environment and climate change and has been updated to reflect new initiatives such as the development of the inclusive economic strategy, the bid for City of

Culture and the decisions taken on the review of the former DLI museum. It reflects the outcome of the review of the plans to occupy the newly constructed building on The Sands in Durham City and the revised proposals for the location of the council's Headquarters (HQ) functions and use of its estate to support wider economic objectives for the county should the council not occupy The Sands site.

- 5 The Council Plan reflects the ambitious nature of the Council and how we will build back better following the pandemic as demonstrated by the success of our business parks and the increasing employment rate.
- 6 In terms of practicality, some of the programmes of work being undertaken by the council contribute to more than one objective. In these situations, the action is listed under one objective in terms of best fit rather than replicate the same action multiple times throughout the plan. Those actions and plans that are still subject to negotiation or future planning decisions are not included in the plan so as not to prejudge future decisions.

### **Recommendation(s)**

- 7 The Corporate Overview and Scrutiny Management Board is recommended to:
  - (i) consider the content of the draft Council Plan 2022 - 2026 attached at Appendix 2

## Background

- 8 The Vision for County Durham 2035 was developed together with partner organisations and the public and sets out what we would like the county to look like in 15 years' time. It was approved by Council and launched by the County Durham Partnership in 2019.
- 9 The Vision for County Durham is structured around three ambitions, namely:
- (i) More and better jobs
  - (ii) People live long and independent lives
  - (iii) Communities are well connected and supportive of each other
- 10 Each of the three ambitions contains a number of objectives.
- 11 The tenet of these ambitions and each of the objectives are adopted within the current Council Plan and supplemented by a number of other council-specific objectives to capture corporate initiatives and what is important to Durham County Council.
- 12 The refreshed Council Plan 2022 – 2026 has been structured around five objectives, capturing the three ambitions in the Vision for County Durham:
- (i) **Our economy** – capturing the **more and better jobs** ambition from the Vision together with immediate priorities of economic recovery following the pandemic and mitigating the impacts of and harnessing the opportunities of Brexit. This ambition builds on the recent progress we have made in boosting our local economy, building on recent successes such as:
    - being shortlisted down to the final four locations for UK City of Culture 2025;
    - 95% occupancy levels at council managed employment sites with full occupancy at Jade Business Park and NETPark;
    - The employment rate in County Durham now surpassing the pre-COVID-19 pandemic rate; and
    - Visitors starting to return to the county with an estimated 140,000 visitors attending the most ambitious edition of

Lumiere yet in November 2021, which extended across County Durham as well as in Durham City for first time.

- (ii) **Our people** – capturing the **long and independent lives** ambition from the vision and supplementing it with the immediate priority of supporting people post-pandemic and supporting vulnerable people. This ambition builds on the support that we have provided to people throughout the pandemic and the lessons learned from this. We aim to further support the health and wellbeing of our residents through our ambitious leisure transformation programme.
- (iii) **Our communities** – capturing the **connected communities** ambition from the vision and supplementing it with a specific objective around post-pandemic recovery of communities. We want to ensure that resources are targeted at those communities that need it most and will be carrying out a comprehensive community development review. We also recognise our responsibilities towards those in need of humanitarian support and will ensure that County Durham is doing its fair share in helping those fleeing conflict from areas such as Ukraine,
- (iv) **Our environment** – capturing the council’s priorities around the climate emergency and our zero carbon ambitions for the county and the council together with our role in waste, pollution and the natural environment. This ambition makes it easier for the reader to check out our agenda for the environment and our plans to take forward:
  - Our climate emergency action plan;
  - The development of an action plan to address the ecological emergency that Cabinet declared on 6 April 2022;
  - Our plans for managing waste disposal in future and for reducing waste and increasing re-use and recycling; and
  - Our actions around enhancing the natural environment
- (v) **Our council** – capturing corporate ambitions in respect of effective resource management, creating a workforce for the future, modernising our use of data and technology to guide efficient resource allocation and providing excellent customer service.

- 13 The document sets out under each ambition, what our priority is, what our achievements have been, what the issues are to address, what the council's contribution is in this areas, what our future approach will be, what major projects we will be undertaking and what are the key performance indicators and targets for each objective.
- 14 The government has recently published a plan to remove all coronavirus restrictions as the virus enters its endemic phase. This change in approach is reflected in this plan.
- 15 As a public authority, in accordance with the Equality Act 2010, Durham County Council is required to set out equality objectives and review these on a triennial basis. These are incorporated into the plan also.
- 16 Historically, the Council has been updated every three to four years. In future, it is proposed that the Council Plan is refreshed annually to ensure full integration of corporate and financial planning.
- 17 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 on our priorities. The detail within these delivery plans has not been replicated within the Council Plan.
- 18 In terms of practicality, some of the programmes of work being undertaken by the council contribute to more than one objective. In these situations, the action is listed under one objective in terms of best fit rather than replicate the same action multiple times throughout the plan. Those actions and plans that are still subject to negotiation or future planning decisions are not included in the plan so as not to prejudge future decisions.
- 19 Cabinet considered the draft Council Plan 2022 – 2026 at their meeting on 6 April 2022. They agreed the content and gave delegated authority to the Corporate Director of Resources to make minor amendments and updates prior to consideration at Full Council on 21 June 2022. The Plan attached at Appendix 2 is the latest version and contains updates and amendments.
- 20 Comments from the Corporate Overview and Scrutiny Management Board on the Council Plan will be verbally reported to Council at its meeting on 21 June 2022.

## **Background papers**

- County Durham Vision (County Council, 23 October 2019)  
<https://democracy.durham.gov.uk/documents/s115064/Draft%20Durham%20Vision%20v10.0.pdf>
- Council Plan 2020 to 2023 (current plan)  
<https://www.durham.gov.uk/article/2366/Council-Plan>

**Author(s)**

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## **Appendix 1: Implications**

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### **Legal Implications**

The Constitution of the Council sets out the policy framework of the Council which includes the Council Plan and performance management framework. The Council Plan includes the council's quality objectives which we are required to set by law (Equality Act 2010 (Specific Duties) Regulations 2011)

### **Finance**

The Council Plan aligns to the council's Medium-Term Financial Plan, which sets out how our priorities will be resourced. Any financial implications arising from the implementation of actions contained in the Council Plan are factored into the budget and MTFP planning processes.

### **Consultation**

The Council Plan sets out the Councils contribution to delivering the aims and objectives set out the County Vision, which was developed following an extensive three phase consultation where over 30,000 responses were considered, and which helped shape the final vision.

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

In line with the Equality Act 2010, Durham County Council is required to set out equality objectives and review these on a triennial basis. The Council Plan sets out our equality objectives to identify and tackle discrimination, inequalities and promote good relations.

### **Climate Change**

A specific objective relating to "Our Environment" has been incorporated into the Council Plan to elevate and highlight this important agenda and the work of the council in this area.

### **Human Rights**

None.

### **Crime and Disorder**

Crime and disorder features as part of the proposed Council Plan.

### **Staffing**

None.

**Accommodation**

None.

**Risk**

Risk management is an intrinsic part of the council's performance reporting arrangements.

**Procurement**

None.

DRAFT

**Durham County Council  
Council Plan  
2022/23 to 2025/26 [Refresh]**



## Foreword

Durham County Council is ambitious. Following the local elections in May 2021, councillors from different political groups came together to form a joint administration to lead the council for the benefit of the people of County Durham.

The County Council has a significant role to play in improving the lives of everyone who visits, lives or works in the county. As one of the largest unitary councils in the country, with gross expenditure of more than £1 billion each year, the council is responsible for the delivery of a wide range of public services to residents across all aspects of people's lives.

More so than ever, the council needs to listen to residents and businesses and this plan sets out an approach which is inclusive, community orientated and ambitious for County Durham. We are resetting our strategic priorities to provide an inclusive economy and a greater focus on our environment. We have reviewed the plans to occupy the newly constructed building on The Sands in Durham City and developed revised proposals for the location of the council's Headquarters (HQ) functions and use of its estate to support wider economic objectives for the county should the council not occupy The Sands site.

Whilst unavoidable financial pressures continue, we are investing immediately in frontline services such as highways, footpaths and flood prevention. We are actively reviewing several programmes of work to make sure that we still have the right balance between achieving things that matter to local people whilst ensuring we provide value for money. We are focusing on making the council more efficient, keeping council tax rises low to support families through the current cost-of-living pressures and maintaining a package of additional support to financially vulnerable and disadvantaged households.

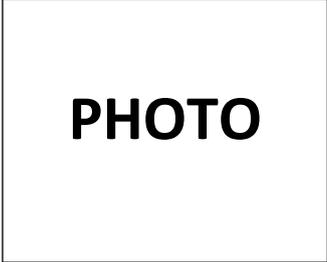
We are rightly proud of our county, our heritage, our people and our culture. We would like to showcase this and place our county on the national and international stage. We did submit a bid for the county to become UK City of Culture in 2025. Whilst we were shortlisted to the final four, we were ultimately unsuccessful, but we remain committed to delivering a pioneering cultural programme with a lasting legacy. We also have taken the decision to re-open and repurpose the former Durham Light Infantry Museum building in Durham City, providing new facilities to increase our cultural offer further.

We know that our county has both opportunities and issues that need to be addressed. Many of the issues facing our residents cannot be solved by the council alone, so we work in partnership with others across the public, private, voluntary and community sectors. In 2019, the council and partners agreed a vision for County Durham for 2035 following extensive consultation with our residents. This is to help create more and better jobs, help people live long and independent lives and support communities to be well connected and supportive of each other. This Plan seeks to deliver and build on these ambitions and more.

We want to support our communities as the county emerges from the COVID-19 pandemic and we recognise our role, both as a large organisation and as a

community leader, in tackling the climate emergency and addressing ecological decline. We will build on the success of securing our first constituency Levelling Up bid by developing robust bids for the other five constituency areas across county Durham. We will maintain sound management of our resources delivering on these ambitions, maximising the talents of our people and using technology to provide the best services with the resources available.

This plan sets out how the council is contributing to achieving the people’s vision and to ensure that our resources are used in a transparent and effective way, by setting out our priorities to support our economy, our environment and our communities, and further improve the efficiency and effectiveness of the council for everyone’s benefit.

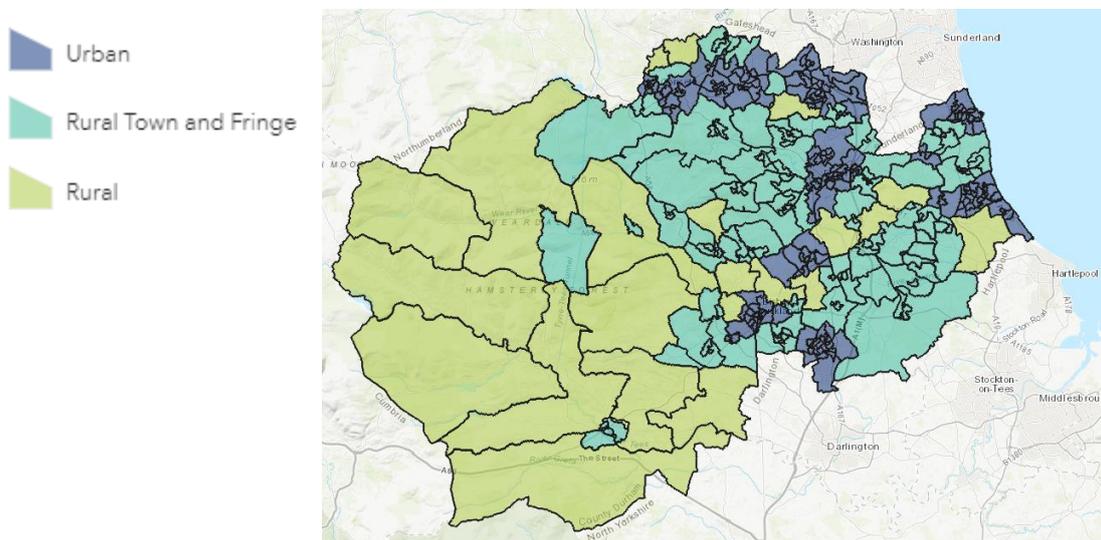


**PHOTO**

Leader of the Council  
and Chief Executive

## Population and Area<sup>1</sup>

County Durham covers an area of 222,606 hectares (2011) and has an estimated population of circa 533,000. The county is largely rural, with around 57% of its area classified as rural in nature and a further 32% classified as rural town and fringe.



Land type	Area of county	population	Population density per hectare
Rural	57%	7%	0.3
Rural Town and Fringe <sup>2</sup>	32%	37%	2.7
Urban	11%	56%	12.1

Durham is a large and diverse county with a highly dispersed settlement pattern which creates specific issues. The county has over 300 recognised settlements, 21 of which have a population of 5,000 or more. This presents a challenge for the provision of transport and public services. A large proportion of the county, particularly to the west of the A68 is rural and has some of the sparsest population densities in the country. It is important to people that rural communities remain sustainable whilst maintaining those characteristics that make them distinctive. The particular challenges of rural communities are referenced throughout this Council Plan and rural proofing will be a major consideration in any policies that we develop.

<sup>1</sup> Based on the 2011 Rural and Urban Classification (RUC) for Lower Super Output Areas (LSOAs) and the Office of National Statistics (ONS) 2017 Population Estimates

<sup>2</sup> Landscape interface between town and country / transition between urban and rural where urban and rural use clashes

## Council Services



**19,000** adults supported by social care



**148** allotment sites



**5 miles** of records held in strong rooms



**46** cemeteries and **98** closed church yards



**2** crematorium joint committees



**3,800** children supported by social care



Corporate parent to **912** children



**15** leisure centres



**8** swimming pools



**757,000** sq ft commercial space managed



**266** schools



**11,274** children with special educational needs



**5,000** food businesses inspected



**15** sq. mi. of litter picking per week



**8** major events organised



**3,793km** of highways



**12,500** contacts to Housing Solutions p.a.



**39** libraries



**57,000** Council Tax Reduction claimants



**9** parks and **6** Green Flag Awards



**82,000** street lights



**£2.5m** public transport subsidy grant



Over **10,000** people supported by our community hub



**2,200** miles of public rights of way



Around **250,000** bins emptied every week

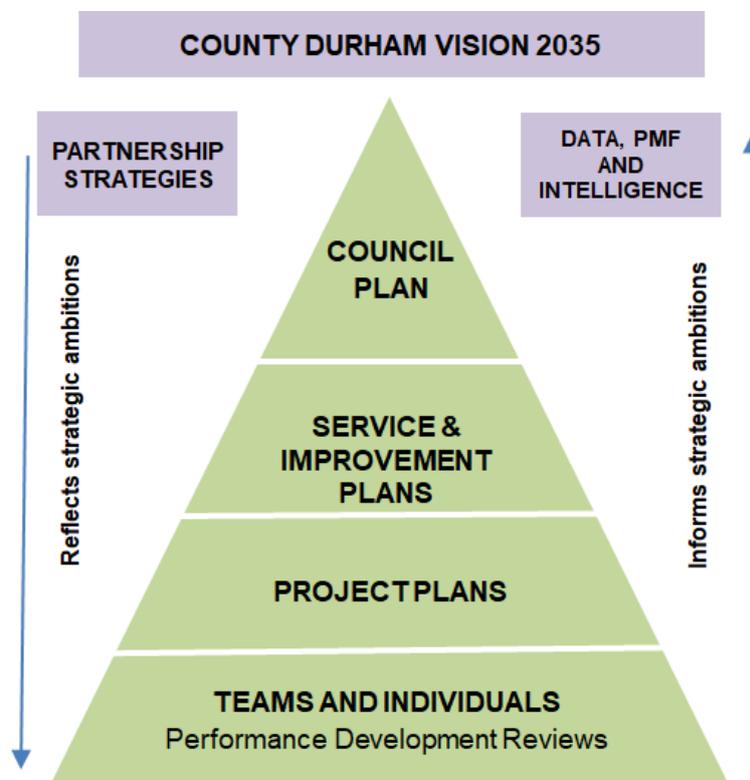
adult social care | allotments | archives | bereavement services | children's social care | commissioning  
 community safety | consumer protection | culture and tourism | early years | economic development  
 education | emergency planning | environmental health | environmental cleanliness | events | highways  
 housing | homelessness | leisure services | libraries | local tax collection | parks | passenger transport  
 picnic areas | planning applications | public health | registrars | rights of way | road safety | safeguarding |  
 town centre regeneration | transport planning | traveller liaison | waste collection and disposal | welfare  
 rights | winter maintenance | youth services

## Our Planning Framework

Our planning framework runs a ‘golden thread’ through the organisation from high-level strategic plans, through service plans and ultimately to teams and individuals. It focuses our resources onto the things that matter to us and is supported by our performance management framework, through which we measure our progress.

- **County Durham Vision:** developed with partners and residents, sets out the shared long-term ambitions for the county.
- **Council Plan:** our key corporate planning document which sets out our direction for the medium-term. It shows how we will take forward the vision and sets out how we will make the council more efficient and fit for the future.
- **Service Plans** set out priorities for service groupings for the next three years and outline the key programmes we will undertake to deliver high-quality services, in line with available resources, which meet the needs and expectations of our service users and local communities.
- **Individuals’ contribution** to delivering the corporate and service objectives.

All strategies and plans are monitored in line with our performance management framework.



## What we want to achieve: Themes, Priorities and Objectives

### OUR ECONOMY

Durham has a thriving and inclusive economy with more and better jobs and fewer people suffering from the hardships of poverty and deprivation

- 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 live and 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
- Work with others to mitigate impacts and harness any opportunities of exiting the European Union
- Assist businesses to restart and grow the economy following the COVID-19 pandemic
- We will improve employment opportunities for disabled people\*

### OUR ENVIRONMENT

Durham has taken action to tackle the climate emergency, reduce the impact of pollution and waste on our county and protect, restore and sustain our natural environment

- Create a physical environment that will contribute to good health
- Work with others to achieve a carbon neutral county
- Reduce the impact of waste and pollution on our environment
- Protect, restore and sustain our natural environment for the benefit of future generations

### OUR PEOPLE

Durham is a place where people will enjoy fulfilling, long and independent lives

- Children and young people will enjoy the best start in life, good health and emotional wellbeing
- Children and young people with special educational needs and disabilities will achieve the best possible outcomes
- All children and young people will have a safe childhood
- Promotion of positive behaviours
- Better integration of health and social care services
- Tackle the stigma and discrimination of poor mental health and build resilient communities
- 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

\* These are Durham County Council's equality objectives. Further information can be found on our [website](#).

- Support people whose circumstances make them vulnerable
- Protect and improve the health of the local population, tackling leading causes of illness and death, including the local public health response to the COVID-19 pandemic

## OUR COMMUNITIES

Durham is a great county in which to live, with flourishing communities which are connected and supportive of each other

- 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 be able to come together and support each other
- Delivery of new high-quality housing which is accessible and meets the needs of our residents
- Our rural communities will be sustainable whilst maintaining those characteristics which make them distinctive
- Provide additional support to community groups adversely affected by the COVID-19 pandemic
- Ensure that there is no unwarranted variation in opportunity and outcomes between our communities
- We will build inclusive communities\*

## OUR COUNCIL

Durham County Council has a reputation for listening to its residents, being well-managed and getting things done

- Our resources will be managed effectively
- Create a workforce for the future
- Design our services with service users
- Use data and technology more effectively
- We will build an inclusive and welcoming employee culture\*

\* These are Durham County Council's equality objectives. Further information can be found on our [website](#).

## Our Vision

In October 2019, public, private and voluntary sector bodies which make up the County Durham Partnership jointly agreed a [Vision for County Durham 2035](#). This vision was based on a strategic assessment of need using our intelligence platform [Durham Insight](#) and was developed following extensive consultation with the public. Residents, businesses and specific interest groups such as children and young people and people with a disability, were asked what they would like to see in a new vision for the county and their views were incorporated into our final vision. The vision document which was agreed sets out our strategic direction and what we would like to achieve over the next 15 years and is written around three broad ambitions for the people of County Durham:

- **More and better jobs**
- **People live long and independent lives**
- **Connected communities**

These three themes were developed following extensive public consultation, with almost 30,000 pieces of consultation evidence having been fed into the development of the vision. As well as being of key importance to local people's long-term priorities, they remain key strategic ambitions in our response to the COVID-19 crisis, where key impacts relate to employment, health and wellbeing, and communities. This document sets out the contributions that Durham County Council will make to help achieve those ambitions.

For the purposes of our planning, we have supplemented this countywide vision with priorities around our environment and our council.

**Our Economy:** We want to build an inclusive economy by creating **more and better jobs**, ensuring no one is left behind by supporting businesses emerging from the pandemic back to stability and help to rebuild our economy. We are developing a pipeline of projects and investment plans; our roadmap to help stimulate inclusive economic recovery right across the county. We will create and nurture the major employment sites across the county, cementing our position as a premier place in the region to do business and building on the success of Jade Business Park, NetPark, Integra61, Milburngate and Forrest Park amongst others, with exciting opportunities for the development of Aykley Heads and the redevelopment of Front Street Stanley now in the pipeline. Employability support programmes will be developed to help people back into jobs or to start their own business. We will ensure that children and young people receive a high-quality education and training to equip them with the skills they need to access opportunities of today and the future. We will support our tourism and hospitality sector to recover as a great visitor destination with a cultural offer which will help stimulate the local economy. This will include our new Durham History Centre, which will open to the public in 2024, the reopening and re-purposing of the former DLI Museum and Art Gallery as a cultural venue and exhibition space, building on the success of Lumiere 2021 with an exciting festival and innovative cultural programme with a lasting legacy.

**Our Environment:** The climate emergency is one of the most important issues facing humankind today. Whilst it is a global issue, there is a lot that can be done locally to respond to this challenge. Durham County Council declared a climate emergency in 2019. Our target as an organisation is to reduce carbon emissions to zero by 2030 through offsetting and further reducing emissions and contribute towards and work with others to achieve our aim of a carbon neutral county by 2045. On 6 April 2022, Cabinet declared an ecological emergency and agreed to progress the development of an action plan to address the ecological decline wherever possible.

Everyone is justifiably proud of our beautiful countryside and coast. A large part of the county is of significant landscape value including the North Pennines Area of Outstanding Natural Beauty (also a designated UNESCO Global Geopark) and the Durham Heritage Coast. Some parts of our county support unique combinations of plant and animal species. Biodiversity and healthy ecosystems are critical to our population. They play an important role in providing food, energy, shelter and medicines, sustaining water and soil quality, preventing floods and regulating the climate. Our natural environment also contributes significantly to our wellbeing and quality of life.

**Our People:** We want our residents to **live long and independent lives** and remain in good health for many years to come. We want to protect and improve the health of our residents, tackling leading causes of illness and early death, including the detection, prevention and response to infectious diseases. We want to tackle some of the inequalities that have been exacerbated by the pandemic, including mental health challenges. We have a strong track record of health and social care integration in Durham. We want to build on the financial and practical support we have provided to the care sector during the pandemic by ensuring we have a high-quality care market that is sustainable in the future. The council has also set out an ambitious multi-million pound programme to transform our leisure centre venues to support health and wellbeing outcomes of the wider population and is developing a new physical activity strategy which aims to improve the physical health of our residents.

**Our Communities:** We want our **communities to be well connected and supportive of each other**. As town and village centres reopen, we will help them to be vibrant and accessible places which are well-used, clean, attractive and safe. We will support the most vulnerable in our communities, particularly those who are isolated or adversely affected financially. At the start of the pandemic, the council established community hubs to fast-track applications for food and other essential services to residents who had to remain in their own home and who had no support. We want to build on what we have learned during this time through an approach to supporting communities called County Durham Together, which will support our ongoing approach to wellbeing through working with communities, involving them in decisions that affect them, and building resilience and cohesion. This involves bringing a range of public sector and voluntary organisations together with communities to identify ambitions, and to develop and deliver plans as a partnership. We have a strong focus on tackling poverty, with significant investment and policy

interventions in place to support people who are financially vulnerable. Through our Poverty Action Steering Group and the work of the Advice in County Durham Partnership, we have developed a robust strategy and action plan to ensure there is support to those in crisis but that we also focus on the routes out of poverty.

**Our Council:** We want to be regarded as an excellent council, with effective governance arrangements and which has a good grip on its performance and finances. We want a workforce fit for the future and to make best use of the latest technology to provide an effective service for our residents. We recognise that we could make better use of data to better serve our residents and we plan to embark on a corporate programme to become a more analytical and data-driven organisation. We also want to be known as a council which listens to the views of our residents and service users and takes them into account in our decision-making.

### Our Approach

Equality and inclusion are at the heart of the council’s vision and core values. We recognise that inequality affects different people and communities in different ways. We are committed to creating and sustaining a modern and supportive working environment for our employees and tackling the inequalities, prejudice and discrimination affecting the diverse communities which we serve.

We also want to work with communities to support their development and give them a greater degree of control over the factors and decisions which affect their lives. We acknowledge that communities have differing needs and we also recognise that they also have differing strengths and potential. One size does not fit all. We will therefore target our support towards the most in need and help to build capacity and resilience. We will work better together with other organisations to reduce duplication and ensure greater impact, and with service users and interested parties such as parents and carers to develop and shape services and initiatives. We are committed to doing things with communities rather than to them and we want to make sure that everything we do is supported by evidence and informed by conversations with our residents. This is known as our Approach to Wellbeing.





## Our Financial Plan

The council is committed to strong financial governance and getting value for money, whilst ensuring that any council tax increases are justified and affordable. The first [annual budget and medium-term plan](#) for the council post the Elections in May 2021 seeks to balance the need for both short-term and long-term investment in frontline services, with the need for financial prudence and reasonable council tax increases.

In 2022/23, the council will receive additional core funding of £16.9 million from the Comprehensive Spending Review and the provisional Local Government Settlement. This will be vital in ensuring that significant ongoing budget pressures can be financed – which total approximately £45 million in 2022/23. Examples include the National Living Wage 6.6% uplift, energy costs which are forecast to increase in 2022 by over 40% and from the continuing pressures from higher demand in social care services, plus waste disposal and home to school transport budget pressures. The council's low tax base and consequential low tax raising capacity continues to constrain and place pressure on our budgets.

The government has published details of spending power 'per dwelling' for all local authorities, which shows that County Durham is now £156 (c7%) less than the England average. If Durham's Core Spending Power was brought up to the England authority average of £2,155 per dwelling, the council would annually receive additional government grant of £39 million.

Frontline services were fully protected in 2022/23 and the Council agreed to not increase the base Council Tax in 2022/23. Previously agreed savings of £1.227 million together with new additional corporate savings of £1.2 million were agreed for 2022/23, which provided £2.447 million of efficiencies to support the 2022/23 budget without the need to use any reserves to balance the budget.

Despite a very challenging financial period and the significant base budget pressures faced by the council, and largely because of the more favourable grant settlement the council received in 2022/23, the 2022/23 budget included some very positive outcomes for the people of County Durham, including:

- significant earmarked reserve investment of £10 million Durham City heritage assets, rural and urban footways, public rights of way and country parks;
- continued support to protect working age households in receipt of low incomes through the continuation of the existing Council Tax Reduction Scheme, where they will continue to be entitled to up to 100% relief against their council tax payments and where those left with a bill will receive up to £150 of additional support next year;
- ongoing work with health partners to ensure that health and social care funds are maximised for the benefit of vulnerable people through the services we provide;
- significant investment in capital expenditure, including investment in school provision, in our town centres and infrastructure, new transport schemes and maintenance of our highways and pavements. In total, additional capital

investment of £119.9 million was agreed as part of the Medium Term Financial Plan, with the Council committed to a Capital Programme in excess of £600 million over the next three years – the most ambitious and significant level of investment the Council has ever agreed.

A key risk for the Council in 2022/23 and potentially beyond is the ongoing and potential long-term impact of Covid. There is no new Covid grant funding available in 2022/23 and whilst we have had to adjust our waste disposal budgets and include growth in that area in the 2022/23 budget, we simply do not know at this stage if and when income in places like this leisure centre will return to pre-pandemic levels.

Pay and price inflation is another significant concern. The 2022/23 budget includes significant additional budget uplifts in our energy budgets and prudent assumptions in terms of other inflationary pressures, but inflation, particularly energy inflation is increasing.

## **Monitoring**

We will continue to monitor council performance against a comprehensive set of performance indicators to Cabinet and scrutiny committees on a quarterly basis. The plan will be subject to an annual review process.

## **Context: COVID-19 – Response, Restoration / Reset, Recovery**

The council's approach to the COVID-19 pandemic is around response, restoration, reset and recovery. As a national emergency was declared in March 2020, a rapid response was required to support businesses and communities through the immediate crisis and communicated public health messages to the people of County Durham.

The principles by which we have managed our response, restoration, reset and recovery approach were:

1. Close surveillance and management of the COVID-19 pandemic in County Durham;
2. Being responsive to where we are in our journey to recovery;
3. Taking a dynamic response to control the virus and to support businesses and communities;
4. Working in partnership with other statutory agencies on our Local Resilience Forum to coordinate our efforts.

As lockdown measures were relaxed following rollout of the vaccination programme, there was an increase in the infection rate. Together with partners, we developed a COVID-19 Outbreak Control Plan which set out how local outbreaks of the virus were identified and managed jointly by the council and the UK Health Security Agency's North-East Health Protection Team.

As the country has moved out of lockdown, the council has followed government guidelines and restored council services which were previously restricted or suspended, whilst at the same time reset some services to new smarter working adopted through the pandemic where possible and appropriate. Service restoration and the reopening of buildings has followed specific government guidance, a thorough assessment of risk and the introduction of necessary control measures to help protect the public and our employees. Innovative approaches to service provision which have either been developed in response to or enhanced because of the pandemic, such as online services, have been retained where they have transformed our offer and culture and reduced our environmental impact.

The pandemic has impacted on businesses. We have been closely monitoring the economic picture in the county and coordinating local, regional and national interventions to best support the business sector. Understanding the impact of the pandemic on our rural, urban and more deprived areas has been a core part of the council's recovery work and has informed the council's Poverty Action Plan and how related council services have responded. We will reshape our services to vulnerable groups such as older people and those suffering from poor mental health and those who are feeling lonely and isolated.

## Priority: Our Economy

We will continue our economic renaissance and ensure that people can enjoy a thriving economy with **more and better jobs** and reduced levels of poverty and deprivation. We will build on our existing portfolio of businesses and will support the use of low carbon technologies and renewable energy. We will work with all schools, businesses and academies to ensure that the highest educational standards are in place to support a broad and balanced 21st century curriculum.

Our county has some of the most beautiful countryside and coastal landscapes in Britain, a fascinating history, a wealth of attractions and a regular events programme. We have made great strides to improve our tourist economy. Our aim is to have County Durham widely recognised as a leading centre for culture and the arts, with a range of experiences which match and exceed the best offered in the country.

Several of our villages were developed around collieries and homes which were built to house the population boom at the peak of coal production. Some of these communities have suffered a decline following the demise of these industries. We want to work with communities to address the underlying causes of deprivation and poverty.

### Achievements

- Outstanding success in attracting countywide private and public investment in enterprise and tourism.
- £25 million invested on the Jade Enterprise Zone and junction.
- £178 million invested by Citrus on Integra 61 warehousing facility at Bowburn, including facilitating internet giant, Amazon and £5 million junction works.
- £271 million invested in one of Europe’s leading technology parks at NETPark, Sedgefield delivered by Business Durham, with a £50m Phase 2 business plan agreed.
- £14 million invested at Forrest Park in Aycliffe preparing for further investment of over £140 million.
- £90 million spent in Barnard Castle by Glaxo Smith Kline on a new manufacturing facility.
- Almost £1.5 billion in Durham City, £750 million by the University and over £240 million on the Riverside and other projects.
- The first two phases of the development of the Aykley Heads strategic employment site have the potential to create 4,000 jobs with an estimated 1,800 jobs being supported in the construction of the park.
- £100 million invested through Project Genesis in Consett.
- £17 million spent at Beamish Museum on the 1950s town, upland farm and Georgian coaching inn.



- Lumiere, the biggest light festival in Europe, extended across County Durham as well as in Durham City for the first time this year, attracted an estimated 140,000 visitors.
- County Durham was one of only four locations that were been shortlisted to be UK City of Culture 2025.
- Succeeded in securing the first constituency Levelling Up bid for the Bishop Auckland Constituency
- Successful food festivals held at Bishop Auckland and Seaham.
- Our Post 16 outcomes have improved steadily over time with average grades at A level and Advanced General, above national averages from 2018.
- As of February 2022, 94.9% of 16-17-year-olds within County Durham are participating in education, employment or training, including 13.2% in employment.

### Issues to address

- The employment rate has been maintained at 71.5% (September 2021) following a post-lockdown recovery but is below the national average.
- The lockdown has adversely affected both local businesses and residents financially.
- Businesses and individuals have relied on support arrangements put in place to limit financial impact, but these are only for the short-term and will be phased out.
- The ability of businesses to respond quickly to changes in demand may be limited in the short-term.
- 82,800 unique jobs were furloughed at some stage in the county representing over 40% of all employments. There is uncertainty around whether the ending of the scheme will lead to further unemployment.
- A weaker global economy will reduce export demand and disrupt international supply chains.
- Income levels are low in County Durham. The county is the 42<sup>nd</sup> most income-deprived out of 151 local authorities nationally. Gross disposable household income per head of population in County Durham is just over 75% of the national average.
- The gap between the employment rate for people with a disability compared with those who are not disabled stands at 34 percentage points (September 2021) which is one of the highest differences in the country.
- GCSE results as measured through the average attainment 8 score for the county are below the national average.
- As of October 2020, only 69% of secondary schools in County Durham are rated as good or outstanding.
- 1 in 4 of our school children are on free school meals as of January 2020, which is an indicator of the level of child poverty within the county.

- According to the latest figures (2018), an estimated 9.8% of households are in fuel poverty. This is defined as where the householder, after paying fuel costs, would be left with a disposable income which is below the poverty line.
- Day visitors to our county spend an average of £22.07 in the local economy per day, whilst overnight visitors will spend an average of £190.27 per trip. Only 8% of visitors will stop overnight within the county.
- Uncertainties around the United Kingdom's exit from the European Union remain.
  - Whilst key stage 4 league tables have not been produced since 2019, we know that COVID will have had a significant impact upon increasing the gap in achievement between our most disadvantaged pupils and their peers.
- Whilst the proportion of children attending good or better secondary or special schools is improving, our schools continue to require a network of support to accelerate progress.
- Indicators of child poverty have increased as a result of the pandemic and the cost-of-living crisis. Reducing the cost of the school day will become a greater priority in supporting full attendance strategies.

## Council Contribution

To grow the economy, the council tries to create the conditions which will help the private and public sector invest in County Durham; allocating land, improving infrastructure and working with partners to attract investment and jobs.

We have committed to £49.6 million to progress the development of the third phase extension of NETPark (The North-East Technology Park) Business Park in Sedgfield and are currently procuring the developer, which could generate up to 1,250 skilled jobs and be worth up to £625 million to the County Durham economy.

To support delivery of Jade Business Park, we are continuing with the infrastructure improvements required to the A182 junction with the A19. This will improve capacity and cater for the increased predicted demand associated with the 600,000 square feet of business premises.

Through Business Durham we work with businesses to promote enterprise, foster the environment for new businesses to start up, and enable businesses in the county to develop and grow. Through the creation and delivery of high-profile innovation programmes, we help businesses develop new products, services and processes, win more investment and more contracts and employ more people.

The government's education white paper "Strong schools with Great Teachers for your Child" published on 28 March 2022 places a great emphasis on the Council being able to support the future direction of school organisation and the importance of 'Strong Trusts' to drive better outcomes. It clearly shows a shift from Local Authority responsibilities around school improvement and a move to a strategic role relating to vulnerable children and children missing from education. Alongside the considerable work that could be attached to new opportunities within the creation of Multi-Academy Trusts, the council will have additional duties around pupil place planning and attendance. Additionally, the SEND Green Paper ("right support, right place, right time") will require additional work with school leaders across the system to integrate more children with SEND into mainstream settings.

We have a substantial and varied property portfolio across County Durham, providing space for over 300 businesses employing 1,600 people, including offices, factories, the Durham Dales Centre and the region's only science park, NETPark.

To increase employment, we offer help and support to develop skills, get people into work or start their own business through such initiatives as Durham Employment and Skills, Employability Durham, Durham Enable and Durham Works. Employability Durham provides a range of schemes to those aged 25 and over who are unemployed and during 2020/21, supported 321 people into employment and 34 into education and training. Durham Works is a dedicated programme for young people aged 16-24 who are not in education, employment or training. During 2020/21, Durham Works supported 708 young people into education, employment or training. The council is itself a major employer committed to a comprehensive apprentice programme, open and fair recruitment and being a good employer. To improve our employment programmes for people with mental health issues or learning disabilities, we have recently employed three mental health employment support workers who will offer specialist support to those whose conditions may be a barrier to obtaining good jobs.

Our destination management organisation, Visit County Durham, works closely with VisitEngland, a wide range of public and private sector partners and tourism businesses to grow the county's visitor economy. Through Visit County Durham, we coordinate the promotion of the county nationally and internationally and influence or directly deliver activities which relate to visitors and the visitor economy, including marketing, information services, product development, visitor experience, business engagement and workforce development. Our Visitor Information Network is delivered through working with partners such as attractions, visitor centres and cafes to provide information, literature, kiosks and touchscreens - and in the most recent survey received a 93% customer satisfaction rating.

As part of the Culture Durham Partnership, we have entered a bid to be UK City of Culture 2025. Whilst we were ultimately unsuccessful, we were shortlisted to the final four. We still aim to deliver a cultural programme which we hope will bring social and economic benefits to the whole of County Durham and the wider region; allowing us to engage even more people in arts and

culture, attract additional visitors and help us to secure additional investment. As part of our contribution to the cultural offer within County Durham, we run an annual programme of festivals and events including Bishop Auckland and Seaham Food Festivals, Durham Brass and Durham Book Festival, alongside a varied offer of exhibitions and entertainment through our town halls and theatres.

To support businesses throughout the pandemic, the council has paid £203 million in covid-related business grants to date. This includes almost £100 million of Restart Grant which was paid to 4,271 businesses, more than £51 million of Local Restrictions Support Grant to 4,210 businesses, £17 million of Additional Restriction Grant, and nearly £5 million of Local Authority Discretionary Grant to 1,071 businesses.

## Approach

The national restrictions introduced as part of the COVID-19 pandemic led to temporary business closures and employees being furloughed. Priorities for the council were to protect businesses and jobs and to alleviate financial hardship suffered by our residents. The council introduced a range of measures to support local businesses throughout the crisis and ease the pressure on residents suffering financial hardship.

We developed a COVID-19 Economic Recovery Plan to help support businesses being released from lockdown, manage the transition to stabilisation and to rebuild and grow our economy. We have developed a pipeline of projects which will serve as a roadmap to recovery and deliver investment plans to help rebuild our economy.

We recognise that there may be job losses and that these are anticipated to affect older people and the lower paid, which disproportionately affects some groups more than others. We will monitor changes in employment throughout the county and develop and deliver employability support programmes to help those who have lost their jobs back into employment.

Increasing employment in the county has a significant multiplier effect in terms of its contribution to a range of other quality of life issues, such as improving mental and physical health and reducing crime. We are working to support employers and voluntary and community organisations to address health issues in the workplace through a range of initiatives. Our ambition is to create more jobs for our residents. Wage levels in the county lag behind the national average and the gap is widening. We need to address this by attracting high-quality jobs to the area. We want to create the ideal environment for businesses to thrive in the county, through ensuring that our workforce and our young people entering the jobs market are equipped with the necessary skills to access the jobs of today and the future. The pipeline of investment projects in the county has never been so high and we want to build on this

by further developing our strategic employment sites and supporting key employment sectors. We will continue to deliver a range of programmes to help people, who are finding it difficult to access the jobs market, into rewarding work including reskilling our labour force. Our plans will support rural growth whilst preserving the quality of what makes these areas distinctive. Our county has a rich historic and cultural heritage, some enviable world-class attractions and beautiful countryside. We want to continue to develop the visitor economy for County Durham. The historic collapse of heavy industry and the impact that this has had on residents and communities is apparent when we look at some of our communities, which have some of the worst indicators of deprivation in the country. We want to address the gaps in inequality across our county and make sure that no one is left behind and that the benefits of a resurgent economy can be enjoyed by all residents.

## Major Projects

- 
- 2022
- **Complete the review of the** plans to occupy the newly constructed building on The Sands in Durham City and developed revised proposals for the location of the council's Headquarters (HQ) functions and use of its estate to support wider economic objectives for the county should the council not occupy The Sands site
  - **Facilitate development of Aykley Heads as a prestigious strategic employment site through the demolition of County Hall.**
  - **Assure the delivery of the Milburngate redevelopment project in Durham**  
*includes a 92-bed hotel, 153 luxury apartments, a boutique cinema, 60,000 square feet of leisure space and 53,000 square feet of premium office space*
  - Align our Inclusion Strategy with the findings of the SEND Green Paper (*Right Support, Right Place, Right Time*)
  - Develop our response to the Education White Paper *Strong schools with great teachers for your child*, including the development of an Education Strategy
  - Focus on closing the gap in employment opportunities for those with a long-term health condition or disability, through the development of supported employment and the rollout of a pilot with learning disability day services to support people into volunteering and employment
  - Increase the number of businesses in the county achieving the North East Better Health at Work Award
  - Increase the number of organisations involved in career development related to mental health

- Improve access to high-quality and impartial careers education, information, advice and guidance in schools and further education settings to ensure that young people are clear about progression pathways, including apprenticeship opportunities
- Through commissioned services, write into every contract that providers will commit to improving the health and wellbeing of their workforce, either through 'Thriving at Work' standards or by achieving the Better Health at Work Award
- Increase income levels for the most vulnerable, through greater awareness of and access to benefit eligibility
- Undertake the 'big econ-versation' to seek views from residents, business people and other stakeholders so people can have their say on economic issues and develop an Inclusive Economic Strategy for County Durham which integrates with national, regional, sub-regional and local strategies

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- 2023
- **Develop key locations for business**  
*including Aykley Heads, Forrest Park, Jade Enterprise Zone*
  - **Continue to explore and pursue options for devolution for County Durham**
  - **Refurbish and reopen the former DLI Museum and Art Gallery and grounds as an exhibition centre, gallery and café venue with appropriate reflective and contemplative grounds**
  - Develop and deliver pipeline of major transport infrastructure projects to support employment sites
  - Deliver sites within Business Durham remit and enhance Business Durham Property Portfolio  
*including NETPark Phase 3, Merchant Park, Jade Business Park and South Church Enterprise Park*
  - Support business to achieve growth through the County Durham Growth Fund, Finance Durham, Business Durham key account management programme and enterprise and start-up offers
  - Develop the 'Better Business for All' initiative to help reduce the burden of regulation on local businesses, including support following the exit of the UK from the European Union and COVID-19
  - Assess and address the economic implications of the pandemic and provide assistance to business needs, to restart and grow the economy in County Durham
  - Support the delivery of a new visitor offer across County Durham
  - Review the County Durham Tourism Management Plan
  - Review the programme of events and festivals and prepare for lottery submissions for 2022-2026

- To strengthen school provision across the county by the creation of appropriate professional support networks for all schools. These will bring together the best practice and pedagogy from all of our schools regardless of ownership or designation.
- Work with schools and trusts to increase the quality of teaching and professional development so that we have fewer issues around recruitment and retention in core curriculum areas.
- To review and support school reorganisation where it is necessary to maintain and strengthen the quality of education, breadth of curriculum and financial sustainability necessary to preserve school places.
- Support our schools and settings to provide targeted support for every child who needs it to complement great teaching and a strong curriculum.
- Support more young people with vulnerable characteristics into employment, including young people who are looked after, care leavers, young people who have SEND and young people supervised by the Youth Justice Service
- Support care leavers to achieve good education and employment opportunities, including work experience and apprenticeships
- Continuously review school organisation and the education estate across the county and develop options to help strengthen school provision, especially in areas where unsustainable financial issues are being experienced
- Deliver a range of initiatives to alleviate fuel poverty

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2024 ▪ Deliver employability programmes which help people access and sustain regular employment

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2026 ▪ **Bring together the history and heritage of the county into the Durham History Centre**

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## Key Performance Indicators

- £8.2 million of new contracts secured (£8 million)
- Eight Inward Investments secured
- 95% of Business Durham floor space is occupied (85%)
- Increase employment land approved and delivered by 300 hectares by 2035 (against 2016 baseline)
- Narrow the gap between the number of private sector business and private sector employments per 10,000 head of population within County Durham and England and aim to bring them in line with the national average by 2035
- Increase the % of County Durham residents who can access employment sites by public transport (against 2021 baseline)

- Increase the level of GVA per filled job in line with national levels by 2035
- Increase the employment rate for 16-64-year-olds in line with national levels by 2035
- Increase the proportion of residents with higher level skills in line with national levels by 2035
- Increase the number of organisations involved in the Better Health at Work Award (to improve health and wellbeing interventions at work)
- Increase the proportion of young people in education, employment and training to be consistently higher than regional and national levels
- Increase percentage of 16–17-year-olds in an apprenticeship
- Increase the overall disability employment rate / close the gap
- Attract 11.96 million visitors to the county in 2021 (5% increase on 2020)
- Increase the proportion of visitor attractions which are served by public transport (against 2021 baseline)
- Percentage uptake of Free Early Education Entitlement for 3- and 4-year-olds
- Reduce the number of heritage assets ‘at risk’ that are categorised as ‘Priority A and/or in ‘very bad condition’ (against 2021 baseline)
- Improve the proportion of children achieving expected standards in maths and reading at key stage 2 in line with 2030 ambitions
- Improve the average grade of achievement of all of our pupils within GCSE English and Maths to a Grade 5 (In line with 2030 ambitions)
- Improve the educational attainment of our most disadvantaged cohorts to meet basic threshold measures in English and mathematics which will improve their access to further education and high-quality jobs with training.

## Priority: Our Environment

One of the biggest issues facing the planet is the climate emergency. Scientific evidence shows that we are experiencing unsustainable increasing temperatures from greenhouse gases caused by human activity, through the burning of fossil fuels, deforestation, intensive livestock farming and other industrial practices. Whilst this is a global issue, there is a lot that can be done locally. Durham County Council has declared a climate emergency and is looking to reduce carbon emissions from its own operations and change some of its land practices such as peat restoration and tree planting.



The council wants to provide the right conditions to make cycling and walking for short journeys, or as part of a longer journey, the right choice. This will not only reduce carbon emissions but also has added health benefits for our residents. Levels of pollutants are low in the county but there are some hot spots where government standards are exceeded at certain times, and we have a plan to reduce these.

We have some beautiful countryside in County Durham boasting an Area of Outstanding Natural Beauty, a UNESCO designated Geopark, a heritage coast and many Sites of Special Scientific Interest. There are many benefits to valuing nature, and we need to conserve and sustain this for future generations and not allow our biodiversity to deteriorate.

Durham is a large and diverse county with a very dispersed settlement pattern which creates specific issues. A large proportion of the county, particularly to the west of the A68, is rural and has some of the sparsest population densities in the country. It is important that rural communities remain sustainable whilst maintaining those characteristics which make them distinctive. The particular challenges of rural communities are referenced throughout this Council Plan and rural proofing will be a major consideration in any policies we develop.

## Achievements

- Over 60% of our domestic waste was going to landfill in 2008. This has been reduced to 5% following the introduction of new waste collection and disposal arrangements.
- Tonnage of carbon emissions from council operations has been reduced by 58% since 2008-09.
- Carbon emissions across the county have reduced by 54% from the 1990 baseline.
- The council has worked to eliminate single use plastics from all its operations, encouraging over 300 individuals and organisations to sign up to our plastics pledge and work to eradicate unnecessary plastics from their business.

## Issues to address

- Durham County Council declared a climate emergency in 2019. Our targets are achieve net zero as an organisation by 2030 (from a 2008/09 baseline) through offsetting and further reductions in emissions and to contribute towards and work with others to achieve a carbon neutral county by 2045.
- The council is committed to exploring more sustainable transport choices and has lobbied MPs and the government for the reopening of the Leamside line to help realise environmental, social and economic benefits in County Durham and the wider region.
- Countywide contracts in place for waste disposal services are coming to an end.
- Air Quality Management Areas where national standards for levels of pollutants have been declared in parts of Durham City and Chester-le-Street, each with an action plan to improve air quality.
- The Environment Act 2021 will give the council more powers and responsibilities regarding air quality, nature conservation, waste and use of resources.
- The council is committed to examining the decline of habitats and species has declared an ecological emergency in County Durham.
- We want to encourage and enable greater participation in cycling and walking across all demographic groups.
- The government's Waste and Resources Strategy may have implications for the council such as the introduction of a separate food waste collection, free garden waste collection services, standardising domestic collection services across the country and introducing recycling targets.
- We will continue to work with our partners, Northumbrian Water and the Environment Agency to carry out work to reduce the risk of flooding and its impacts on residents and businesses.
- The tonnage of domestic household waste collected has increased significantly during the pandemic, which is affecting the proportion of waste recycled and being diverted to landfill and increased contamination issues in our recycling collections.
- The percentage of waste going to landfill has increased during the pandemic from less than 5% to nearly 10%.

## Council Contribution

In 2020/21, 3% of the overall carbon emissions of County Durham, equating to 44,913 tonnes of carbon, originated from the council's operations: 46% from heating, 32% from electricity and 22% from transport. We continue to examine carbon emissions arising from our operational infrastructure, fleet, land use and behaviours and consider the climate emergency in all our decisions to further reduce our environmental impact.

The council owns approximately 10% of the county's total woodland - 1,800 hectares across 170 sites, of which over 300 hectares is ancient woodland which has existed since 1600. We are also the accountable body for the management of the North Pennines Area of Outstanding Natural Beauty, an area covering almost 2,000 square kilometres and containing 40% of the UK's upland hay meadows, 30% of upland heath and 27% of blanket bog. Appropriate management of these sites will not only improve their carbon performance and their role in tackling climate change, but it will also increase their amenity value, benefit wildlife conservation and other ecosystem services.

Responsible for the collection, disposal, and treatment of all municipal solid waste within its area, the council has a major role to play in tackling waste. Our in-house teams carry out regular and reliable collection services to around 250,000 households and 3,200 businesses, as well as providing 12 fixed and one mobile Household Waste Recycling Centres (HWRCs).

In addition to the scheduled services during 2020/21, we completed 28,000 bulky household waste collections, regular clinical waste collections from 653 residents and cleared up 6,560 fly-tips. Our work amassed 243,492 tonnes of domestic waste, 8,057 tonnes of trade waste and 1,743 tonnes of fly-tipped waste. 92% was diverted from landfill - most was converted to energy but 37% was re-used, recycled or composted. Although COVID-19 forced the temporary closure of our HWRCs, there was significant demand when they re-opened in May 2020, with 48,516 tonnes of waste collected during the remainder of 2020/21, 67% of which was re-used, recycled or composted.

## Approach

The council declared a climate emergency for County Durham in 2019 and has developed two fully costed action plans, one for the council's carbon reduction target and another for the countywide target. The council is investing in renewable energy such as a solar farm at Tanfield Lea to provide power for our data centre and we are exploring the potential for mine-water heat at the Louisa Centre in Stanley. New council buildings are being built to high energy efficiency standards, with charging points for electric vehicles. Existing buildings are being retrofitted with more efficient heating systems, better insulation and low energy LED lighting.

We have been upgrading our streetlights with new LED light fittings. We are replacing all our pool cars with electric vehicles and have plans for the electrification of our service fleet. We have a substantial programme of tree planting planned. We also continue to provide support to businesses with their carbon footprint through the Business Energy Efficiency Project and have set up a community investment fund to assist community groups in reducing their carbon impact. COVID-19 has accelerated the introduction of smarter working and things like online meetings, video conferencing and transacting business remotely have reduced the need for officer travel. We also have a programme to install more vehicle charging points in locations across the county.

We have developed a strategic cycling and walking delivery plan and continue to invest in improvements to our cycling and walking infrastructure, to make it easier for residents to cycle and walk for everyday journeys and also improve their health and wellbeing.

The county boasts some beautiful countryside. The North Pennine uplands and the Durham Coast and associated Magnesian Limestone grasslands, in particular, support rare and threatened species and both have been the subject of considerable conservation effort. We have declared an ecological emergency and will be developing an action plan to help tackle this decline.

As we approach the contract end date for our waste disposal services, we are looking at a multi-authority waste treatment procurement. We will also need to consider the impact of new duties under the Environment Act 2021, the national resources and waste strategy and the ongoing impacts of COVID-19 on our domestic waste collection service.

## Major Projects

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- 2022
- Manage the council's tree and woodland resource
  - Develop policies and plans to tackle the ecological emergency within County Durham
  - Review the Climate Change Emergency Response Plan and the Councils Carbon Reduction Targets / ambitions
  - Develop a countywide offer around physical activity and good nutrition, specifically targeting vulnerable communities
  - Implement the local Air Quality Action Plan and improve air quality within Durham City to meet the standards set within the National Air Quality Strategy
  - Review our local Flood Risk Management Strategy and Surface Water Management Plan and deliver flood prevention schemes

- 
- 2023
- **Implement our Climate Emergency Response Plan**
  - Delivery of transport infrastructure projects to encourage more sustainable transport choices

- Implement the Investors in Environment Standard
- Respond to the Government's Resource and Waste Strategy (RaWS) for England 2018 proposals and prepare for future policy and legislation changes

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- 2025
- Development and delivery of Rights of Way Improvement Plan (ROWIP)
  - Development of the Nature Recovery Network Strategy for County Durham in partnership with the Environment and Climate Change Partnership Ecological Emergency workstream
- 2026
- Support and deliver Local Nature and Landscape Partnership programmes including Land of Oak and Iron Legacy; Seascapes; Durham Woodland Revival; Brightwater; North East Community Forest; Heritage Coast and Planting new trees and woodland
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### Key Performance Indicators

- Increase the proportion of waste diverted from landfill to at least 95%
- County Durham to become carbon neutral
- Raise cycling and walking levels in County Durham in line with national levels by 2035
- Work towards Durham City Air Quality Management Area NO<sub>2</sub> levels being below the government threshold of 40µg/m<sup>3</sup>
- Plant a minimum of 140,000 trees by 2024

## Priority: Our People

Good health is central to people's happiness and has a significant impact on demand for services. Health is determined by several factors including the community we live in, access to a good natural and built environment, high-quality education and jobs and our network of friends and family. Both life expectancy and the number of years a person remains in good health are lower in County Durham than in other parts of the country. The proportion of people with long-term limiting conditions is also higher than national levels. An ageing society will create different demands for products and services, including new care technologies and housing models. Central to our plans is to provide a more joined-up service for health and social care. We also want to do everything we can with partner organisations to improve the mental health and wellbeing of our residents and prevent mental illness and suicide. We want all people to lead independent and fulfilling lives and continue to contribute to society. Within a changing education climate, it is essential that the council maintains a strong collaborative partnership with its schools and settings to enhance the learning opportunities for all children.



## Achievements

- Teenage pregnancies have halved over the last 10 years.
- We have helped 3,000 people to access support for drug and alcohol issues and are now above the national average for those successfully completing treatment.
- Effective discharge planning and joint working between health and social care services means that County Durham is one of the best performing areas in the country regarding delayed transfers of care from hospital.
- We have excellent levels of satisfaction from clients in receipt of adult social care services compared to national figures.
- We have developed a public health driven planning policy to address the proliferation in hot food takeaways that is contributing towards levels of obesity in children and adults.
- To date (Dec 2021), since 2015 we have achieved significant and sustained outcomes with 5,851 families through our Stronger Families Programme.
- Durham County Council was highly commended in the Municipal Journal Digital Transformation Award for 2021, which recognised the introduction of the Health Call Digital Care Home system, allowing care workers to digitally share the results of their resident observations, such as blood pressure and heart rates, with health professionals.
- 100% of our maintained nursery education providers are rated as good or outstanding by Ofsted.
- Durham County Council won the Local Government Chronicle Children's Services Award for 2021 for our Supporting Solutions Service, which works with children on the edge of care to enable them to stay with their families and avoid entering the care system.

- Strong adoption performance
- Positive feedback from Ofsted focused visit on the quality of services for children in care
- Strong local offer for our care leavers which was confirmed by young people responding to a national benchmarking exercise. We have also opened the new care leavers hub.
- The council has developed County Durham Care Academy for both its existing and potential workforce offering a range

### Issues to address

- The impact of the pandemic is a factor that has led to male life expectancy falling by seven months and female life expectancy by six months.
- Smoking prevalence has increased from 15% to 17%.
- Sustainability of a diverse care sector.
- The risk of a new variant of COVID-19 or an outbreak of another infectious disease, which will have major health impacts on vulnerable people and possibly result in the introduction of health restrictions.
- Life expectancy at birth is 1.6 years lower for males and 1.9 years for females in County Durham compared with the average for England.
- Healthy life expectancy, the number of years a person lives in good health, is around five years lower than national figures and there is a 10-year difference in healthy life expectancy between the most and least deprived communities in County Durham.

of courses from entry level right through to senior leadership and management qualifications.

- Established a Local Tracing Partnership, County Durham Together Hub and an Outbreak Management Team to protect our residents, provide community support and reduce COVID-19 transmission.
  - Won the CYP Now award for Youth Justice Services
- A quarter of the population in the county will be aged 65+ by 2032.
  - One in four children are overweight in reception year, rising to over one in three at Year 6 and to two in three in adulthood. These figures are above national levels.
  - Levels of women who are still smoking in pregnancy in County Durham is significantly higher than the national average.
  - Breastfeeding prevalence rates amongst new mothers remain nearly 19 percentage points behind national figures.
  - Increased responsibilities, changing needs and reducing government funding are placing greater pressure on our ability to support children and young people with special educational needs and disabilities.
  - Mental health is a priority. Indicators are high for hospital admissions for self-harm, suicide rates and patients registered with depression.

- We need to diversify the range of older persons' housing provision to meet growing demand from an ageing population and free up larger family accommodation.
- The numbers of children requiring the support of a social worker due to complex needs, which have increased during COVID-19.
- Ensuring sufficient local placement choice for our Children in Care.
- The increasing numbers and complexity of children with SEND requiring wider support.
- An increase in the complexity of care and court of protection referrals.

## Council Contribution

The council has made significant investments to help vulnerable households impacted by the pandemic, including £62 million through our Local Council Tax Reduction Scheme (LCTRS) which supports more than 56,000 residents (37% of whom are pensioners), £14 million through LCTRS top up payments, £1.2 million through Discretionary Housing Payments which off-set shortfalls in housing rental costs, £1 million through our Welfare Assistance Scheme which helps people in crisis with daily living expenses and £170,000 exempting care leavers under 25 from paying council tax.

Annual grants have been set up for the Durham Foodbank (£50,000) and the East Durham Trust (£2,700) and other initiatives which off-set food poverty in 2020/21 included 295 hampers for the most vulnerable families, 273 food vouchers worth £80 for care leavers, 600 food vouchers worth £80 for kinship carers, and more than 101,100 vouchers, worth £20 per child per week and covering school holiday periods, for more than 21,000 0–19-year-olds.

Our welfare teams supported 59,053 residents claiming Council Tax Reduction (CTR) and/or Housing Benefit (HB). During 2020/21, we processed almost 2,500 new HB claims and 17,200 new CTR claims in an average time of 16.9 and 19.7 days respectively. In addition, over the same period, we processed almost 217,000 changes of circumstance in an average time of 4.7 days. We also processed more than 3,000 Discretionary Housing Payments (averaging £669 each), more than 6,000 Daily Living Expenses grants (averaging £91) and Settlement Grants (averaging £493) totalling over £1.5 million.

COVID-19 significantly impacted the collection of council tax during 2020/21. However, by September 2021, we had collected £10.5 million more than in the same period the previous year. Following a year of inhibited recovery action, statutory collection was reinstated on a gradual and cautious basis and, whilst there are still some legal and enforcement limitations in place, flexible and supportive options continue to be offered to our residents and businesses.

The council is continuing to encourage all residents to make healthy lifestyle choices. We own 148 allotment sites across the county which 3,500 people use to grow their own food, reaping the associated benefits to their physical and mental health. Our 15 leisure centres offer a range of facilities which promote physical activity, and across these centres, we have 16,084 gym members, 4,044 aqualearn members and 1,359 swim-only members. Across our communities, we continue to offer free walking, running and cycling activities. From April 2021 to December 2021, there were 5,417 attendances for our Walk Durham wellbeing walks programme, and 163 people joined one of our Run Durham 'get into running' courses. We also provide a wide range of inclusive and accessible community-based wellbeing activities and, from July to December 2021, we delivered 191 sessions with 922 attendances. We are also continuing to work with schools through the Active 30 Durham programme, with 108 signed up.

The council also supports service users and carers across a range of services, helping people with their mental health and wellbeing, physical disability, sensory impairment and learning disabilities. At any one time, the council supports around 18,000 adults and 3,900 children through its social care functions and there are around 950 children in care and 450 children on a child protection plan. The council also supports a further 1,500 in early help services, as well as over 14,000 children and young people who have special educational needs and disabilities

In 2020/21, Adult and Health Services received 25,330 requests for social care support, 3,940 safeguarding incidents were reported, services were provided to 5,070 carers and 12,200 people received long-term care services, while 1,400 people received short-term rehabilitation services.

## Approach

A critical issue for the lifetime of this plan is to address the underlying factors that contribute to the issues outlined above, and to recover from the COVID-19 pandemic and the effects it has had on our communities and residents. We want to develop our County Durham Together Partnership, to promote and enable easier access to preventative services available in local communities, which brings together a range of public sector and voluntary agencies together with communities to identify ambitions, and to develop and deliver plans together.

The COVID-19 pandemic has led to challenges regarding sustainability within the care home sector. We also need to review the approach to care home commissioning, taking into account changes as a result of the COVID-19 pandemic, with the aim of ensuring a sustainable and high-quality care market.

The county has a legacy of heavy industry and suffers from poor health across a range of measures. We intend to tackle this inequality through a number of programmes across the life course. We aim to support mothers to address tobacco dependency in pregnancy and increase breastfeeding initiation for new-born babies. We will implement a range of measures to tackle oral health inequality in children across the county and improve health protection by increasing take-up of vaccinations in adults and children. We have a range of measures to support children with special educational needs and disabilities to achieve the best possible outcomes.

We will promote positive behaviours through becoming a smoke-free county and reducing dependency on, and deaths caused by, drug and alcohol addiction. We want to improve the mental health of young and old alike and tackle the stigma of mental health. We will provide a more integrated health and social care model and both specialist housing and assistive technologies for older and disabled people, to allow people to live more independent lives into their old age.

## Major Projects

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- 2022
- Reduce unintentional injuries in the 0-19 population, through the County Durham Prevention of Unintentional Injuries Framework
  - Implementation of the Special Educational Needs and Disabilities Strategy and the High Needs Block Sustainability Plan 2022-23.
  - Further embedding of Signs of Safety as the practice model for children's social care services.
  - Implementation of the Councils Sufficiency Strategy over the next 4-5 years.
  - Significant investment in the children's social care workforce to support a highly skilled and stable workforce
  - Development of a Collaborative Care Model with colleagues from mental health trust including the development of a new integrated rapid response service to support young people with complex mental health needs
  - Enhancing joint working across Social Care, Education services and schools to support increased attendance at school with a focus on those children who are most vulnerable
  - Developmental work to support improved integration of health and social care services for children and young people
  - Work with a range of partners to increase physical activity by promoting Active 30 in schools
  - Deliver Making Every Contact Count training to staff, enabling every contact to be a health contact

- Further develop the Trusted Assessor model to facilitate smooth transfers of care between primary and social care and improve service users' and carers' experiences of these services
- Complete a sector-led improvement peer review on drug-related deaths, to inform service delivery
- Support providers through the changing, complex health and social care system to ensure that they are equipped to deliver the volume and standards of care required
- Change our social care model and ensure that people have access to robust advice and information, to enable them to live healthy and independent lives in their community and to prevent delaying the need for formal service provision
- Develop the Personal Assistants market for direct payment users

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2023

- **Review the approach to care home commissioning, taking into account changes as a result of the COVID-19 pandemic, with the aim of ensuring a sustainable and high-quality care market**
- **Work in partnership with external providers to develop and shape the market, to ensure that the most appropriate, local and value for money placements are available which meet the needs of our children and young people who are looked after**
- Develop a sexual health strategy for County Durham, to ensure equitable access to services and focus on good contraceptive health
- Improve health protection for children and young people and reduce inequality by increasing immunisation levels (for example, flu vaccine uptake)
- Introduce a healthy schools programme and health standards into early years and schools
- Consider a range of population approaches to improve children's oral health
- Improve mental health support for children and young people through the implementation of the Mental Health, Emotional Wellbeing and Resilience Local Transformation Plan
- Support women to achieve a smoke-free pregnancy through whole system change and tackling tobacco dependency in pregnancy as an addiction, not a lifestyle choice
- Increase the percentage of women who initiate breastfeeding and continue at 6-8 weeks, through the County Durham 'Call to Action', to change the culture of breastfeeding in the county

- Increase speech, language and communication skills in the early years, to ensure that children are ready to learn at two and ready for school at five, by improving access to local speech enrichment services across each locality, according to identified need
- To support the ambition to reduce smoking in County Durham to 5% by 2025, ensure that the redesigned Stop Smoking Service is effectively reaching people in our local communities
- Encourage people to reduce the amount of alcohol they drink, through targeted campaigns for council staff and our local communities and by promoting and supporting Dry January and National Alcohol Awareness Week
- Implement an Integrated Strategic Commissioning Function for the county, to ensure more effective management of resources, joint contract monitoring and improved quality of service provision
- Deliver homes to meet the needs of older people within our communities and support people to live independently for as long as possible
- Work with partners and providers to reduce the incidence of falls and fractures in older people, through training and assistive / digital technologies
- Provide equipment to support reablement, progression and sustainable outcomes, including community equipment and provision in care homes
- Identify gaps across the county regarding communities yet to become dementia-friendly and provide support to help them achieve dementia-friendly status
- Engage with stakeholders to develop, test and deliver future provider / partner / service user portals for better information-sharing and to streamline processes
- Deliver our Children's Social Care Improvement Plan, to ensure that we provide good and outstanding social care services to children, young people and their families who need social care support
- Continue to recruit, develop and support a skilled, experienced and confident social care workforce
- Continue to promote the role and responsibility of the council as a corporate parent, ensuring that we are committed and ambitious for all of our children in care and care leavers
- Continue to implement Councils Sufficiency Strategy and plans to increase foster carer and children's homes capacity.
- Development of a contextualised safeguarding framework to reduce the risk of harm for Durham's young people

- Development of strategies to support children to remain safely at home with their families and prevent them coming into the care of the Council
  - Target our resources on those young people committing the most offences
  - Put victims, especially young victims, and restorative justice at the heart of everything we do
    - Deliver initiatives that support rough sleepers, ex-offenders and other vulnerable people into accommodation
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## Key Performance Indicators

- Children in the Early Years Foundation Stage achieving a Good Level of Development
- Percentage of our children and young people attending an Ofsted judged 'Good or Better' school
- Number of Children Looked After per 10,000 population
- Number of Children in Need per 10,000 Population
- Percentage of Children Looked After placed within 20 miles of their homes address
- 15% of mothers smoking at time of delivery (14.7%).
- Number of Families on our Stronger Families Programme attaining significant and sustained outcomes
  - Create a smoke-free environment, with over 95% of residents not smoking (national target by 2025) and with the aim that pregnant women and mothers will not smoke
  - Reduce the gap in breastfeeding at 6-8 weeks between County Durham and the national average
  - Increase the percentage of children aged 4-5 who are of a healthy weight to over 90% and those aged 10-11 to 79% by 2025
  - 10,000 more adults undertake 150 minute of at least moderate intensity physical activity per week (against 2015 baseline)
  - 15,000 less adults are inactive (undertake less than 30 minutes of physical activity per week) (against 2015 baseline)
  - Number of Children and Young People with an Education, Health and Care Plan
  - Improve healthy life expectancy and reduce the gap within County Durham and between County Durham and England
  - Improved mental health and wellbeing evidenced by improved self-reported wellbeing scores and reduced suicide rates
  - Number of admissions under the Mental Health Act

- Increase satisfaction rates with people's experience of care
- Percentage of older people who were still at home 91 days after discharge from hospital into reablement / rehabilitation services / percentage hospital discharges receiving reablement
- Increased healthy life expectancy at 65
- Deliver at least 600 homes suitable for older persons by 2035
- Increase the number of homes approved, which meet accessible and adaptable standards, by 5,613 by 2035
- Increase the average age whereby people are able to remain living independently in their own home
- Increase the percentage of people aged 65+ with aids and assistive technologies in their homes

## Priority: Our Communities

Our residents are rightly proud of their county. We want to have caring and welcoming communities, where everyone is valued and can help and support each other. We want a county which gives everyone the opportunity to realise their potential.

People want a range and choice of housing which is accessible, well-designed and meets their future needs. Our high streets and town centres retain an important place in our society, but they need to adapt to ensure that they remain vibrant, safe and attractive social hubs people want to use.

People also expect local travel to be convenient, with good quality direct links between centres of population, to employment locations such as business parks and leisure opportunities. Communities therefore need to be connected by appropriate transport and technological infrastructures.



## Achievements

- The council leads on Digital Durham, a £35 million initiative to transform broadband speeds for residents and business across the North-East – and has already provided access to fibre broadband to over 105,000 properties.
- Significant investment in increasing workforce capacity, both at a managerial and social worker level, and effective workforce planning has led to reduced caseloads, sustained low levels of staff vacancy and turnover rates, better quality and timeliness in children’s social care.
- Investment in a new IT system has transformed children’s social care performance information, and management oversight has improved compliance in most areas of performance.
- A new adult social care system has recently been implemented.
- Since 2016, the council in collaboration with a range of partner organisations, has played its part in the UK’s commitment to support some of the world’s most vulnerable refugees and has been recognised nationally as best practice for its resettlement programme.
- Roll out of programmes and training to support increased awareness of mental health issues by staff and schools.
- A local lettings agency has been established to help secure suitable housing for homeless people and people who find it difficult to access the housing market.
- Durham County Council is one of only two local authorities in the country to achieve the maximum under the

Department for Transport's incentive fund in recognition of its efficiency rating and has managed to prioritise and increase investment in its highways.

- Each year, the council invests £3.7 million on town centre regeneration, purchasing derelict buildings and land and environmental improvements.
- Over the last 10 years, our Area Action Partnerships have completed over 7,000 community projects, benefiting over 30,000 people and helping to secure over £100 million funding.

### Issues to address

- There has been increased demand for services provided by voluntary and community sector organisations, just as the sector loses a significant proportion of its revenue.
- County Durham follows the national trend in seeing large increases in demand for and complexity of children's social care
- Low house prices have resulted in a high proportion of privately rented accommodation in the county and a need for greater regulation to ensure more consistent standards.
- The national issue of high street decline, with the growth of online shopping and major retailers closing stores, has affected our town centres.
- Internet sales as a percentage of total retail sales have risen nationally, from 2.5% in December 2006 to 26.3% in October 2021, posing increasing competition to high street shops and leading to major changes in our high streets and town centres.
- The highly dispersed settlement pattern in County Durham with over 300 recognised settlements, 21 of which have a population of 5,000 or more, presents a challenge for the provision of transport and public services, particularly in rural areas.
- The county has good north-south transport links with the A1(M) and East Coast Mainline but east-west links are seen as an opportunity for development.

## Council Contribution

The council is investing heavily in our town centres. New masterplans are being developed, free public wi-fi is being rolled out and new leisure facilities are to be built. We are also undertaking actions and campaigns which focus on environmental improvements, better quality housing, road safety and water safety.

Not only are we building new high-quality accessible homes to meet needs, but we are also maintaining or improving standards across existing housing stock. During 2021, we completed more than 1,328 new homes of which 466 were affordable, as well as improving, adapting or bringing back into use 2,064 properties, 171 of which were empty. Our new selective licensing scheme gives us powers to regulate landlords and managing agents of private rented properties in areas which suffer from low housing demand and/or high levels of anti-social behaviour and/or deprivation. The scheme will cover 29,000 properties, which equates to around 42% of the private rental stock.

During the pandemic, we set up the County Durham Together Community Hub. The hub contacted more than 4,000 residents identified as Extremely Vulnerable to COVID-19, responded to almost 21,000 requests for advice or support, contacted almost 7,500 positive COVID-19 cases (Local Tracing Partnership) and supported a further 500 identified by the national Test and Trace team as needing to self-isolate. It provided wrap-around COVID-19 support to almost 10,000 residents, in collaboration with the Voluntary and Community Sector (VCS) and local statutory organisations, and emergency food parcels or a personal shopping service to more than 3,000 vulnerable residents.

The council allocated £250,000 to set up 10 food hubs with The Bread and Butter Thing, a charity which aims to make life more affordable for people on low income by redistributing surplus food. Five of the hubs are operational, with each supporting around 50 families, and work to open the remaining five hubs is underway. We also provided Fun and Food, free holiday activities with healthy snacks for children and young people through schools, leisure centres, family centres and voluntary and community sector groups.

The council has also allocated £1.4 million to provide one-off funding to Area Action Partnerships, to provide additional community-based support as communities recover from the pandemic.

## Approach

We want people in our communities to feel connected to, and supportive of, each other. We want to build on the indomitable spirit of our people and ensure that the most vulnerable in our communities are supported. Whether this be children in need of support, victims of crime, people with a disability or different communities of identity.

The council will continue to plan and train for emergency situations, operating in partnership with blue light services and other agencies to minimise the impact on communities.

We are developing plans to further integrate health, social and welfare support in a preventative way to help our local communities. This means looking more closely at individuals' and community needs and working with communities using our established 'Approach to Wellbeing' to see where we can improve people's wellbeing and reduce inequalities in our county.

We are undertaking a programme to improve social care services provided to children and young people and a range of initiatives to tackle anti-social behaviour in our communities, in partnership with the police and others.

Some communities have been blighted by poor housing management practice, so we have plans to raise housing standards in the private rented housing sector and help improve these communities. We want to provide a range of new housing to meet the needs and aspirations of our residents. The design of new development in rural areas will be sympathetic to the environment and reflect local distinctiveness. We aim to deliver more affordable housing. We expect all homes to be connected digitally and for speed and capacity to keep pace with the latest developments. This is the aim of our Digital Durham programme. These issues are particularly acute in our rural areas.

High streets have seen some decline nationally and County Durham is no exception to this. We have developed a programme to regenerate our towns and villages and improve their use, making them a more attractive proposition to visit and spend time in. This includes a range of approaches, varying from introduction of free Wi-Fi, changing the mix of retail, leisure and residential use, making our centres more attractive and tackling community safety concerns. Residents and visitors need to be able to travel around our county and get to and from our towns and villages. We have therefore developed a pipeline of infrastructure projects and transport plans to improve accessibility.

## Major Projects

- 
- |      |   |
|------|---|
| 2022 | <p><b>Develop the County Durham Together Community Hub to increase access to preventative services available in local communities</b></p> <ul style="list-style-type: none"> <li>▪ <b>Raise standards across the private rented sector through continuous engagement with landlords, extension of the Private Landlord Accreditation Scheme for responsible landlords and implementation of the Selective Licensing Scheme</b></li> </ul> |
|------|---|

- **Build community resilience to the economic and social impacts of the pandemic by developing local priority projects linked to Area Action Partnership funding streams for COVID-19 recovery, welfare reform, social isolation, holiday activities with healthy food, regeneration of towns and villages and emerging neighbourhood issues**
- The development of the care academy for children's residential services to support the recruitment and retention of staff in our children's homes.
- Implementation of work programme to support individuals and families who have experienced domestic abuse
- Investment and implementation of a new SEND Electronic Casework system to enhance service delivery and outcomes for children and young people.
- Development of a County Durham Connectivity Strategy to support delivery of the North-East Strategic Transport Plan
- Deliver the Chapter Homes Business Plan
- Undertake a series of reviews in relation to the Home to School Transport service to ensure appropriate and efficient provision
- Establish wrap around support team for Ukrainian nationals seeking refuge in County Durham

- 
- 2023
- **Deliver a programme of regeneration within town centres and wider towns and villages**  
*by encouraging new town centre business, establishing a network of town centre Wi-Fi systems, facilitating the reoccupation / re-use or clearance of vacant and vulnerable property*
  - Work with communities most affected by long-term empty properties to bring empty properties back into use wherever possible
  - Construction of new bus station in Durham City
  - Deliver the Housing Strategy
  - Develop and implement a strategy to support and sustain the Voluntary and Community Sector in County Durham, enabling resilience of our wider communities
  - Extend the wellbeing approach across the council and within commissioned services
  - Supply Seaham Garden Village development with geothermal heat from mine water treatment scheme
  - Deliver community housing schemes through the town and village centres programme
  - Develop and deliver pipeline of major transport infrastructure projects to improve connectivity across the county.

- Through the Community Action Team we will deliver in collaboration with partners a programme of area based initiatives to improve local environments and community safety
- Deliver a range of targeted interventions to improve housing and living standards
- Develop and deliver in partnership with other agencies a model to prevent and manage anti-social behaviour across the county
- Establish a multi-agency task force to deliver a local problem-solving approach within our most deprived areas and, through integrated working and community engagement, restore cultural norms and build cohesive communities
- Delivery of transport infrastructure projects to improve rural transport links across the County

- 
- 2024
- **Review and transform leisure facilities in line with the needs of our residents**
  - Manage and deliver the Housing Infrastructure Fund Newton Aycliffe Housing Growth Programme
  - Develop, submit and deliver Levelling Up 'Bids' across the County
  - Maximise opportunities for North East One Public Estate Partnership to realise estates savings and delivery of shared objectives
  - Maximise the delivery of affordable homes, both by securing developer contributions as part of new housing development and through close partnership with registered providers and Homes England

- 
- 2025
- **Review and transform library services in line with the needs of our residents**

- 
- 2026
- **Deliver the Auckland Castle, Bishop Auckland Heritage Action Zone, Future High Street Fund and Stronger Towns Fund**
  - **Deliver the Council Homes Programme**
- 

## Key Performance Indicators

- 171 empty properties brought back into use due to local authority intervention (200).
- 1,328 net homes completed .
- 466 affordable homes delivered .

- Percentage of Harbour clients feeling (a) more confident in themselves (b) their quality of life has improved, on case closure
- Percentage of children and young people completing an intervention with Harbour and reporting feeling safer
- Bring 200 empty homes back into use per year
- Increase occupancy rate of all town centres to above national levels by 2035
- Return the number of fly-tipping incidents to at least pre-COVID levels by 2035
- Maintain the percentage of land at below 12%, which falls below unacceptable levels of cleanliness in relation to detritus; in relation to litter to below 6%; in relation to dog fouling to below 1%
- Increase the percentage of households (within a 5 mile or 15 mile radius) which can access key service locations using public transport (against 2021 baseline)
- Maintain levels of satisfaction with bus operators at a minimum of 92%
- Maintain a downward trend in the amount of Highways Maintenance Backlog
- Aim to increase levels of public satisfaction with highways maintenance above the national average.
- Maintain the percentage of respondents above March 2020 levels, who agree that police and local authorities are dealing with ASB and crime issues in the local area
- Increase net delivery of new housing by 19,620 units by 2035
- Increase net delivery of affordable homes to contribute to meeting identified need of 12,540 by 2035
- Increase the % of County Durham residents who can access employment sites by public transport (against 2021 baseline)
- Achieve 100% licensing of private rented sector properties covered by the Selective Licensing Scheme by 2027
- Reduce ASB rates within the Selective Licensing Scheme areas by 10% (against the 2021 baseline)

## Priority: Our Council

There have been unprecedented reductions in public spending in recent years. Technology has also been developing at pace and residents have come to expect that our services will be provided digitally and on a 24/7 basis. This required us to rethink the way in which many of our services are delivered. There is a history of good partnership working in County Durham. In a time when resources are scarce, it is even more important that organisations work more collaboratively and that our efforts are focused on the right things. Working more seamlessly across organisational boundaries and delivering services differently, which are designed with residents, is at the heart of our ambitions. We need to equip ourselves with the skills to be able to achieve this and develop a workforce for the future. Delivering existing services in different ways and developing new services for the benefit of our residents is both challenging and exciting and something that we need to excel at in order to become recognised as an excellent council, which is well-managed and listens to its residents.



Digital Durham



## Achievements

- Durham County Council has delivered £250 million annual savings since 2011.
- Over 100 council services are available digitally and more than half of residents access our services this way.
- The council has had 1,113 apprenticeship starts since 2017. We have 292 people employed in apprenticeship posts and 213 existing staff are accessing the apprenticeship levy to increase their skills.
- The council holds the 'Maintaining Excellence' status in the Better Health at Work Award, which recognises the efforts of employers regionally in helping to address health issues of its workforce. 79 organisations are now signed up to the award programme, reaching over 40,000 employees.
- The council has 217 trained mental health first aiders and 82 Time To Change (mental health) champions.
- The council has been awarded the Disability Confident Leader status by the Department for Work and Pensions, in recognition of its commitment to be a good employer of people with a disability and support local businesses to become Disability Confident.
- Durham County Council was highly commended in two national awards by the Municipal Journal in 2021, one being for its digital transformation and one for its senior leadership team.
- We have continued to work with the County Durham Together Community Hub to proactively support residents and businesses, including 70,000 people identified as potentially vulnerable.

## Issues to address

- Continuing impact of COVID-19 on the council's budget and uncertainties surrounding the UK withdrawal from the European Union.
- Changes to the delivery model for some frontline council services during COVID and to prioritise essential services. This includes the introduction or expansion of online service delivery.
- Learning from our experiences as we transition to living with COVID, we have set up a Protecting Health Team to address health protection skills and competencies across the workforce and provide expert advice and leadership in the management of communicable diseases.
- Forecast increases of 20% in energy prices and a 1.25% increase in employer's national insurance contributions are an additional budgetary pressure.
- Uncertainty of funding beyond 2022/23 due to the Fair Funding Review, the lack of clarity around New Homes Bonus and Public Health Grant which hinders medium-term financial planning.
- Superfast broadband and the national rollout of 5G networks will enable greater digital connectivity for our residents and offer opportunities for new digital services.
- Workforce instability is increasing across the council, with local and national skills shortages increasing competition within the jobs market.
- The council has an ageing workforce. 43% of its staff are over the age of 50, which has an impact on sickness absence rates and requires effective workforce planning.
- One quarter of staff (27%) rate their mental wellbeing as five or lower (with one being the lowest and 10 the highest). During the pandemic, 24% of staff felt that their health and wellbeing was not supported.
- Society is experiencing a technological revolution where progress is accelerating and innovations can be identified and rapidly deployed, making it difficult to keep pace and ensure that the skills of our staff are up to date.
- The council together with its partners, should seek to maximise the value of every pound spent and seek to deliver social value outcomes. Social, economic and environmental outcomes should be delivered for the local community by adopting a strategic approach during its commissioning, procurement, development and planning projects.
- The council needs to recognise that the data we hold are an asset and manage them more efficiently to better understand service users, generating benefits such as predicting and managing demand, providing the services residents want and supporting better decision-making.

## Council Contribution

The council employs 7,823 people to deliver a wide range of services. However, to remain relevant and meet the needs of its residents and communities, it needs to continually adapt, investing in both technology and the skills of its workforce.

Our apprenticeship programme remains integral to both workforce development and addressing current and future skills needs. Around 3.3% of our workforce is currently enrolled in the programme, and the £7.6 million invested to date has allowed more than 1,100 employees to participate. In addition, 82 new apprentices joined our workforce in 2021.

We provide a range of contact channels and have invested heavily in new digital technology in recent years. Although almost 80% of the 1.7 million contacts received through our reported channels each year is by telephone, more customers are interacting with us digitally. This shift is particularly noticeable across service requests logged within our Customer Relationship Management system - 73% are now logged digitally compared to 62% in 2020 – and almost 235,000 residents across 157,000 unique properties now have an online account. Our new webchat service, available across more than 30 web pages, is now used by more than 600 customers each month.

Feedback continues to be important to us and we have increased the number of service request types which automatically e-mail satisfaction surveys to customers on closure – this feature is now available across 117 service request types, compared to 25 in October 2017. We are working to increase response rates, as 24 service requests receive 90% of the responses.

The pandemic impacted on our service delivery, ways of working and employees. However, throughout the pandemic, our sickness rate steadily declined, reaching its lowest level since 2010/11 at year-end 2020/21. If we adjust our sickness rate to account for days lost due to COVID-19, then our rate remains comparatively low at just over nine days per full time equivalent (FTE).

We continue to promote support mechanisms to increase emotional resilience and protect the mental health of our staff, some long-established, others developed in response to COVID-19, and have recently developed additional support in the key areas of financial awareness, fertility, bereavement and the menopause. In relation to menopause awareness, eight sessions and 160 training places were arranged and made available for employees for this year.

The council is collaborating with local partners, to deliver social value outcomes within County Durham by the strategic use of procurement its own spending power through the County Durham Pound project. The objective of this project is to maximise the

value of every pound spent in the county to help money remain in the local economy, recirculating, creating employment opportunities and stronger more sustainable communities within the County.

## Approach

The current COVID-19 national crisis has required the council to adapt working practices to continue to deliver services safely. We have had to close a number of our buildings such as leisure centres, theatres and libraries. Our ICT infrastructure is allowing many of our employees to work remotely. Many of our staff who cannot work in their substantive role have also been redeployed in priority areas. Several services have now moved online. In the immediate aftermath of lockdown, the council temporarily postponed the delivery of certain services while we ensured that the correct safeguards were in place to protect the public and our employees and ensure that our priority services were not affected. The pandemic has had a significant financial impact in terms of additional expenditure incurred and loss of income. However, there have been some unintended benefits such as reductions in carbon emissions. The council will look to build on this and use technology to reduce our impact on the environment.

The council has faced significant cuts to its funding over the last 10 years. Uncertainties with future local government funding make financial planning extremely difficult. We still await both the government's Comprehensive Spending Review and Fair Funding Review which will determine our future funding. This means that we have been unable to plan for the long-term, with most of our financial planning being limited to only one year of certainty. Key actions for us will be to assess the implications of these reviews when they are published and to amend our Medium-Term Financial Plan accordingly.

We want our workforce to be fit for any future challenges and so we need to ensure that our future plans recognise and address any risks such as skills shortages, ageing workforce, recruitment difficulties and changes in service user behaviour and demand. The health and welfare of our workforce is important, and we have a range of actions we plan to implement to support the physical and mental health and wellbeing of employees and ensure that we have an inclusive staff culture.

Expectations of our residents are changing. People expect to be able to transact business with the council on a 24/7 basis and would like self-serve online. Our services should be co-designed with service users and we plan to improve our engagement mechanisms, particularly with children and young people. Managers need access to real-time data to support good decision-making and we have a programme to develop our business intelligence capability and provide better analysis to help understand our performance and facilitate better planning and service delivery. Some of our services are delivered in partnership with other agencies and we have plans to further join up our delivery to offer a more seamless approach for the benefit of our residents.

Further detail of the programmes we plan to implement to be an excellent council are provided in our delivery plan.

## Major Projects

- 
- 2022
- **Implement a new performance management framework for Adult and Health Services, to enable more timely analysis of data, improved business intelligence and real-time presentation of data**
  - Achieve Better Health at Work Award 'Continuing Excellence' status for the council
  - Develop a strategy for employee health and wellbeing
  - Work towards the sharing of information about a person's assessments, treatment and care through the Great North Care Record, to ensure that staff, patients and service users can make informed decisions about services
  - Further develop specific engagement mechanisms with children and young people to understand the voice of the child in service provision, including development of a Youth Council
  - Plan and deliver effective communications to build trust, support and keep stakeholders informed and promote safety messages
  - Work with NHS partners to roll out Health Call in care homes, to improve the transfer of information to health professionals
  - Further develop the performance management framework for children and young people's services linked to the new case recording system, to improve managers' grip on all areas of performance
  - Develop a zero-carbon council depot at the Morrison Busty site at Annfield Plain
  - Conduct a full staff health and wellbeing survey (the Working Well Survey)
- 
- 2023
- **Review the implications of the government's Fair Funding Review**
  - **Re-procure our waste contracts**
  - **Extend the mental health workforce development programme across the council, to increase awareness and support available for staff**
  - **Develop a digital skills programme and invest in smarter working**

- **Increase self-service of performance data by developing business intelligence dashboards**
  - Review the assistive technologies offer for adult care and develop a new Assistive Technology Strategy
  - Continue to deliver the digital transformation programme at a service level
  - Maximise the use of existing technology and trial new technologies to improve efficiency
  - Expand automation and self-service to employees
  - Undertake a corporate peer challenge with the Local Government Association to help us identify strengths and areas for improvement within the council
  - Demonstrate both long-term commitment and practice around workplace health and wellbeing by achieving Ambassador Status in the Better Health at Work Award
- 

### Key Performance Indicators

- 10.1 days / shifts lost to sickness absence across all services excluding schools (11.2)
- 83% Freedom of Information and Environmental Information Regulations requests responded to within 20 working days (90%)
- Reduce the council's carbon emissions by 80% by 2030
- Collection rates
- MTFP targets achieved
- Audit opinion
- Percentage of workforce learning new skills / re-training (apprentice levy)
- Average age of employees in key employment groups
- Employee turnover
- Applicants per vacant post in key employment groups
- Percentage of transactions which are self-serve
- Survey response rates (satisfaction with service)
- Number of customers engaged (adult /children)
- Percentage of managers supported by automated BI dashboards



## Glossary of Terms

5G	Fifth generation or latest iteration of telecommunications networks which is designed to greatly increase the speed and responsiveness of wireless networks
Attainment 8 score	A measure of the average attainment of pupils in up to eight qualifications at KS4
Better Health at Work Award	An award recognising the efforts of employers in the North-East and Cumbria in addressing health issues within the workplace
Bishop Auckland Heritage Action Zone	A regeneration area in Bishop Auckland's conservation area which has been agreed by Historic England and has been created to improve the town's historic centre and bring it back to be a vibrant market town for both locals and visitors
Brexit	The withdrawal of the United Kingdom from the European Union
Channel shift	The degree to which residents are moving to dealing with the council through digital means from more traditional methods, such as face-to-face and telephone
Council Tax Hardship Fund	A reduction of £300 on your Council Tax bill awarded to people who have been significantly financially impacted by COVID-19
County Durham Together	A virtual hub developed to help support people to stay in their own home and protect them from contracting the coronavirus by putting them in touch with people who can support with access to food and essential supplies, medicines, financial help and social interaction for those experiencing loneliness and isolation
COVID-19	Coronavirus Disease 2019, the respiratory disease caused by the new strain of the coronavirus

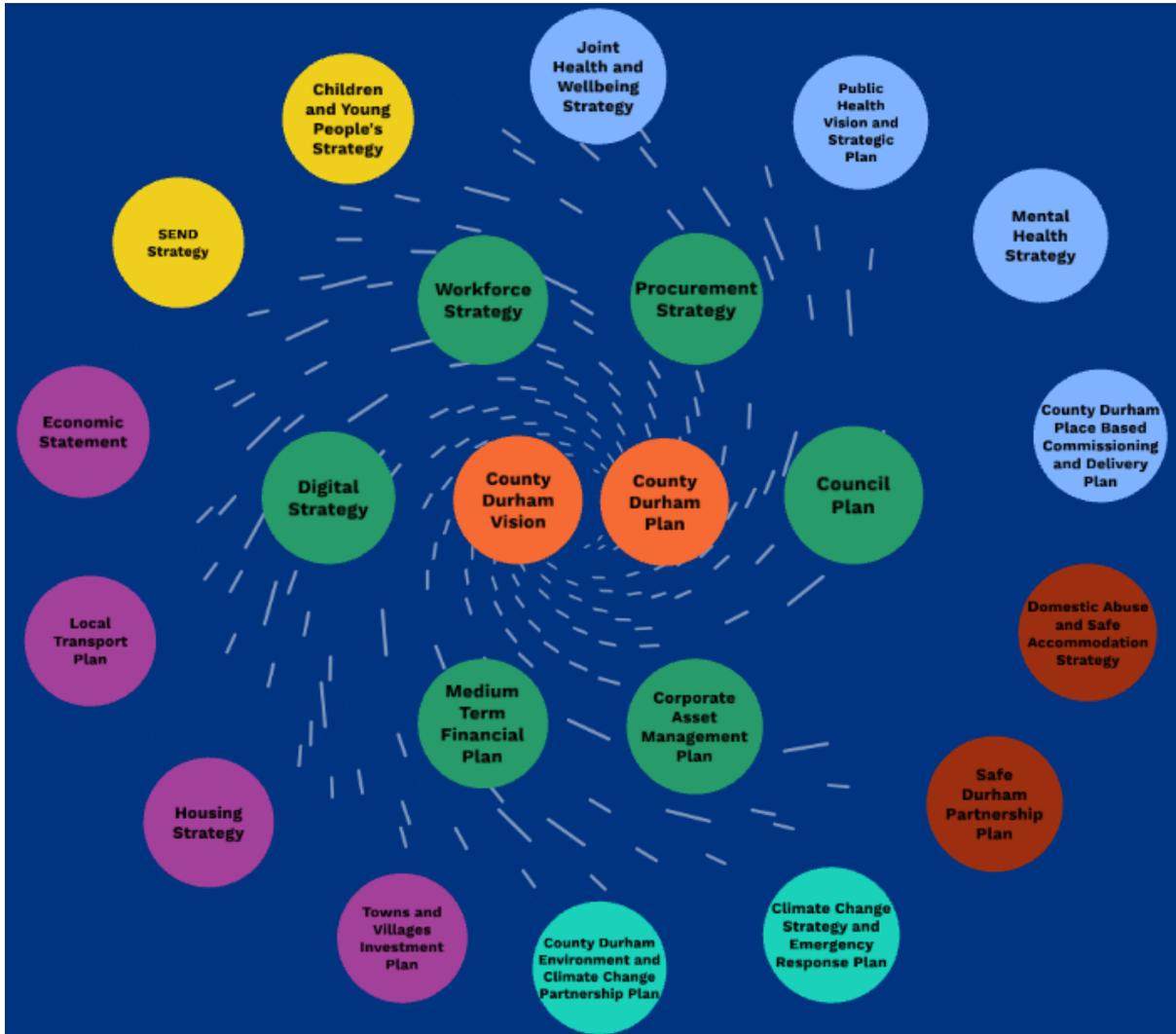
Deprivation indices	Widely used datasets used to classify the relative deprivation of an area. The latest Index of Multiple Deprivation (2019) measures relative deprivation for small areas or neighbourhoods and ranks every area from the most deprived to the least deprived in England
Disability Confident	A government scheme designed to encourage employers to recruit and retain disabled people and those with health conditions. Level 3 or highest level of the Disability Confident scheme which recognises the commitment towards disabled staff and acting as a champion for Disability Confident within local and business communities
Education and health care plan	A legal document which describes a child or young person's special educational needs, the support they need and the outcomes they would like to achieve
Furlough	Coronavirus Job Retention Scheme operated by HMRC. All UK employers were able to access support to continue paying part of their employee's salary for those employees who would otherwise be laid off during the COVID-19 crisis
GCSEs	General Certificate of Secondary Education
Great North Care Record	An initiative to allow healthcare practitioners (from emergency departments, mental health, 111 services, ambulance and out of hours services) to access information from a patient's GP record
Hate crime	A range of criminal behaviour where the perpetrator is motivated by hostility or demonstrates hostility towards the victim's disability, race, religion, sexual orientation or transgender identity
Healthy life expectancy	The proportion of life spent in good health or free from a limiting illness or disability
HMRC	Her Majesty's Revenue and Customs
Homes England	A non-departmental public body which funds new affordable housing in England

Levelling up	A government policy which aims to reduce, mainly economic, imbalances between geographical areas and social groups in the United Kingdom.
MTFP	Medium-Term Financial Plan. This is a three-year plan which sets out the council's funding outlook, spending priorities and planned efficiencies over the medium-term
Ofsted	The Office of Standards in Education, Children's Services and Skills. The organisation responsible for inspecting services providing education and skills for learners of all ages and inspection and regulation of services which care for children and young people
Ofsted rating	The rating scale Ofsted uses in its inspections of education providers, such as schools and children's social care providers (for example, the council). There are four grades: 1. Outstanding; 2. Good; 3. Requires Improvement; 4. Inadequate
R number	The reproduction number is the average number of secondary infections produced by a single infected person. An R number of 1 means that on average, every person who is infected will infect one other person, meaning that the number of infections is stable. If R is greater than 1, the epidemic is growing. If R is less than 1, the epidemic is shrinking.
Reablement	Services for people with poor physical or mental health to help them accommodate their illness by learning or re-learning the skills necessary for daily living
SARS-CoV-2	Severe acute respiratory syndrome coronavirus 2 is the strain of coronavirus which causes COVID-19, the respiratory illness responsible for the COVID-19 pandemic
SATs	Standard Assessment Test
SEND	Special Educational Needs and Disability
Signs of Safety	A strength-based and safety-focused approach to child protection casework originally developed in Australia and now adopted and used by local authorities in many other countries, including the UK

Trusted assessor model	Trusted Assessors is a national initiative designed to reduce delays when people are ready for discharge from hospital.
Welfare Assistance Scheme	Short-term support for people in crisis. There are two types: daily living expenses for up to seven days when your circumstances change unexpectedly; and settlement grants to help you stay at home or move back into housing
Wi-Fi	A wireless network allowing computers, tablets, smartphones and other devices to connect to the Internet or communicate with one another wirelessly within an area
Youth Aware of Mental Health (YAM) Initiative	A programme for helping teenagers explore how to protect their own mental health and support those around them. YAM presents promising results – groups which have completed the programme show significantly reduced levels of moderate to extreme depression, and reductions in suicide attempts and ideation

## Durham County Council Strategic Planning Framework

The following diagram sets out the key strategic plans for Durham County Council.



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**Corporate Overview and Scrutiny**

**Management Board**

**17 June 2022**

**Poverty Strategy and Action  
Plan**

**Ordinary Decision**



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**Report of Corporate Management Team**

**Paul Darby, Corporate Director of Resources**

**Councillor Alan Shield, Portfolio Holder for Equality and Inclusion**

**Electoral division(s) affected:**

Countywide

**Purpose of the Report**

- 1 To provide the Corporate Overview and Scrutiny Management Board with an update on the work to ensure there is a coherent and co-ordinated strategic approach, both within the council and across our partners to address poverty across County Durham.
- 2 To note the approval Cabinet gave to consult on a revised County Durham Poverty Action Plan which sets out a comprehensive response to the impacts of the wide-ranging poverty issues within the county.

**Executive summary**

- 3 In the annual Poverty Issues report to Cabinet on 15 December 2021, information was presented on the progress made by the council and its partners in addressing poverty issues across the county. The report described the work of the council and partners to address and help alleviate the pressures which contribute to vulnerability arising from an individual's inability to meet their personal needs.
- 4 The Cabinet report was then presented to Corporate Overview and Scrutiny Management Board; with their feedback influencing the strategy refresh approach.
- 5 There are a number of critical factors influencing financial insecurity that have been magnified in recent times: including the continued impact of the coronavirus pandemic; rising living costs caused by inflationary pressures, in particular in relation to food, fuel, energy and utility costs; and the

economic uncertainty arising from events in the Ukraine which is compounding the squeeze on household budgets.

- 6 There are lasting impacts of financial insecurity in relation to mental wellbeing and health in general; it is therefore imperative that the council and partners continue to consider key information on demand for financial and other support and ensures that low income households, particularly those in crisis, are supported as much as possible.
- 7 The council co-ordinates its efforts to tackle poverty through the Poverty Action Steering Group (PASG). This is a cross-council senior officer group, chaired by the Corporate Director of Resources and attended by the Cabinet member for Equality and Inclusion.
- 8 Partnership working is key to tackling the issues arising from poverty and during the pandemic this has been strengthened with the use of additional funding to enable those organisations to offer appropriate support when dealing with vulnerable households presenting with financial insecurity.
- 9 At the Cabinet meeting in December, it was agreed that the Poverty Strategy and Supporting Action Plan would be refreshed and brought back to Cabinet for consideration.
- 10 Work has therefore been undertaken with PASG and across services to consider the overall vision and objectives for the Strategy refresh – and the actions which will underpin delivery against the objectives set out in the Strategy.
- 11 A draft updated strategy and action plan has been developed as a result of that review process and is presented for consideration. It is proposed that further consultation is carried out to ensure that partners and other key strategies, such as the emerging Inclusive Economic Strategy are fully aligned. A further report will then be brought back to Cabinet following that consultation to update the Poverty Strategy and Supporting Action Plan in line with that feedback.

### **Recommendation(s)**

- 12 Corporate and Overview and Scrutiny Management Board is recommended to:
  - (i) note the contents of this report and the revised Poverty Strategy and Action Plan for wider consultation and engagement with partners and stakeholders; and
  - (ii) note that a further report will be brought back to Cabinet following that consultation to update the Poverty Strategy and Supporting Action Plan in line with that feedback.

## Background

- 13 The latest annual update report setting out the progress made by the council and its partners in addressing poverty issues across the county was presented to Cabinet 15 December 2021. The report described the work of the council and partners to address and help alleviate the pressures which contribute to vulnerability arising from an individual's inability to meet their personal needs.
- 14 The council co-ordinates its efforts to tackle poverty through the Poverty Action Steering Group (PASG). This is a cross-council senior officer group, chaired by the Corporate Director of Resources and attended by the Cabinet member for Equality and Inclusion.
- 15 The council has worked closely with many key partners since 2011 to help County Durham residents cope with the changes to welfare and issues relating to poverty. Initially, the focus was on co-ordinating and providing help and assistance to those in crisis. In recognition of the wider impact of the changes on the county, the scope of the PASG was broadened in 2015 to take a more comprehensive overview of the wider poverty issues, and the council's first Poverty Action Plan was approved by Cabinet in October 2015.
- 16 Many of the drivers of poverty, such as the strength of the economy, employment, wage rates, national welfare provision and inflation, are beyond the council's direct control. Therefore, the Council developed a strategy and plan focused on improving services and opportunity for those residents in County Durham who are experiencing poverty.
- 17 The Council's ambition has always been to do more than passively support residents to claim benefits and pay their rent or to help those in crisis. The vision for 2020-21 was to *"to improve the standard of living and daily lives of those residents in County Durham who are currently experiencing immediate financial hardship due to the COVID-19 pandemic and associate economic shocks; and to help alleviate long term issues that can lead households on low incomes to experience financial pressures and poverty"*.
- 18 The Poverty Issues report presented to Cabinet in December 2021 set out in detail the range of factors influencing financial hardship across the county's households; particularly those brought about by the coronavirus pandemic. Government funding and the Council's financial support mechanisms have been utilised to mitigate some of those impacts which have been further compounded by rising costs of living, significant energy cost increases, removal of the £20 per week Universal Credit and emerging pressures on the economy from recent events in the Ukraine.
- 19 The increased pressures seen on our most vulnerable households has resulted in increased demand for support through the Welfare Assistance Scheme, which has seen unprecedented demand and call volumes

regularly exceeding 500 per week and awards for Daily Living Expenses costing an average of £43,643 per month during the last quarter compared to £37,156 during the same period in 2020/21 – a 17.5% increase. Demand for Discretionary Housing Payments also continues to be high.

- 20 The Government's Household Support Fund has provided Durham with £4.6m to enable support to be provided to vulnerable households during the winter period. This has enabled the Council to put a number of schemes in place to provide food, fuel vouchers and other support for essential household items so that those households could access food, clothing and support to stay warm. This funding has supported a range of households identified as vulnerable such as families with children on free school meals, young carers, kinship carers, households identified as vulnerable by Social Work professionals and Health Visitors. Delivery of the support has been through both internal services and our partners.
- 21 In order to ensure that the right support was provided, the Government's funding has been supplemented by an additional £240,000 from the Welfare Assistance Reserve.
- 22 The council has continued to support the networks of foodbanks within the county with support through the Household Support Fund for those in fuel poverty, with foodbanks distributing food and fuel on the council's behalf.
- 23 The foodbanks have identified rising demand where households have insufficient income caused by cost of living rises, especially energy. They are reporting that more people over 50, including pensioners, are no longer managing and have been identified as a significant cohort within this group.

### **Cost of Living pressures**

- 24 The UK is experiencing cost of living pressures which are severely impacting some households. These pressures are resulting in households across the county struggling to meet their basic household costs and will lead to residents being in financial difficulty for the first time. Those low-income households which spend a larger than average proportion of their income on energy, fuel and food will be more affected by price increases whilst also experiencing the 1.25% increase in National Insurance Contributions from April 2022.
- 25 In February 2022, inflation reached its highest recorded level since 1992<sup>1</sup>, affecting the affordability of goods and services for households. Consumer prices, as measured by the Consumer Prices Index (CPI), were 6.2% higher in February 2022 than a year before. The OBR forecasts inflation to

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[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1062477/Spring\\_Statement\\_2022\\_Print.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1062477/Spring_Statement_2022_Print.pdf)

remain elevated through 2022 and 2023, peaking at 8.7% in Q4 2022. On an annual basis, inflation is forecast to be 7.4% in 2022.

- 26 The cost of household staples is also rising, with pasta prices up 15%, cooking oil up 16% and margarine soaring 37% in the year to January, squeezing household budgets. A particularly important driver of inflation is energy prices, with household energy tariffs increasing and fuel costs going up.
- 27 In the year to January 2022, domestic gas prices increased by 28% and domestic electricity prices by 19%, due in part to the global gas demand as pandemic restrictions were lifted and with lower than normal production of natural gas. On 3 February, the regulator Ofgem announced<sup>2</sup> that the domestic energy price cap would increase from its current equivalent annual level of £1,277 per year to £1,971 in April; a 54% increase. The price rise for prepayment meter customers, who can include some of the poorest and most vulnerable in society, is slightly higher. The increase for prepayment meter customers is typically £708 a year.
- 28 In the government's Spring Statement delivered on 23 March 2022, the Chancellor announced measures to help address rising living costs including: an additional £500 million of Household Support Fund money; a temporary 5p cut to fuel duty; a raise in the threshold at which people start paying National Insurance to £12,570; and a pledge to cut the basic rate of income tax from 20p to 19p before the next general election.
- 29 Despite these announcements, household budgets will still be squeezed in the coming months as the OBR forecasts wages will fall in real terms (after inflation) this year and next, which will affect household incomes.

### **Poverty Action Strategy and Plan 2020-2021**

- 30 As the COVID-19 pandemic evolved and residents and communities were 'locked down', we started to see a shift in reported issues, particularly in relation to household finance.
- 31 The Poverty Action Strategy and Plan was updated to reflect this in November 2020. Existing actions were brought forward to address the impacts of the pandemic and some new short-to-medium term initiatives and investments were added.
- 32 Emerging actions required to help our residents' financial circumstances during the pandemic were captured under the following strategic aims and four workstreams were taken forward with key partners and stakeholders to help achieve these aims:

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<sup>2</sup> <https://www.ofgem.gov.uk/publications/price-cap-increase-ps693-april>

- (a) to improve our understanding of immediate financial hardship and both short and long term poverty, and the impacts on County Durham's residents:
  - (i) short term – restarting/resetting society – June to December 2020;
  - (ii) medium term – living with COVID-19 – 2021;
  - (iii) longer term – recovering – 2022;
- (b) to foster employability, personal wellbeing and sense of worth for residents experiencing immediate hardship and/or poverty;
- (c) residents receive the best support and advice available concerning their financial situation; and
- (d) children and families have access to specific resources in response to the measures in place to combat COVID-19.

### **Poverty Action Strategy and Plan Review**

- 33 Whilst the council has supported its most vulnerable residents over recent years and has intensified support during the COVID-19 pandemic, there is much still to do to promote social inclusion and support financially vulnerable residents and their families, particularly given the current household costs pressures on residents.
- 34 The PASG has reviewed the current strategy and action plan. This included consulting with services across the council and informally with key partners to ensure the Council was making best use of our collective resources, learn from what has worked well and identify any gaps, and use of available data and local intelligence to ensure the support is targeted to where it is needed most.
- 35 A PASG workshop was held in January 2022 to look back on what had been delivered and achieved so far and to identify areas where new/ revised practical interventions are required to help mitigate or prevent the impacts of poverty and help shape the revised strategy and action plan.
- 36 Attendees recognised the importance of working with our partners and attendees also highlighted the positive impacts of using intelligence more effectively and combining data to better target support and intervene before people get into crisis. Attendees also noted the need to better join up the Poverty Action Strategy and Plan with other council service delivery plans and the delivery plans of key partners.
- 37 Through group discussions it was apparent that whilst specific actions are still needed to continue to address the impacts of the COVID-19 pandemic in the new action plan, the overarching vision needs to better address the wider issues of inequalities i.e. to reflect the longer term impacts of all

forms of poverty which many residents experienced even before the pandemic and will continue to experience once we 'live and work with Coronavirus' going forward.

- 38 It was also apparent that some actions have been adopted as permanent ways of working i.e. 'business as usual' as they complement and help collectively to address the underlying issues around the county, but there are still gaps in current service provision, where projects and initiatives need to be identified to help achieve new priorities.
- 39 It is recognised that the Inclusive Economic Strategy is fundamental to opening up the routes out of poverty and will be key to ensuring communities are supported to thrive. Maximising money going into our local communities, job creation and supporting businesses to start up and grow are key determinants in terms of tackling systemic and generational poverty issues.
- 40 Work has also been undertaken with Public Health in order to ensure that health needs are better and more closely aligned to the Poverty Strategy.
- 41 Additional engagement exercises with individual council teams and key partners were also delivered to inform the refresh of the Poverty Action Strategy and Plan.
- 42 It should be noted that the Child Poverty Working Group is also refreshing their action plan; with the work being aligned across the two key strategic groups.

### **Revised Poverty Action Strategy and Plan**

- 43 The strategy aims to provide focus, strategic direction and priorities for improving services and opportunities for residents in County Durham who are experiencing poverty and will cover a four-year period up to 2026.
- 44 The aim is to do more than support residents to claim benefits and pay their rent or deal with those in crisis, though these remain important components. The PASG are seeking to improve the evidence and analysis and to make it everyone's business to support residents and mitigate the impacts of all forms of poverty. The Council should aspire to developing a compassionate coherent culture that seeks to maximise the value of our collective resources and appreciates the obstacles that internal and external silos create to supporting our financially vulnerable residents.
- 45 To help develop a new Economic Strategy for the county, an economic review of the county has been undertaken and an Economic Statement developed. This was considered and approved by Cabinet in December 2021. This statement provides an overview of our economic performance, suggests the areas of the economy that we need to collectively support, and firmly positions the county in regional and national conversations relating to economic growth and levelling up. Consultation to help frame

the development of the Economic Strategy by Summer 2022 is currently underway.

- 46 The review of the Poverty Action Strategy and Plan undertaken by the PASG has considered the council's Economic Statement, wider policy implications and rising living costs and considered how we can increase access to fresh, healthy, affordable food, support residents struggling with increases in their cost-of-living expenses and loss of income, and how we can help residents improve their overall financial circumstances.
- 47 The Vision for County Durham 2035 was written together with partner organisations and the public and sets out what we would like the county to look like in 15 years' time. It was approved by Council and launched by the County Durham Partnership in 2019.
- 48 The Vision for County Durham is structured around three ambitions, namely:
- (i) More and better jobs
  - (ii) People live long and independent lives
  - (iii) Communities are well connected and supportive of each other
- 49 Each of the three ambitions contains a number of objectives; the following objective which supports 'more and better jobs' has been adopted as the vision of the Poverty Action Steering Group, with the wording "to work together" added in:
- To work together so fewer people will be affected by poverty and deprivation in the county***
- 50 To achieve the best possible outcomes for residents experiencing poverty, it is proposed that the revised strategic objectives will be:
- Objective 1: Use intelligence and data to target support to low-income households
- Objective 2: Reduce the financial pressures on people facing or in poverty
- Objective 3: Increase individual, household and community resilience to poverty
- Objective 4: Reduce barriers to accessing services for those experiencing financial insecurity
- 51 The strategy is underpinned by a revised action plan which focuses on new actions and commitments which will enable the council to deliver the key priorities that have identified as being most important for reducing poverty levels in County Durham and achieving our vision.

52 Although a major focus of the last 24 months has been effectively supporting vulnerable households impacted by COVID-19 restrictions, moving forward the focus will be on a strong strategic approach to supporting residents dealing with household costs pressures with co-ordinated advice and guidance, and partners playing a key role in delivery. It will involve helping residents move away from accessing food/financial support through crisis intervention support such as foodbanks, energy banks and welfare assistance etc. by working with key providers such as the credit unions to improve access to low-cost loans and supporting work to address fuel poverty and digital exclusion etc.

### Next steps

53 The revised strategy and action plan is attached at Appendix 2. These new and updated actions complement existing projects, initiatives and services and will be delivered alongside to further enhance and improve outcomes for our residents.

54 Through consultation and engagement, all partners will be encouraged to comment and contribute to the ongoing development and delivery of the revised Poverty Action Strategy and Plan, as this will be fundamental to its successful delivery and achieving better outcomes for the residents of County Durham. The suggested consultation timetable is detailed below.

Date	Consultees
April – June	AAPs
April	Advice in County Durham Partnership
April	Housing Provider Forum
April - May	County Durham Partnership
May – June	Economic Partnership
May – June	Health & Wellbeing Partnership
May - June	Children’s Partnership

55 The council’s PASG will continue to provide leadership and direction in delivering against the action plan and co-ordinating and joining up the response internally within the Council. Existing workstreams will continue to work with services and partners to deliver some of the immediate actions where necessary, although it is expected a lot of the activity can be delivered through existing resources and organisations. Working with partners from across the public, private and third sector will continue to underpin our approach.

- 56 The existing relevant services, projects and initiatives from the previous action plan which have been adopted as 'business as usual' will continue to be monitored and reported via the appropriate service reporting channels and also regular updates will be given to the PASG.
- 57 Annual updates for the Poverty Strategy and Action Plan will be provided for Cabinet, the County Durham Partnership, The Advice in County Durham Partnership, AAPs and other partners.
- 58 The strategy and action plan will be formally reviewed on an annual basis.

## **Conclusion**

- 59 The council has consistently recognised that it cannot reduce poverty on its own as this requires a system wide response: collaboration and a focus on delivering common outcomes is the key to success.
- 60 Although a major focus of the last 24 months has been to support vulnerable households impacted by COVID-19 restrictions, the Council and its partners have continued to address the underlying issues experienced by low-income households and the impacts starting to be seen due to the current rise in basic household living costs.
- 61 During the pandemic our efforts to address and alleviate poverty increased significantly but there is still much to do. By maintaining our partnership-based approach to delivering the Poverty Action Strategy and Action Plan, we are making it everyone's business to respond to poverty and ensure financial inclusion.

## **Background papers**

- None

## **Other useful documents**

- [Cabinet report, Poverty Issues, December 2021](#)
- [Cabinet report, Poverty Issues, November 2020](#)
- [Cabinet report, COVID-19 planning and response, 5 June 2020](#)
- [Poverty Dashboard – Durham Insight](#)

## **Author(s)**

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## **Appendix 1: Implications**

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### **Legal Implications**

There are no direct legal implications arising out of this report.

### **Finance**

The council supports welfare provision and poverty alleviation through key service budgets across the council, such as the Welfare Assistance Fund and Discretionary Housing Payments (DHP) policy which are administered by the council's Transactional Services Teams. The council also offers discretionary Council Tax relief to individuals and households in financial hardship and has protected residents from government reductions in Council Tax Benefit through the approach it has taken to local Council Tax Support.

The longer-term financial implications for the council are at this stage difficult to quantify and are dependent on the speed of economic recovery.

### **Consultation**

The draft Poverty Strategy and Action Plan will be informed by feedback and engagement through consultation with council services and partners during the coming months.

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

The council's Welfare Assistance Scheme, Discretionary Housing Payments policy, and Local Council Tax Reduction Scheme, have been subject to equality impact assessments where appropriate.

### **Climate Change**

Not applicable.

### **Human Rights**

Not applicable.

### **Crime and Disorder**

Not applicable.

### **Staffing**

There are no staffing implications.

### **Accommodation**

Not applicable.

**Risk**

The work of the Poverty Action Steering Group and the Poverty Strategy and Action Plan are subject to risk assessment and inform the cross council and partner input.

**Procurement**

Not applicable

### What is poverty

‘Poverty affects millions of people in the UK. Poverty means not being able to heat your home, pay your rent, or buy the essentials for your children. It means waking up every day facing insecurity, uncertainty, and impossible decisions about money. It means facing marginalisation – and even discrimination – because of your financial circumstances. The constant stress it causes can lead to problems that deprive people of the chance to play a full part in society.’ *Joseph Rowntree Foundation*

Therefore, poverty is multi-faceted. It comes in many shapes and forms and varies both in terms of its duration and severity. Some people experience being trapped in poverty over several years, others experience poverty for a short while, for example when between jobs. For some people, being in poverty means having limited options across a range of household goods but is survivable. For others, poverty means not being able to afford the basics needed to live, e.g., housing, food, clothing, energy, and effectively being destitute. A key indicator of destitution is the extent of reliance on emergency food provision.

The severity of poverty is often linked to duration. The longer someone experiences financial problems, the more their financial buffers are eroded and the greater the risk that their decisions will push them further into poverty. Living in poverty over time can impact on mental health and wellbeing, leading to the use of unhealthy coping mechanisms and family breakdown. This can result in an intergenerational cycle of worklessness.

Poverty sits at the heart of many of the social and economic challenges we face, and relates not only to income but to opportunity, participation, and access to services. Its impact can last a lifetime by limiting aspiration, damaging relationships, and eroding life chances. The council is fully committed to tackling all aspects of poverty and has adopted the following objective from the County Durham Vision (2019 – 2035) as its vision

‘Fewer people will be affected by poverty and deprivation in the county’

### National, Regional and Local Context

County Durham is ranked the 26<sup>th</sup> most deprived area in England for employment and the 42<sup>nd</sup> most deprived for income (of 151 upper tier local authorities, 2019).

An estimated 21% percent of households across the county live in relative poverty<sup>1</sup> before housing costs. This compares to an England average of 17% - the gap in relative poverty between County Durham and England has widened in recent years, and a quarter of households living in relative poverty have at least one working adult.

An estimated 28.8% of people (all ages) live in a household classed as 'workless', compared to 27.3% across England. People with a disability are much less likely to be employed (47.2%) than those without a disability (81.6%)

For those in employment, wages across the county are comparatively low with full-time annual pay around 10% lower than the England average. In addition, an estimated 21% of jobs across the county pay less than the £9.50 hourly rate set by the living wage foundation (although the proportion has fallen in recent years, it remains higher than the 17% average across England), and an estimated 2.5% of employees (around 5,800 people) are employed on zero-hour contracts.

In addition, the gap in earnings with the rest of England has narrowed as average wages have increased by more across County Durham than the Northeast and England.

	Average Wages (Includes full and part time)		
	2020	2021	Change
County Durham	£23,877	£24,252	£375 (1.6%)
Northeast	£23,559	£23,414	-£145 (-0.6%)
England	£26,055	£26,192	£137 (0.5%)
Gap with England	-£2,178	-£1,940	Narrowing

Relatively low wages across the county have led to comparatively lower levels of gross disposable household income (GDHI), which the latest data shows is also increasing at a slower rate than the rest of the country so the gap both regionally and with the rest of England is widening. The data also shows the Northeast has the lowest GDHI per head in the United Kingdom.

<sup>1</sup> Living in households with less than 60% of median household income

	Gross disposable household income per head		
	2019	Change since 2018	County Durham Gap
County Durham	£16,617	+1.9%	
Northeast	£17,096	+2.2%	£479 (3%)
England	£21,978	+2.5%	£5,361 (32%)

Therefore, even before COVID-19, lower-income households across the county were experiencing financial pressures.

The onset of COVID-19 made many people's financial situations worse. Although the government reacted to mitigate the worst of the economic shock and keep families afloat, the loss of income from being furloughed, rising costs of living and additional expenditure incurred during lockdown hit households with the least disposable income hard. School closures and the staying at home directive led to additional costs for basic household essentials (meals, heating, equipping children for online learning) especially as their normal coping strategies were no longer available to them, e.g., eating at friends and families, accessing the internet in their local library, buying essentials from charity shops.

At the start of the pandemic (March 2020), 10% of the county's population aged 16-64 were claiming Universal Credit. This peaked at 15.9% in March 2021 and is currently 15.5% (September 2021) which equates to 51,270 individuals across 44,495 households.

Research has shown that many of the low-paid workers who lost their jobs or were furloughed had few, if any, savings to fall back on.

An additional 3,200 children and young people (aged 0 to 19) became eligible for free school meals – pushing the total to 20,410, more than one in four, although 24 percent are not being claimed.

Research<sup>2</sup> into the experiences of families with children claiming Universal Credit or Child Tax Credit during the pandemic shows that 70 percent cut back on essentials (including food), 60 percent borrowed money (mainly through credit cards and payday loans) and more than 50 percent fell behind on rent or other essential bills.

As we transition from the pandemic, the household budgets of many of our residents remain tight. As of January 2021, the cost of living was at a 40 year high, prices had increased by almost 6% over a 12-month period, inflation is rising faster than wages and expected to climb above 8% within the year, and private rents are 7% higher than pre-COVID levels. In addition, more financial pressures are emerging with energy bills expected to increase by 50% following the removal of the energy price cap, and a 1.5% rise in National Insurance contributions in April 2022.

Almost 16% of households across the county are currently experiencing fuel poverty. And we expect that this will increase, with people in rural areas and/or already struggling being disproportionately affected. As fuel prices increase, the cost of transport will increase and accessibility of the poorest people to essential services is likely to decrease, again exacerbated in rural areas.

### Foreword

Welcome to the Poverty Action Plan for 2022-26. This document not only describes the extent to which poverty impacts the prosperity of the county and its residents, it also outlines what we will do to protect those most at risk of poverty and exclusion, increase equality of opportunity and ultimately ensure fewer people are affected by poverty and deprivation.

Some of the actions outlined in this plan can be delivered quickly and have an immediate benefit. However, most are long-term and will take time to manifest into a changed and improved situation. We know that tackling poverty takes time.

Poverty is a major issue across County Durham. High levels of deprivation, insecure employment, and comparatively low wages has led to many households with little disposable income. In addition, a significant proportion of our older people have fixed incomes, including those who have not worked for a long time and who are now beginning to hit retirement age. With few savings and unable to access any financial support from family or friends, many people are finding themselves in precarious financial situations. Unexpected expenses, unemployment or a change in family circumstances are often catalysts for driving people into a cycle of problem debt and ultimately poverty – or even destitution.

The pandemic made the situation worse, hitting lower-income households and those with little disposable income hard. However, as we begin the recovery phase and transition to 'living with COVID-19', we need to consider not only the immediate financial impact of the pandemic, but the longer-term poverty impacts such as education outcomes and opportunities for young people. We need to mitigate where we can. As we transition from the pandemic, the household budgets of many of our residents remain tight with the cost of living at a 40 year high and continuing to increase.

This plan does not sit in isolation but is aligned to other council and partnership plans and strategies that have some involvement in tackling poverty. The plan is underpinned by the County Durham Approach to Wellbeing principles, with people and place at the heart of its development. Only by working together can we ultimately break the cycle of poverty



**Paul Darby**  
**Corporate Director of Resources and**  
**Chair of the Poverty Action Steering Group**



**Cllr Alan Shield**  
**Cabinet Portfolio Holder for Equality and Inclusion**

**Objective 1: Use intelligence and data to target support to low-income households**

It is important that we utilise both the council's and partners' data and intelligence to identify vulnerable low-income households and to monitor the effectiveness of our initiatives and programmes.

To escape poverty, people ultimately need access to an income which is both secure and sufficient to afford a minimum acceptable standard of living. However, for many people, achieving this is a struggle.

Too many jobs do not provide decent pay, prospects or security. Many people struggle to gain employment or move onto better things, hindered by their background, a lack of marketable skills, low self-esteem, poor job search/interview skills, childcare needs, lack of reliable transport etc. In addition, some people don't access their full benefit entitlement (both in work and out of work benefits) because they are unaware of their entitlement, particularly if their circumstances change, because they find the process difficult due to their poor literacy and numeracy skills or difficulties interacting with the system, or because they feel ashamed.

Broadly speaking, some groups of people are impacted more than others. Children bring additional costs not fully covered by the benefit system and often reduce the capacity of adults to earn from employment – particularly for single parents and families with a disabled child. Older people and those from a Black, Asian or Minority Ethnic (BAME) are the least likely to ask for help due to social stigma. Single people under the age of 25, those with a limiting health condition or disability, and those with complex support needs associated with homelessness, drug and/or alcohol problems, domestic abuse or involvement in the criminal justice system are more likely to be disproportionately affected by poverty and most likely to end up destitute. However, families living in destitution (especially single mothers) are becoming more common.

In addition, people face financial challenges at transition points such as leaving home or care, moving into a new home, experiencing bereavement or relationship breakdown. Those without access to wider family support are particularly vulnerable and can be a trigger for significant financial difficulties. Many victims of domestic abuse have experienced having money withheld from them as a key method of controlling and mistreating them. Research has shown that victims of domestic abuse often must choose between being plunged into homelessness and poverty or staying with their abuser. In addition, people who become unexpectedly unemployed can quickly find that what was affordable becomes unaffordable.

# POVERTY ACTION PLAN

## 2022 - 2026

Our vision: to work together so fewer people will be affected by poverty and deprivation in the county

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Action	Timescale
Work with external partners such as the Department for Work and Pensions (DWP) to understand and address the challenges of low-income households and low average salary	December 2022
Work with the Department of Work and Pensions (DWP) to identify and engage with people who are entitled to benefits but are not claiming.	December 2022
Deliver employability programmes that assist residents to access and sustain job opportunities (Council Plan Action). Programme includes: <i>Durham Advance extended to Dec 2023</i> <i>L!NKCD extended to Dec 2023]</i> <i>CLLD projects extended to Dec 2022</i> <i>Refugee Resettlement Programme extended to March 2024</i> <i>FLEX programme introduced to Dec 2023</i>	December 2022 Annual programme
Develop an approach for using confidential datasets, ensuring the data can be shared, joined-up and used without compromising data protection legislation	March 2023
Understand the levels of reported financial abuse within specialist domestic abuse services and partners	March 2023
Carry out workshops to give staff the skills and confidence to identify customers who are potentially vulnerable (through bereavement, mental health ill-health, relationship breakdown) and signpost them to available support	March 2023 Annual programme
Provide training to local Voluntary and Community Sector (VCS) organisations to enable them to identify residents in need of financial support and provide appropriate advice and support to maximise their benefit entitlement.	March 2023 Annual programme
Carry out a programme of targeted campaigns to increase the number of people undergoing benefit checks For example, as part of the holiday hunger campaign, over-75s, Care Connect users, women and pensions	March 2023 Annual programme
Deliver 'Benefit Awareness Training' to service teams	March 2023 Annual programme
Complete a review of advice services across County Durham focusing on location, accessibility, and quality of service	April 2023

# POVERTY ACTION PLAN

## 2022 - 2026

**Our vision: to work together so fewer people will be affected by poverty and deprivation in the county**

Action	Timescale
Widen the 'First Point of Contact' offer to include more detailed support conversations to help those in financial difficulty.	April 2023
Maximise the use of the County Durham Pound and explore further possibilities of social value	April 2023
Work with partners to identify locations that can act as community hubs for residents to obtain financial advice/information, and help to improve their digital skills	April 2024
Work with partners to strengthen the process for identifying people who are vulnerable, a) financially, b) in relation to health and well-being	March 2025 various milestones
Develop a joined-up Business Intelligence approach to managing poverty data	March 2025 various milestones

### Objective 2: Reduce the financial pressures on people facing or in poverty

People living in poverty can expect to pay more for almost everything they buy. Not only do they lack the financial resources to take advantage of special offers and buy in bulk, but they are also mostly locked out of the best bank accounts, borrowing rates and energy tariffs which would reduce their regular outgoings. This 'poverty premium' is exacerbated in rural areas where the cost of food and fuel can be higher, houses can be more difficult to insulate and therefore more expensive to heat, and where poor public transport links puts increased emphasis on having a private car.

In addition, Britain's worsening cost-of-living crisis is hitting low-income families hard, putting household budgets under more pressure than ever. The cost of living is at a 40 year high, prices having increased by almost 6% over the last 12-month period, inflation is rising faster than wages and expected to climb above 8% within the year, and private rents 7% higher than pre-COVID levels (2020). In addition, more financial pressures are on the horizon with rising household bills including an expected increase in water bills and an estimated 50% increase in energy bills following the removal of the energy price cap. In addition, the 1.5% rise in National Insurance contributions (both expected in April 2022), and further fuel and energy increases due to the economic sanctions imposed on Russia, means we expect more people to be pushed into poverty over the coming months.

Those with the least disposal income are being hit the hardest by this cost-of-living crisis and we expect demand for poverty-related council services and those of the Voluntary and Community Sector, e.g., food provision, to increase in the coming months. And it is likely that more people on lower incomes will resort to payday loans and other high-risk financial support to pay for essentials, increasing those coping with the continuous cycle of problem debt.

Action	Timescale
Fully implement the Advice in County Durham referral portal to direct people to the right support	May 2022
Understand the housing market to help people who are struggling with their housing costs to stay at home	June 2022
Explore how best to promote Healthy Start Vouchers to most vulnerable parents	June 2022
Deliver a range of initiatives to alleviate food inequality (The 'Bread and Butter' Thing is one strand)	July 2022
Expand the programme which effectively distributes surplus foodstuffs to families in need (Bread and Butter Thing)	July 2022
Develop and implement a joint action plan for the housing poverty group and provide updates to the poverty action steering group	July 2022
Ensure the mechanisms in place to support those in crisis remain effective, including the council's Welfare Assistance Scheme; reviewing recent scheme enhancements, for example for those fleeing domestic abuse	July 2022
Continue to provide effective support mechanisms for more vulnerable households, through the Local Council Tax Reduction Scheme, Discretionary Housing Payments and Partnership support arrangements.	July 2022
Provide wrap-around support as part of 'Bread and Butter Thing' provision	August 2022
Improve the service offer provided by Housing Solutions to assist households struggling with their housing costs.	August 2022
Improve access to, and encourage more people to use, credit unions to obtain low-cost credit	August 2022

# POVERTY ACTION PLAN

## 2022 - 2026

Our vision: to work together so fewer people will be affected by poverty and deprivation in the county

Action	Timescale
Deliver 'Cutting the Cost of the School Day' programme to an additional 75 schools/colleges across the county, focusing on communities top 30%	September 2022
Develop and implement 'Cutting Cost of the Pre-school Day' to 50 nurseries and pre-school settings	September 2022
Explore a model to further extend 'Cutting the Cost of the School Day' to include audit of impact	September 2022
Undertake a review of the Healthy Start Programme offer for County Durham and provide recommendations to improve uptake and reduce inequalities	March 2023 Interim report – October 2022
Ensure linkages between the County Durham pound to the developing economic strategy	October 2022
Expand the use of the benefit calculator to other services across the council	December 2022
Review the benevolent fund	December 2022
Raise awareness of illegal doorstep lending through targeted campaigns	March 2023 Annual programme
Identify and improve current debt provision across the county (Supports a national review through money advice and debt service)	March 2023
Deliver a range of initiatives to alleviate fuel poverty (Council Plan Action)	March 2023 Annual programme
Raise awareness of financial abuse as a form of domestic abuse and ensure effective access to support for victims/survivors within communities	March 2023
Work with local communities to co-produce an approach to well-being	March 2025

### Objective 3: Increase individual, household and community resilience to poverty

Resilience against poverty is built on many interlinking factors: a person's psychological wellbeing, their household stability, support available from family and friends, access to the labour market, skills at managing their finances, and access to financial products and assets which act as a buffer against problems.

The labour market across County Durham is dominated by the public sector which is traditionally lower paid than the private sector and has been subjected to a pay squeeze in recent years. Other major employers tend to be from the lower paid sectors such as construction labouring jobs and lower value manufacturing jobs (assembly and fabrication). This has exacerbated the wages difference between our county and other areas across the country which have a better balance between public and private employment. This narrow business base can be barrier to people increasing their employability and access to better pay.

Action	Timescale
Deliver three training programmes about financial literacy and budgeting to frontline practitioners working with children, young people and families	April 2022
Train staff across Children Social Care and One Point Service to use the Advice In County Durham portal	May 2022
Increase understanding of the role tobacco dependency plays in child and family poverty: ensure staff across children and young people services are trained and work together to identify parents who smoke and motivate them to quit at every contact using financial savings as a key tool for motivation.	May 2022
Develop 'My Future is Durham' initiative into a wider programme for schools and colleges.	April 2022
<b>Community book – Project within the County Durham Together programme</b> Consult, scope, and develop recommendations for the development of an accessible digital repository of services, enabling people to access the appropriate services, support, activities and other community assets at the right place and right time.	July 2022
Develop a proposal to increase support for young school leavers at risk of not making a successful transition	September 2022

# POVERTY ACTION PLAN

## 2022 - 2026

**Our vision: to work together so fewer people will be affected by poverty and deprivation in the county**

Action	Timescale
Explore the feasibility of delivering Mental Health Awareness Training at scale to staff and volunteers who work with people experiencing poverty to help address the known impacts of poverty on mental health.	September 2022
Join up the Financial Ability project (formerly Durham Savers initiative) with 'money matters and advice' provision programme: Develop a toolkit for local organisations to signposting information. Embed into Learning and Development portal and create further support materials Engage with existing networks, develop new partnerships and re-engage previous partners Re-engage with DWP Work Coaches and front-line staff following lifting of COVID restrictions	September 2022
Join up the work being done on green spaces with food poverty / food resilience.	October 2022
Review the Devolution deal once clarity is received and assess how it impacts the local area, e.g., skills appropriate to local economy	March 2023
Fully understand the findings from the 'left behind communities <sup>3</sup> ' research and identify actions to address some of the issues highlighted.	March 2023
Provide financial support initiatives to people who are homeless, leaving care or veterans	March 2023
Deliver initiatives that support rough sleepers, ex-offenders and other vulnerable people into accommodation (Council Plan Action)	March 2023
Continue to identify and develop the services and support available to young people leaving care through their local offer which support independence and enhance their life chances	March 2023

<sup>3</sup> The UK government is committed to levelling up across the whole of the United Kingdom to ensure that no community is left behind, and is making changes to support local economic growth, in order to regenerate town centres and high streets, support individuals into employment, improve local transport links and invest in local culture, while giving communities a stronger voice to take over cherished local assets that might otherwise be lost.

Action	Timescale
Explore the feasibility of delivering Tobacco Awareness Training at scale to staff and volunteers who work with people experiencing poverty. Stopping smoking can increase family income, reduce the impact of absenteeism from the workplace and helps to reduce long term health conditions which can lead to the inability to engage in employment.	March 2023
Explore the feasibility of including signposting, referrals and outcome measures from a range of public health interventions into services which support people experiencing poverty e.g. Making Every Contact Count (MECC).	March 2023 Initial scoping
Ensure a smooth transition from European Funding Streams to the Shared Prosperity Fund	December 2023
Appoint three Mental Health Employment Practitioners who will provide health support and assistance to residents who are looking for employment, education and training through the various employment programmes.	March 2024
Broaden the county's business base to include a range of jobs across both private and public sectors	March 2026

### **Objective 4: Reduce barriers to accessing services for those experiencing financial insecurity**

The ability to interact digitally is essential to addressing social and economic inequalities and levelling up our communities. Many of the cheapest ways of accessing goods and services are only available online. Mainstream banking has been removed from many of our highstreets, especially in rural areas, and many educational courses and job applications are restricted to online access. In addition, people who are not using online services can lack a voice and visibility in the modern world, as government services and democracy increasingly move online.

However, some people can afford neither the equipment nor the broadband required to get online. When the pandemic hit in March 2020, around 51% of households with an income of less than £10,000 had home internet access, compared to 90% of households with an income of more than £40,000. Even when poorer households were physically able to access the internet, they were less likely to have the skills to utilise it. In rural areas levels, digital inclusion may be further reduced by poorer quality broadband and mobile connections.

Lack of transport is also a key barrier to accessing services, education and employment. Cost, poor availability and long journey times has disconnected less affluent areas and rural communities from their wider labour markets.

Participation in sport, outdoor physical activity and cultural events positively impacts people, especially young people. It contributes to both physical and mental health, involves engaging with others in a positive way, encourages concentration and motivation, and teaches other life skills that help their education and working lives. However, those from low-income households are often prevented from participating as few free sporting activities exist outside school and charges to access culture and sport are often unaffordable.

Action	Timescale
Refresh the first point of contact offer at the Customer Access Points (CAPs) to focus on digital inclusion and self-serve with support, access to the internet and a device being at the forefront of service delivery.	April 2022
Undertake a feasibility study in relation to improving access to leisure facilities for children and families referred by social care and health agencies (e.g., discounts, promotion and transport)	April 2022
Explore the feasibility of developing an approach to poverty proofing leisure and cultural programmes within our culture, sport and tourism Service	May 2022
Investigate the feasibility of broadband providers, working with social housing providers, to provide broadband to residents at a reduced cost	July 2022
Use data and intelligence to identify our most vulnerable communities to support access to public transport	August 2022
Fully understand the findings from recent consultation which asked children, young people and adults, many of whom currently do not participate in leisure activities, about the barriers preventing them from becoming more physically active and identify actions to address some of the issues highlighted.	September 2022
Baseline the council's digital inclusion offer to map current interventions and identify areas of future intervention. To include digital skills, access to connectivity and access to devices.	September 2022
Continue delivery of the Digital Durham programme working with partners to further develop our digital infrastructure and increase the number of properties able to access full fibre to the premise broadband services at an affordable cost	March 2023
Continue to work on proposals linked to the Bus Service Improvement Plan which includes a cap on bus fares, especially for young people, demand responsive bus services in rural areas and tailored routes to meet the specific requirements of rural communities.	March 2023

Action	Timescale
Explore a community-based model to increase digital inclusion and develop a programme that fosters collaboration between key partners from across sectors.	April 2023

**Corporate Overview and Scrutiny Committee**

**17 June 2022**



**Medium Term Financial Plan(13), 2023/24 – 2026/27  
Scrutiny Role in Development of Savings Options**

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**Paul Darby, Corporate Director of Resources**

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

**Purpose of the Report**

- 1 To provide an update on the development of the 2023/24 budget and the Medium Term Financial Plan (MTFP(13)), the consultation process with Corporate Overview Scrutiny Management Board (COSMB) and role for thematic scrutiny committees to consider options for efficiency savings and income generation opportunities in their service areas to support the budget.

**Executive Summary**

- 2 The Council is continuing to operate in a period of significant financial uncertainty brought about by a combination of the ongoing impact of the pandemic, our inherent low tax raising capacity due to our low tax base, and significant budget pressures in social care brought about by National Living Wage increases and enduring demographic pressures in Childrens Social Care and in waste services. The financial outlook for the Council will continue to be extremely challenging for the foreseeable future.
- 3 There continues to be significant uncertainty in terms of future financial settlements for local government and how available funding will be shared between local authorities. Local authorities continue to be provided with one year financial settlements, which provide little financial certainty and security and given the timing of these announcements in late December, provides little time to react for local authorities.
- 4 This level of uncertainty is making financial planning extremely challenging and requires the council to be flexible and adaptable in its financial planning. In this regard the strong financial position of the council will ensure that the council is well placed to react effectively to any outcome.
- 5 As we start to consider the budget plans for 2023/24, in line with previous practice, the MTFP Model is being reviewed and the financial forecasts for the next four years updated. This position will be reported to Cabinet on 13

July. The last MTFP update report was the 23 February 2022 Council budget report where the forecast at that time was for a £16.607 million budget shortfall in 2023/24 with a £29.987 million shortfall over the period to 2025/26

- 6 The achievement of an additional £29.987 million of savings would be extremely challenging and should not be under-estimated – more so given the savings that the council has been required to achieve in the last ten years. The emphasis since 2011/12 has been to minimise savings from front line services by protecting them wherever possible whilst maximising savings in management and support functions and by targeting increased income from charging. This is becoming much more difficult however, as the scope for further savings in managerial and back office efficiencies is becoming exhausted following the delivery of £250 million of savings up to 31 March 2023.
- 7 Savings plans will need to be developed for consideration for 2023/24 and in future years. Having plans in place will enable the council to react to the outcome of the 2023/24 local government finance settlement, which is expected to be announced in December 2022.
- 8 COSMB will continue to have an important role in reviewing the overarching MTFP(13) process. In addition however it is recommended that the thematic scrutiny committees have a role in developing options for efficiency savings and income generation options in their respective service/functional areas.
- 9 In this regard thematic scrutiny committees will consider the optimum approach to developing options, with the ability to set up task and finish groups or using the full committee membership to assess and analyse options. Thematic scrutiny committees will need support from service managers and finance to ensure that the required level of information is provided to enable the development of options to be carried out effectively.

## **Recommendations**

- 10 COSMB is asked to:
  - (a) note the ongoing overarching role of COSMB in reviewing and assessing the councils approach to the development of MTFP(13);
  - (b) note the role for thematic scrutiny committees in developing options for efficiency savings or income generation opportunities which could contribute to closing the forecast £29.987 million savings shortfall across the MTFP(13) period;

## Background

- 11 To ensure the 2023/24 budget and MTFP(13) can be developed effectively and savings targets delivered in time to produce a balanced budget, it is important that a robust plan and timetable is agreed and followed.
- 12 The council is committed to strong financial governance and getting value for money whilst ensuring that any council tax increases are justified and affordable.
- 13 The current MTFP(12) forecast that the Council agreed on 23 February 2022 covers the four year period 2022/23 to 2025/26. This report covers the MTFP(13) four year planning period 2023/24 to 2026/27.
- 14 It is prudent that the council continues to plan across a four year timeframe. During this period the Council will continue to face significant and unavoidable budget pressures, especially relating to the inflationary impacts on energy and fuel impacts, the National Living Wage uplifts, Social Care and Waste pressures whilst facing the uncertainty over the impact of the FFR and future pay awards.
- 15 Planning across the medium term in this way ensures that decisions can be made in the knowledge of the likely financial position of the Council and provides a basis for effective decision making taking account of the best estimates of income and expenditure.
- 16 Savings plans will need to be developed for consideration for 2023/24 and in future years. Having plans in place will enable the council to react to the outcome of the 2023/24 local government finance settlement, which is expected to be announced in December 2022.

## MTFP(13) Timetable

- 17 A high level timetable up to Budget setting in February 2023 is detailed below. This timetable details the continuing role for COSMB in reviewing the council approach to the development of MTFP(13):

Date	Action
13 July 2022	MTFP(13) update and LCTRS Review report to Cabinet
September 2022	Corporate Overview and Scrutiny Management Board consider 13 July Cabinet Report
12 October 2022	MTFP update Report to Cabinet

Date	Action
October/November 2022	Corporate Overview and Scrutiny Management Board consider 12 October Cabinet Report. Consultation on 2023/24 Budget and MTFP(13)
14 December 2022	MTFP report to Cabinet – outcome of Budget Consultation
December 2022	Corporate Overview and Scrutiny Management Board consider 14 December Cabinet Report
18 January 2022	MTFP report to Cabinet – analysis of provisional local government settlement
January 2023	Corporate Overview and Scrutiny Management Board consider 18 January Cabinet Report
8 February 2023	Budget Report to Cabinet
February 2023	Corporate Overview and Scrutiny Management Board consider 8 February Cabinet Report
22 February 2023	Council Budget and MTFP report

## Proposed Consultation Programme

- 18 Based on the best practice that has developed over previous consultations, it is once again proposed that we consult using our existing County Durham Partnership networks during October and November. This will include the fourteen Area Action Partnerships (AAPs) and the thematic partnerships that support the County Durham Partnership. Additional work will be undertaken with special interest groups and there will be an opportunity for residents to respond electronically via the council's website which will be promoted through the council's presence on various social media platforms.
- 19 In addition, thematic Scrutiny Committees are being tasked with identifying options for efficiency savings and increased income in their service areas, the outcome of which will inform the Cabinets MTFP(13) deliberations. It is hoped any savings identified and supported by Cabinet will be able to support the 2023/24 and future years budgets. The Corporate Overview and Scrutiny Management Board will provide scrutiny of the MTFP(13) and budget setting process as usual.
- 20 It is recognised that the role for thematic scrutiny committees is a new development which will need supporting by service managers and finance. Each thematic scrutiny committee can determine their favoured approach to

determine which functional areas they wish to review and how they wish to progress the process.

- 21 It is hoped that options can be developed which could be provided to Cabinet for consideration by the end of 2022 although it is recognised some reviews may take a little longer but could support the future MTFP.

## **Conclusion**

- 84 The council continues to face significant financial uncertainty for the MTFP(13) planning period, covering the financial years 2023/24 to 2026/27. The uncertainty relating to future government financial settlements is exacerbated by the ongoing impact of the pandemic alongside increases in base budget pressures from inflation, national living wage, social care and waste disposal.
- 85 Planning is continuing in relation to the identification of savings to enable future years budgets to be balanced. In this regard it is recommended that thematic scrutiny committees consider options for efficiency savings and income generation opportunities in their service areas which can be recommended to Cabinet for inclusion in MTFP(13).

## **Background papers**

- 23 February 2022 Council Budget Report

## **Author(s)**

Jeff Garfoot

Tel: 03000 261946

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## **Appendix 1: Implications**

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### **Legal Implications**

The council has a statutory responsibility to set a balanced budget for 2023/24. It also has a fiduciary duty not to waste public resources.

### **Finance**

The report highlights that at this stage £16.607 million of savings are required to balance the 2023/24 budget with £29.907 million across the next three years. Work will continue over the coming months to identify savings to balance the budget across the MTFP(13) period.

### **Consultation**

Consultation on the 2023/24 budget and MTFP(13) will include engagement via existing County Durham Partnership networks during October and November. This will include the fourteen Area Action Partnerships (AAPs) and the thematic partnerships that support the County Durham Partnership. Additional work will be undertaken with special interest groups and there will be an opportunity for residents to respond electronically via the council's website which will be promoted through the council's presence on various social media platforms.

The thematic Scrutiny Committees are also being tasked with identifying options for efficiency savings and increased income in their service areas, the outcome of which will inform the Cabinets MTFP(13) deliberations. The Corporate Overview and Scrutiny Management Board will provide scrutiny of the MTFP(13) and budget setting process.

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

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

### **Climate Change**

The council budget will be developed to provide resource to enable the council to meet the requirements set out in the council's Climate Change Emergency Response Plan.

## **Human Rights**

Any human rights issues will be considered for all proposals agreed as part of MTFP(13).

## **Crime and Disorder**

None

## **Staffing**

The impact of the MTFP upon staffing will need to be considered in the development of savings plans.

## **Accommodation**

None

## **Risk**

A robust approach to Risk Assessment across the MTFP process will be followed especially in relation to any individual risk assessments of savings plans.

## **Procurement**

None



# SCRUTINY COMMITTEE JUNE/JULY 2022

**MTFP(13):**

**Involvement of Scrutiny Committees in the  
development of savings options**



# Development of MTFP(13)

- The 2022/23 revenue budget and four year financial plan for the period 2022/23 to 2025/26 [MTFP12] was approved by Council on 23 February 2022
- The MTFP12 forecasts identified a forecast £29.987 million savings shortfall for the period 2023/24 to 2025/26
- The majority of this savings shortfall [£16.607 million] was forecast to be required in 2023/24
- A lot has changed in the months since the budget was set on 23 February 2022!

# Development of MTFP(13)

- The initial MTFP(13) forecasts will be presented to Cabinet on 13 July 2022
- MTFP(13) will cover the four year period 2023/24 to 2026/27
- The forecast savings shortfall is expected to increase significantly from the forecasts include in MTFP12 due to the impact of inflationary impacts upon the council's budget and continued demographic pressures in Children's Services
- Savings options need to be developed over the coming months to ensure the council can set a balanced budget for 2023/24 if, as expected, there are insufficient resources generated from council tax and government grant increases to meet the unavoidable cost pressures we will face
- It is hoped that additional funding will be provided to the sector by Central Government but it is expected that this will not be clarified until the draft local government financial settlement is received in December 2022

# Scrutiny Role in Development of MTFP(13)

- Corporate Overview and Scrutiny Management Board will continue to have a strategic overview of the whole MTFP(13) process – including proposals for Council Tax increases and application of reserves
- It is recommended however that thematic scrutiny committees consider options for efficiency savings and/or opportunities for generating additional income within their thematic service areas
- This will provide the opportunity for thematic scrutiny committees to play an important role in the development of the MTFP(13) and help to attain a broader understanding of the services within their remit
- Any proposals put forward by thematic scrutiny committees will be considered by Cabinet for inclusion in MTFP(13) to assist in balancing budgets for 2023/24 and beyond

# Proposed Process to Developing Savings Options

- Thematic scrutiny committees receive quarterly reports on budgetary control and service performance – this is a rich source of data
- Discussions during finance briefings with Members previously there has been a wide range of potential opportunities for efficiencies and income generation discussed
- The proposed process will provide an opportunity for these options to be considered and tested further
- Thematic scrutiny committees may wish to set up Task and Finish groups to consider options for savings
- The Task and Finish Groups may wish to produce a range of high level options they would wish to consider Cabinet to consider or may wish to carry out some of their own research into a small number of areas utilising resource from service areas and finance to support such work
- If significant work is generated by the process consideration may need to be given to reprioritising other planned scrutiny work to ensure that support teams have the capacity to meet all requirements

# Timeframes

- It must be recognised that any detailed research into specific budget areas may take a number of months and would be unlikely to identify savings to support the 2023/24 budget setting process
- At the same time savings options could be identified to support future years' budgets
- If higher level options are submitted to Cabinet for consideration for the development of the 2023/24 budget they would be required by the end of November 2022
- Thematic scrutiny committees are requested to limit the number of budget areas to be looked at in detail as it must be recognised that this work would be a major drain on services whilst they are developing broader savings plans

**Corporate Overview and  
Scrutiny Management Board**

17 June 2022

**Refresh of the Work  
Programme 2022/23 for the  
Corporate Overview and  
Scrutiny Management Board**



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**Report of Paul Darby Corporate Director of Resources**

**Electoral division(s) affected:**

None

**Purpose of the Report**

- 1 To provide the Corporate Overview and Scrutiny Management Board (COSMB) with the updated work programme for 2022/2023.

**Executive summary**

- 2 COSMB review their work programme each year to reflect the objectives and associated outcomes and actions identified within the Council Plan and in the context of the County Durham Vision 2035.
- 3 The proposed COSMB work programme has been framed around the shared County Durham Vision 2035 based on the three strategic ambitions of 'more and better jobs', 'long and independent lives' and 'connected communities'. COSMB's work programme also reflects the fourth ambition which captures our corporate initiatives and the ambition to be an excellent council.
- 4 This year the Council Plan has been refreshed to reflect the political changes in the Council since May 2021 and new initiatives on the environment and climate change.

**Recommendations**

- 5 COSMB is recommended to:

- a) Receive and comment on the proposed COSMB work programme for 2022/23
- b) Agree the COSMB work programme for 2022/2023 and the flexibility it offers to respond to emerging issues.

## **Background**

- 6 COSMB has a strong focus on the MTFP and service improvement and this will continue in 2022/23. The Board will also contribute to policy development where it can add value and insight.
- 7 The current overview and scrutiny committees work programmes are informed by:
  - Council Plan
  - Cabinet’s Notice of Key Decisions
  - County Durham Vision for 2035
  - Partnership plans and strategies
  - Performance and budgetary control data
  - Changes in government legislation
  - Local priorities
- 8 The County Durham Partnership agreed a Vision for County Durham 2035 which sets out our strategic direction and what we would like to achieve over the next 15 years. It was developed with partner organisations and the public. It is structured around three broad ambitions for the people of County Durham.
  - More and better jobs
  - People live long and independent lives
  - Communities are well connected and supportive of each other
- 9 Each ambition contains a number of objectives together with some council specific objectives. Following the refresh of the Council Plan in April 2022, it is now structured around five objectives which capture the three ambitions:
  - Our Economy
  - Our People
  - Our Communities
  - Our Environment
  - Our Council

## **Council Plan 2022 - 2026**

- 10 The Council Plan is the primary corporate planning document for the county council. It details Durham County Council’s contribution towards

achieving the objectives set out in the Vision for County Durham 2035 together with its own ambitious agenda. It provides a summary for members, partners and the public of our priorities for the county and the main programmes of work that we will undertake to help achieve these priorities. The Plan will now be refreshed each year to reflect the integration of corporate and financial planning.

- 11 Both the Vision for County Durham and the Council Plan are structured around the three ambitions with an additional ambition of an excellent council. The excellent council ambition captures the corporate initiatives the council has identified and wants to undertake to achieve the ambitions within the vision:
- a) Our resources will be managed effectively
  - b) Create a workforce for the future
  - c) Design our services with service users
  - d) Use data and technology more effectively
  - e) We will build an inclusive and welcoming employee culture

### **Current Work Programme**

- 12 During 2021/2022, the Corporate Overview and Scrutiny Management Board has undertaken review work on the Budget and MTFP process and contributed to a review by Cabinet on the Durham Light Infantry Collection and Archive.
- 13 Overview activity included
- Regulation of Investigatory Powers Act 2000
  - Customer Feedback report
  - Welfare Reform and Poverty Action Plan updates
  - Overview of County Durham Partnership work
  - Petitions
  - Notice of Key Decisions
- 14 Budgetary and performance monitoring:
- Quarterly budgetary monitoring for the Resources service grouping.
  - Quarterly corporate performance monitoring overview for the whole Council.

## **Areas for consideration in the Corporate Overview and Scrutiny Management Board Work Programme**

- 15 COSMB are asked to agree the proposed work programme for next year and consider areas for further progress updates and review topics in light of the refreshed Council Plan and the Vision for County Durham 2035.
- 16 Scrutiny work programmes are designed to be flexible and can respond to items which arise during the year which require scrutiny input.
- 17 Appendix 2 of this report sets out a draft work programme for consideration.

### **Background papers**

- [Council Plan 2020 - 2023](#)
- [County Durham Vision 2035](#)

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**Contact:** Helen Lynch

Tel :03000 269732

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## **Appendix 1: Implications**

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### **Legal Implications**

None

### **Finance**

None

### **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 Overview and Scrutiny work programme is an important element of the Council's governance and risk management arrangements.

### **Procurement**

None

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## **Appendix 2: COSMB Work Programme**

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<p><b>Overview and Scrutiny Work Programme 2022/23</b> Corporate Overview and Scrutiny Management Board (COSMB)</p> <p>Lead officer: Helen Lynch Key service contact: Ros Layfield</p> <ul style="list-style-type: none"> <li>• More and better jobs</li> <li>• People live long and independent lives</li> <li>• Connected communities</li> <li>• Excellent council</li> </ul>	<p>Overview and Scrutiny Review</p> <ul style="list-style-type: none"> <li>• A systematic six monthly review of progress against recommendations/action plan</li> </ul> <p>Scrutiny/Working Group</p> <ul style="list-style-type: none"> <li>• In-depth review/light touch review</li> </ul> <p>Overview/progress</p> <ul style="list-style-type: none"> <li>• Information on an issue; opportunity to comment, shape, influence, progress with a scrutiny review</li> </ul> <p>Performance/Budget</p> <ul style="list-style-type: none"> <li>• Ongoing quarterly monitoring performance reports/budgets</li> </ul>
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Item	When	What	Who	Outcome	Comment
<b>O/S Review</b>					
<b>Scrutiny/Working Group (light touch / in-depth review)</b>					
Budget and MTFP process	1 Sept/24 Oct 2022  23 Jan 2023  10 Feb 2023	Report to COSMB	Jeff Garfoot	To enable scrutiny members to comment and feed into the MTFP and budget setting process	To look at any issues and or reviews linked to achieving savings within the MTFP  Update reports considered by COSMB
<b>Overview/Progress</b>					

Page 1 Item	When	What	Who	Outcome	Comment
Corporate Initiatives: <ul style="list-style-type: none"> <li>• Digital Inclusion</li> <li>• Digital solutions – supporting new ways of working/hybrid working, ensuring the workforce is fit for the future</li> </ul>	Late 2022/early 2023  January 2023	Report to COSMB	Vicki Murray  Alison Lazazzera  Mary Readman	To update members on corporate initiatives	Members' information
HQ Review	17 June 2022	Report to COSMB	Susan Robinson	To update members on the outcome of the report on options appraisal for the new HQ considered by Cabinet on 27 April 2022	Members' information
Council Plan 2022 – 2026	17 June 2022	Report to COSMB	Andy Palmer	To update members on the refresh of the Council Plan	Members' information
The County Durham Pound - update	1 September 2022	Report to COSMB	Darren Knowd	To update members on progress with the initiatives	Members' information
Terms of Reference for Scrutiny	2022/23	Report to COSMB	Helen Lynch	To review and update, if necessary, the terms of reference for overview and scrutiny committees to reflect the balance between review and policy development work	Members to consider current terms of reference for overview and scrutiny  Report to CWG and Council if any amendments made to the

Item	When	What	Who	Outcome	Comment
					constitution in accordance with annual review of the constitution.
Marketing and Communications	2022/23	Report to COSMB	Julie Barnfather	To provide members with an overview of the Council's strategic approach to communications and marketing	Members' information
Regulation of Investigatory Powers Act (2000) quarterly report	Quarter 4 2022/23 Sept 2022  Quarter 1 2022/23 24 Oct 2022  Quarter 2 2 Dec 2022  Quarter 3 10 Feb 2023	Report to COSMB	TBC	To inform members of the Council's use of powers under the Regulation of Investigatory Powers Act 2000 (RIPA) on a quarterly basis	Members' information
Regulation of Investigatory Powers Act annual report	24 Oct 2022	Report to COSMB	TBC	To inform members of the Council's use of powers under the Regulation of Investigatory Powers Act 2000 (RIPA).	Members' information
Customer Feedback – quarterly report	Q4 2022/23 7 July 2022  Q2 2022/23 24 Oct 2022	Report to COSMB	Mary Readman	To inform members of the Customer Feedback report on a quarterly basis.	Members' information

Item	When	What	Who	Outcome	Comment
Page 130 Annual Representations report 2021/22	Q2 2 Dec 2022  Q3 3 Apr 2023	Report to COSMB	Lesley Martin (Marion Ingleby attends)	To present key messages in relation to the management and handling of statutory representations for Children and Adults Social Services.	Members' information
Overview and Scrutiny Annual Report and six monthly report to Council	7 July 2022  2 Dec 2022	Report to COSMB	Clare Luery	Members to sign off the Overview and Scrutiny Annual Report and six monthly update before submission to Council.	Members' information, and circulated widely
Notice of Key Decisions	At each COSMB	Report to Committee	Jackie Graham	To keep members informed of any additions or amendments.	Members' information
<b>Performance/Budget</b>					
<b>Performance</b> Quarterly reporting	Q4 2022/23 7 July 2022  Q1 2022/23 24 Oct 2022  Q2 2 Dec 2022  Q3 3 Apr 2023	Report to COSMB	Andy Palmer/Tom Gorman	To provide members with progress towards achieving the key outcomes of the council's corporate performance framework.	Standing item
<b>Budget Outturn Report</b>	Q4 2021/22 7 July	Report to COSMB	Ian Herberson	To provide members with details of the forecast outturn budget	Standing item

Item	When	What	Who	Outcome	Comment
Quarterly reporting - Resources	Q1 2022/23 1 Sept 2022  Q2 2 Dec 2022  Q3 3 Apr 2023			position for the Resources service groupings	
General Fund Revenue & Capital Final Outturn	1 Sept 2022	Report to COSMB	Jeff Garfoot	To provide members with the final revenue and capital outturn for the General Fund and achievement of MTFP savings.	For members information
<b>Periodic updates</b>					
Implications of government policy programme		Cabinet report to COSMB		To keep members informed of the implications of relevant government policies.	As and when
Welfare reform  Poverty Action Strategy and Plan	17 June 2022	Report to COSMB	Mary Readman	To keep members informed of the progress being made by the council and its partners in addressing welfare reform and the wider poverty issues in the county.	For information
County Durham Partnership update	7 July 2022	Cabinet report to COSMB	Julie Bradbrook	To keep members informed of issues being addressed by the County Durham Partnership and other key initiatives being carried out in partnership across the county.	For information

Item	When	What	Who	Outcome	Comment
Census 2021 Data	When available from Office for National Statistics	Briefing note to COSMB members	Tom Gorman	To provide members with an overview of the latest Census data published	For information
Chairs' updates	At each COSMB	Circulate to COSMB members	Clare Luery	To keep members informed of scrutiny activity	For information
Petitions updates Quarterly	17 June 2022 1 Sept 2022 2 Dec 2022 3 Apr 2023	Report to COSMB	Jackie Graham	To keep members informed of the status of petitions received by the Authority	For information
NECA and JTC Overview and Scrutiny work programmes and minutes of meetings	(meeting dates tbc)	Circulate to COSMB members	Clare Luery	To keep members informed of work ongoing by the NECA O&S and JTC O&S committees	For information

**Corporate Overview and Scrutiny  
Management Board**

**17 June 2022**

**Durham County Council Headquarters  
Alternative Options Assessment**



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**Report of Corporate Management Team**

**Paul Darby, Corporate Director of Resources**

**Electoral division(s) affected:**

None

**Purpose of the Report**

- 1 To provide the Corporate Overview and Scrutiny Management Board with an opportunity to comment on Cabinet's report of 27 April 2022 on options for the location of the Council's Headquarters functions and use of its estate should the Council not occupy the Sands site in Durham City.

**Executive summary**

- 2 On 27 April 2022 Cabinet considered a report setting out the disposal of the newly constructed building on the Sands site in Durham City. The report also contained options for an alternative Headquarters and office accommodation and considered strategic employment site proposals for Aykley Heads.
- 3 Cabinet subsequently agreed to dispose of the newly constructed building at the Sands site in Durham City and, amongst other matters, agreed an alternative Headquarters and office accommodation option.
- 4 A copy of Cabinet's report from April 2022 is attached at Appendix 2 together with the Cabinet's decision at Appendix 3.

**Recommendation(s)**

- 5 COSMB is recommended to:

- (a) Consider and comment on the outcome of the options appraisal report considered by Cabinet at its meeting on 27 April 2022.

## **Background**

- 6 Cabinet agreed to review options for the newly constructed Durham County Council Headquarters at the Sands site in June 2021. In September 2021, Cabinet made recommendations about the future of the Council's estates and Headquarter functions. Further work on alternative options for office accommodation and civic space for the Council was then undertaken.
- 7 The report to Cabinet in April 2022 set out a proposal to dispose of the newly constructed building on the Sands site taking into account the key business case requirements and value for money including economic, financial, commercial, management and strategic options.
- 8 Cabinet agreed an alternative accommodation strategy consisting of occupation of the building currently under construction at Plot C, Aykley Heads, a new build civic centre incorporating a conferencing facility at Plot D, Aykley Heads and the refurbishment of the former Customer Access Point building at Front Street, Stanley.
- 9 The Cabinet report set out details of the disposal of the building on the Sands site to Durham University to be developed as their Business School. Cabinet agreed the disposal subject to planning approval for the change of use and if the University does not acquire the site within the agreed timescales the Council would occupy the building.

## **Role of COSMB**

- 10 Scrutiny's role is to scrutinise decisions of the executive, to hold them to account and make recommendations on policy development and implementation.
- 11 At the Corporate Overview and Scrutiny Management Board meeting on 10 February 2022 during discussion of the MTFP 2022/23 to 2025/26 and revenue and capital budget 2022/23, the Chair gave a commitment that the proposals on the Headquarters would be considered by the Board once the feasibility study had been considered by Cabinet.
- 12 This meeting of the Corporate Overview and Scrutiny Management Board is to update members on the outcome of the options appraisal and decision made by Cabinet at their meeting in April 2022.
- 13 Cabinet considered two reports at the meeting in April 2022, the publicly accessible report is attached as Appendix 2. The second report is not publicly available as it contains information which is exempt under paragraph 3 of Schedule 12A of the Local Government Act 1972. It has been the custom and practice of the Corporate Overview and Scrutiny Management Board to only meeting in practice, to help promote an

open and transparent approach to scrutiny. The Chair of the Board would like to maintain this approach so far as is possible and therefore, the Board will consider the public report. Members of the Board are however, entitled to access the exempt report as set out in the Access to Information procedure rules in Part 4 of the Constitution. This approach is consistent with that taken recently by the Board in respect of the Cabinet's proposals for the DLI Museum.

- 14 The Cabinet report of the Corporate Director of Regeneration, Economy and Growth and the Corporate Director of Resources on 27 April 2022 is attached at Appendix 2. The relevant decision of Cabinet is also attached as Appendix 3.

### **Background papers**

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**Contact:** Helen Lynch

Tel: 03000 269732

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## **Appendix 1: Implications**

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### **Legal Implications**

The role of scrutiny is summarised in the main body of the report.

### **Finance**

None

### **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**

None

### **Procurement**

None

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## Appendix 2:

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**Cabinet**

**27 April 2022**



**Durham County Council Headquarters Alternative  
Options Assessment**

**Key Decision No. REG/04/22**

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**Report of Corporate Management Team**

**Amy Harhoff, Corporate Director of Regeneration, Economy and  
Growth**

**Paul Darby, Corporate Director of Resources**

**Councillor James Rowlandson, Cabinet Portfolio Holder for  
Resources, Investments and Assets**

**Councillor Richard Bell, Cabinet Portfolio Holder for Finance**

**Electoral division(s) affected:**

Countywide

**Purpose of the Report**

- 1 This report is the third in a series of reports reviewing the plans to occupy the newly constructed building on The Sands in Durham City. It considers options for the location of the Council's Headquarters (HQ) functions and use of its estate to support wider economic objectives for the county should the Council not occupy The Sands site.
- 2 The report sets out a proposal to dispose of The Sands site, (excluding the surface car park area and new multi storey car park), subject to planning. The Cabinet decision must be in full consideration of the key business case requirements and value for money including economic, financial, commercial, management and strategic objectives. A separate private report included elsewhere on the Agenda includes information, which is considered to be exempt under paragraph 3 Schedule 12A of the Local Government Act 1972. Executive summary.

## Executive summary

- 3 On 16 June 2021, Cabinet agreed to review the options for use of the newly constructed Durham County Council Headquarters (HQ) at The Sands in Durham City and to set out an approach for reviewing the options for the Council's HQ functions.
- 4 The building at The Sands is now complete, however, the common land de-registration process has resulted in additional unforeseen /unbudgeted costs of circa £2.1 million having been incurred to practical completion – resulting in an overall development spend of £51.2 million. These additional costs can be largely offset should the Council not occupy the building, as the planned investment in audio-video/ICT infrastructure and in new furniture and fittings, that was included in the original budget sum, can be saved. This would reduce the overall additional spend incurred to a forecast £0.6 million, which can be financed from capital contingencies, and would require a revised development budget of £49.7 million.
- 5 On 29 September 2021, Cabinet agreed to a number of recommendations with regard to the future of the Council's estates strategy and Council HQ functions. It was agreed that further work would be undertaken on alternative options for office accommodation and committee space for the Council. The protection of the strategic employment development site at Aykley Heads and future demolition of the existing County Hall building was also agreed.
- 6 The need to meet public interest and value for money considerations underpinned the September 2021 report and these considerations need to inform any change to the original plans for the Council to occupy The Sands building.
- 7 Cabinet agreed that the viable alternative to the Council occupying the new HQ building on The Sands would be for the disposal of that building or letting of it to a single third-party occupier within a reasonable timescale and to conclude the position by Summer 2022. The September 2021 report identified the difficulties in securing interest in a building of this size, noting that another single occupier would likely be the only viable alternative.
- 8 Cabinet noted the high-level risks and issues that needed to be considered prior to any final decision not to occupy the building on The Sands and to dispose of it.
- 9 The September 2021 report also advised of an interest from a third party in acquiring the building. It was agreed that negotiations with the third party would progress on a subject to contract basis, while at the

same time a business case for an alternative accommodation strategy would be prepared. The interest from a specific third party was referenced in the report, but not formally identified at that time due to commercial confidentiality.

- 10 The interested third party is Durham University, which is seeking to acquire the building to enable the development of the University business school. The use of the building, readiness of the University and the heads of terms agreed for the purchase price are the key factors in the justification for the disposal to a 'special purchaser' in this case.
- 11 Durham University Business School (DUBS) and its strong global reputation would provide an important economic asset to the overall development. The University also has a key role in enabling and supporting an inclusive economy. The University has presented clear evidence of a readiness to move forward with the business school, subject to planning.
- 12 Common with all scenarios considered in the September 2021 Cabinet report was the need to limit the timescales to implementation. It was agreed that any negotiation with the third party must be concluded no later than three months following approval of any viable alternative office accommodation strategy, which was anticipated to be Summer 2022.
- 13 It was agreed that should it not be possible to reach a satisfactory outcome from negotiations with the interested third party within the timeframes set out in the Cabinet report, or if a viable alternative office accommodation strategy was not found, then the Council would occupy the building on The Sands as its new HQ.
- 14 The proposed disposal to the University is subject to planning approval of a change of use for the existing site to support the use as a business school (use for education purposes). A planning application led by the University is expected to be considered by the County Planning Committee in July 2022.
- 15 This report provides Cabinet with the outcome of the negotiations with the University and the business case for disposal, including the broader economic outcomes and the alternative Council office accommodation strategy that could be implemented. The report addresses the public interest and value for money considerations that need to inform any change in the original plans for the Council to occupy the building on The Sands.
- 16 Underpinning the recommendations set out in this report are a range of issues, not only the importance and opportunity to ensure a high

performing and consistent approach for publicly accessible, workforce accommodation and space, but also the opportunities to achieve strong economic objectives releasing wider development for the county, a strong commercial outcome for public money and an alternative accommodation plan that meets the Council's needs.

- 17 There are a number of key areas that are considered as part of the business case that has been developed:
  - (a) demonstrating a strong financial position from progressing the alternative options;
  - (b) a clear economic case that meets the Council's aspirations for levelling up and an inclusive economy;
  - (c) the connectivity of the development of the Council's estate with broader regeneration master plans for the county including the Aykley Heads strategic employment site development;
  - (d) the need to ensure that climate change is considered in the proposals; and
  - (e) ensuring that the development of the estate can reflect the needs of the Council to deliver effective services and workforce wellbeing.
- 18 Technical reviews to assess the key aspects of the strategic, economic, financial, commercial and the management case for the proposals have been undertaken. This includes understanding the costs and comparison of the benefits of the alternative estates strategy that is proposed, against the original business case for occupying the building on The Sands.
- 19 Additional work will be required on the detailed development and assurance of the project as it is implemented.
- 20 In reviewing the preferred option for the alternative estates strategy, a number of options and building scenarios have been considered.
- 21 Taking account of the desired objectives, the preferred alternative accommodation strategy, as set out from paragraph 90, consists of occupation of the building currently under construction at Plot C, Aykley Heads, a new build civic centre incorporating a conferencing facility at Plot D, Aykley Heads and the refurbishment of the former Customer Access Point building at Front Street, Stanley, which are recommended for the following reasons:
  - (a) considers the estate as part of a broader plan for regeneration;

- (b) provides flexibility for the Council's office accommodation;
- (c) allows increased use of existing assets;
- (d) provides the option for civic accommodation to be used as a conference facility for the wider Aykley Heads employment site, which will enhance marketing opportunities for the Aykley Heads site;
- (e) overall, the revised estates strategy seeks to deliver against a range of objectives to meet a balanced outcome and ensure value for money.

### **Recommendation(s)**

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

- (a) note the work that has been undertaken to review the Council's current main office estate and office accommodation requirements, to reflect the needs of the business and the ways of working post Covid, and the business case underpinning the preferred alternative office accommodation strategy set out in this report;
- (b) note the options set out from paragraph 90 to provide an alternative HQ and office accommodation, including the proposal for a new civic site for the authority which provides an opportunity for wider events space at Aykley Heads and will enhance the attractiveness of the site to prospective occupiers;
- (c) agree the preferred office accommodation option for a new build civic centre at Aykley Heads Plot D, use of the building under construction, Plot C at Aykley Heads for office accommodation and refurbishment and use of the former Stanley Customer Access Point;
- (d) note the flexibility to review the scope and scale of the new build and refurbishment areas to reflect any changing requirements which could include bringing other buildings into the strategy. Authority for such changes to be made to be delegated to the Corporate Director of Regeneration Economy and Growth and Corporate Director of Resources in consultation with the Cabinet Members for Resources, Investments and Assets and for Finance;
- (e) note that this strategy will be further developed considering technical delivery, legal issues, consultation and further detailed

appraisals commensurate with a development of this type and scale;

- (f) agree to progress with the disposal of the building on The Sands, to exclude the surface car park area and multi storey car park, to Durham University. The disposal to be subject to planning permission for a change of use to enable the building to be used as the University's business school;
- (g) delegate authority to the Corporate Director of Regeneration Economy and Growth and Corporate Director of Resources in consultation with the Cabinet Members for Resources, Investments and Assets and for Finance to agree the detailed terms of the disposal;
- (h) agree that should the University not move forward with the acquisition within timescales set out in paragraph 97 of this report, that the Council moves into the existing building on The Sands;
- (i) agree that any surplus funds from the disposal that are not otherwise required for the delivery of the Council's revised estate strategy will be available for MTFP planning purposes and can be considered for a range of investment opportunities including levelling up investment across the wider county;
- (j) agree that the capital budget for The Sands development is increased by £0.6 million, financed from capital contingencies, on the basis of the building being sold to Durham University, or £2.1 million if retained and occupied.

## Background

- 23 On 16 June 2021, Cabinet agreed recommendations which set out proposals to review the options for use of the newly constructed Durham County Council Headquarters (HQ) at The Sands in Durham City, which reached practical completion in March 2022 and to set out an approach for reviewing the options for the Council's HQ functions. The scope of the review set out in the report was as follows:
- (a) review the options for utilising the new building at The Sands, Durham City;
  - (b) consider the options for the location of HQ functions taking account of the review of the new building and assessing the options for the existing HQ site at Aykley Heads; and
  - (c) ensure that the strategic employment site proposals for Aykley Heads are fully considered as part of the review.
- 24 On 29 September 2021, Cabinet considered the outcome and evidence from the review findings, along with a series of recommendations linked to this evidence. This included consideration of relevant contractual, legal and financial implications including those relating to the timescales of any decision. In summary the review found that the only viable alternative to the Council occupying the building on The Sands would be for disposal or letting to a single occupier.
- 25 Cabinet was advised of an interest from a third party in acquiring the building on The Sands. The third party was not formally identified at that stage, however it was agreed that negotiations would progress on a subject to contract basis. It was also agreed that a business case was required before any final decision not to occupy the building on The Sands.
- 26 The business case needed to consider a range of relevant issues, including the development of alternative options for office accommodation and committee space for the County Council, whilst protecting and ensuring the outcomes of the Aykley Heads strategic employment site development, the demolition of the existing County Hall building, and the need to meet public interest and value for money considerations, which needed to inform any change in the original plans for the Council to occupy The Sands building.
- 27 The purpose of the business case was to ensure subsequent decision making had clear regard to economic, financial, commercial, management and strategic objectives. The September 2021 report identified that the business case needed to address the following factors:

- (a) Why is it no longer considered appropriate for the Council to occupy the HQ and what is the business case to support this alternative action?
  - (b) What is the alternative plan for the Council's office and civic/committee accommodation in the absence of occupying the new HQ on The Sands?
  - (c) What are the resources and costs and other implications of disposing of the HQ building to a third party?
  - (d) What are the wider impacts of this decision including the investment strategy for the county?
- 28 The following scope and key assumptions were subsequently developed to underpin the business case and address the factors referenced above:
- (a) the suitability for office accommodation and committee space of all Council's land and buildings, including options for rationalising the estate, bringing any vacant buildings back into use as well as exploring the ability of developing new or extended property on Council-owned land;
  - (b) any buildings which are available or are likely to become available on the market for either freehold acquisition or leasehold;
  - (c) any available sites in private ownership which would be suitable for development.
- 29 In developing the recommendations contained in this report, there have been a number of key principles underpinning the business case:
- (a) contribution to inclusive economy benefits;
  - (b) delivers buildings across the county as part of broader regeneration master plans;
  - (c) delivers a commercially strong position for the local authority with opportunities for potential additional investment to support levelling up opportunities across the county being explored;
  - (d) helps the sustainable growth for the University as a key business and anchor institution supporting growth;
  - (e) the sale proceeds received for The Sands must represent strong value for money and cover the costs incurred of developing both the original and any revised accommodation strategy;

- (f) the operational costs of the new model must reflect good value for money in comparison to both the original business case for occupying the building on The Sands and the existing budgeted running costs of County Hall;
- (g) delivery of a high-quality and consistent environment within the office estate, committee and civic accommodation which meets the Council's strategic approach to estates and aspirations in terms of office accommodation standards;
- (h) a commitment to the original office accommodation strategy in terms of those teams who have already been allocated space in other strategic sites still moving to these locations as originally planned;
- (i) civic, committee and the majority of the office accommodation that was to be co-located in The Sands building do not necessarily need to be accommodated together;
- (j) if accommodated separately there will be a requirement for a core number of staff to be housed within the civic and committee accommodation, which will be the County Council HQ;
- (k) the Council's main civic and committee accommodation needs to be readily accessible on public transport from both within and outside the county and needs to be in Durham City;
- (l) if office and committee accommodation are separated then the office estate must be located to maximise business benefits, maximise regeneration opportunities and consider accessibility for staff;
- (m) the Council's office accommodation standards will be set out corporately and adhered to across the estate. Only by absolute exception will a bespoke solution be put in place based on an identifiable and agreed service need;
- (n) although the Council is committed to the principle of more flexible working practices, the detail of the core parameters currently adopted will be reviewed as part of this options appraisal and in the light of learning from the pandemic. This will ensure any new accommodation is of the correct size to accommodate future requirements as well as future proofed to provide flexibility;
- (o) the size of the committee accommodation will be broadly based on the overall area that has been provided in the new HQ. As part of the options appraisal the flexibility of the accommodation, including the ability to accommodate hybrid meetings, will be

further considered along with any learning from the pandemic;  
and

- (p) a commitment to the Aykley Heads strategic employment site development, which continues to evolve and will be considered as part of the process.

## **Project Governance**

- 30 To progress the work to complete the review, a Task and Finish group was established which included a core team from within the Council, supplemented with external support. The group included officers with detailed knowledge of the Council's existing estate strategy and of site and building availability in County Durham, including those buildings in private ownership. The group comprised architects, project managers, facilities managers and cost consultants.
- 31 Corporate Management Team and relevant Cabinet Members have been involved throughout the development process of the alternative options and this oversight will need to continue going forward as the programme moves into the implementation stages.

## **Space Requirement**

- 32 The building on The Sands provides a gross internal area of circa 10,278 sqm. This is arranged over three levels, with a further two-part level to the upper floors. The building has been designed to British Council for Offices (BCO) standards and to meet all modern designs and sustainability credentials being BREEAM Very Good and is EPC A rated.
- 33 Based on the Council's accommodation standards the building could accommodate approximately 1,178 employees. This allows for meeting rooms, break out space, as well as informal collaboration space.
- 34 The Council is moving to a more flexible approach to office working with office-based employees currently working on a hybrid basis and able to work from home two days a week and based in the office three days. To be most effective, this way of working requires office accommodation to be as flexible as possible with adequate space allowed for larger numbers of employees to collaborate as well as adequate meeting space and break out space.
- 35 Any accommodation strategy needs to be flexible enough to provide for the Council's needs now and in the future. This will offer the ability to expand and contract as well as share with third parties should the need or opportunity arise.

- 36 The office market has not had the opportunity to fully respond to any post Covid trends in use and therefore the Council's office estate also needs to be flexible enough to adapt to the post Covid working environment and business requirements.
- 37 The need for increased flexibility and initial post Covid learning has been taken into account when assessing the current and future office accommodation requirements. At this stage, these requirements have been developed at a macro level, ensuring any alternative arrangements can accommodate all the employees that previously needed to be accommodated in the building on The Sands. Further work is required to undertake a full review of the Council's existing organisational fit, including the location of specific teams that were originally envisaged as occupying the building on The Sands and considering the need for more collaboration space and less 'desk space'. This work will be undertaken once a decision is made on the issues set out in this report.
- 38 To provide a direct comparison to the existing building on The Sands, the floor areas used to assess the future need have been based on those provided in The Sands building, with alternative proposals including consideration of accommodation in a single building or across multiple sites.
- 39 If split across multiple sites, the following headline assumptions have been applied:
- (a) civic accommodation will be supported by an appropriate level of office space on site; and
  - (b) the remaining office accommodation requirements will be located to maximise business benefits, regeneration opportunities and provide accommodation that ensures the workforce is as effective as possible, as well as aiding staff recruitment and retention.
- 40 In either scenario:
- (a) civic accommodation will be readily accessible on public transport from within and outside the county, and ideally located within or in close proximity to Durham City; and
  - (b) office accommodation should follow the Council's 'Inspire' standards for strategy and design, and that the buildings seek to reduce carbon emissions. The Inspire Programme was launched from the original objectives outlined in the Office Accommodation Programme 2. A series of key principles were developed in line with the Council's values which would govern the future working culture and office environment for the move to smarter, more

flexible ways of working. In order to drive this significant change and innovation throughout the Council, three key themes were created; Inspiring People; Inspiring Places; Inspiring Change. These interlinking themes were to focus on transforming the way people work and how space can be used differently to form a flexible and coordinated approach to utilising the Council's strategic sites and wider supporting sites.

## **Assessment Methodology Estates**

41 A staged approach to identifying/establishing sites and/or buildings that may be suitable to provide replacement accommodation for the office and civic estate as replacements for the building on the Sands has been undertaken. This is summarised below with further details available at Appendix 2:

Stage 1: High level assessment of all Council assets across the county – both land and buildings;

Stage 2: Longlist of potentially suitable land and buildings in Council ownership;

Stage 3: Identification of any sites and buildings in private ownership;

Stage 4: Combined and refined long list of opportunities in Council and private ownership;

Stage 5: Site inspection of refined long list;

Stage 6: Two stage suitability review;

Stage 7: Shortlist of buildings and sites that were worthy of further consideration;

Stage 8: Assessment of potentially viable options, shortlisted buildings and sites considered in more detail as to their suitability and ability to be refurbished/altered;

Stage 9: High level assessment of capital and revenue costs for each potential solution.

## **Assessment of Potentially Viable Options (Stage 8)**

42 Stages 1-7 provided a shortlist of buildings and sites which, presented at a high level, set out viable options to provide an alternative accommodation strategy.

43 A more detailed assessment was then carried out on the potential viability and feasibility of shortlisted options.

- 44 The list of potentially viable/feasible sites and buildings is set out below:
- Aykley Heads Plot C;
  - Aykley Heads Development Site Plot D;
  - Durham, Salvus House;
  - Spennymoor Education Development Centre;
  - Meadowfield Annand House;
  - Durham, Priory House;
  - Tanfield Lea, Comeleon House;
  - Stanley, Front Street former Customer Access office.
- 45 From the review undertaken, it was concluded that there is no single building that provides an alternative accommodation solution for the building on The Sands without compromising other strategic objectives. There is also no single suitable available building, either in Council ownership or currently available in the marketplace, that could provide an alternative to the civic accommodation requirements, and therefore any alternative would need to be purpose built.
- 46 A high-level assessment of potential 'multi-accommodation options' to provide adequate accommodation and meet civic/committee needs was undertaken. At this stage the assessment of potential options for office accommodation is based on a desk ratio approach to providing the required numbers of employees in suitable accommodation and fulfilling the civic and committee space requirements for the Council. Further work will need to be carried out on the details of the implementation of these options as part of more detailed workforce planning.
- 47 Based on the work undertaken to date and new models of working being adopted, sufficient assurance can be provided that the options available to the Council, and within the existing strategic office estate, will provide adequate accommodation to relocate our workforce that would otherwise have been located in the building on The Sands.
- 48 The potential numbers of staff that could be accommodated in each building are shown in the table below. As is normal practice, and subject to the recommendations in this report being agreed by Cabinet, further work will be undertaken on the detailed design and requirements for altering/refurbishing buildings, detailed risk assessments, refined cost analysis and other matters specific to individual sites.

<b>Site</b>	<b>Approximate headcount that can be accommodated</b>	<b>Notes</b>
Aykley Heads Plot C	539	(i)
Aykley Heads Plot D Development Site	483	(ii)
Durham Salvus House	454	(iii)
Spennymoor Education Development Centre	100	(iv)
Spennymoor Education Development Centre Extension	509	(v)
Meadowfield Annand House	214	(vi)
Durham Priory House	208	(vii)
Tanfield Lea Comeleon House	115	(viii)
Stanley Front Street Offices	78	(ix)

- (i) Plot C is under construction with completion anticipated Autumn 2022. As part of the original Aykley Heads development, the building was to be offered as a commercial letting, however it is available to be used by the Council.
- (ii) The Aykley Heads development site (Plot D) assumes a building which would accommodate both civic/meeting accommodation, including Members' office accommodation as well as a multi-purpose Council chamber and committee rooms. It would also provide office accommodation to provide space for a headcount of circa 483 employees. This civic meeting space area is greater than that provided in The Sands building to ensure that flexibility is provided to maximise the opportunities for dual use of this accommodation to provide for a conferencing facility to be available for the wider Aykley Heads development, as well as traditional civic space.
- (iii) The Salvus House option is based on the building being used for Council office accommodation and would necessitate the repurposing of the building. The building is currently held for commercial let, and this option would require relocation of the businesses who hold rental agreements/leases.

- (iv) The Spennymoor Education Development Centre (EDC) provides two opportunities. A refurbishment option includes the re-purposing of the existing building to provide a corporate training facility and small area of additional office accommodation, which would seek to maximise use of the existing accommodation.
- (v) Another option at the EDC would be to develop new build office accommodation by way of an extension to the existing building, which could also include refurbishment and re-purposing of existing accommodation.
- (vi) Annand House proposals set out the total headcount that could be accommodated in the building, including those already accommodated. This option provides for a small overall increase in headcount through improving internal layouts.
- (vii) Priory House is purpose-built office accommodation located near to the Arnison Centre. The building was formerly occupied by the Council's workforce and is currently leased out.
- (viii) Comeleon House at Tanfield Lea is predominantly a storage facility and accommodates the Council's design and print operational teams. It has a small amount of office space and the head count includes those staff already located in the building. There is potential for only a small overall increase in capacity.
- (ix) Stanley Front Street is a Grade II listed building that was vacated by the Council in 2016 and has been marketed for sale a number of times. It is currently derelict and requires investment to bring the premises back into use. It offers the opportunity to bring much needed investment into Stanley, and to provide wider regeneration opportunities to the town through public investment. Given its listed building status this site would present some challenges in terms of accessibility and office layout, which would need to be considered in further detail if it was to be progressed.

## **High Level Viability Assessment**

- 49 A viability assessment has been undertaken against all of the short-listed options. A summary of that assessment is set out below. Whilst a more detailed space-planning assessment will be required at the next detailed design stage, there is sufficient evidence conclude that the required staff numbers that can be accommodated within the sites that have been assessed:
- (a) Aykley Heads, Plot C, offers potential to provide a flexible space in a building that will be available within a relatively short

timescale. Consideration would need to be given to the grant funding provided by the LEP to part finance the construction.

Conclusion: To be further considered as part of an alternative accommodation strategy.

- (b) Aykley Heads, Plot D Development Site offers the potential to provide flexible dual use civic space for the Council and, importantly, conferencing accommodation and facilities for the broader Aykley Heads development, along with office accommodation. The overall size of accommodation can be adjusted to reflect need.

Conclusion: To be further considered as part of an alternative accommodation strategy.

- (c) Durham Salvus House is currently occupied by Business Durham and a number of small businesses. If this building were to be used to accommodate additional Council staff, businesses would need to be relocated.

Conclusion : Due to impact and disruption for businesses already located in this site, this option is not considered appropriate for further consideration.

- (d) Spennymoor Education Development Centre is extensively used by schools and a significant refurbishment and/or extension is not considered to represent the best option for the accommodation requirements set out in this report given the impact on existing users and wider implications on timescales for the development of the wider Aykley Heads site.

Conclusion: Not considered appropriate for further consideration.

- (e) Meadowfield Annand House provides limited scope for additional office accommodation of the scale required.

Conclusion: Not considered appropriate for further consideration.

- (f) Durham Priory House is currently leased out by the Council. Any Council occupation would require the current lease to be terminated with a resulting risk of the occupant relocating outside of the County Durham area.

Conclusion: Not considered appropriate for further consideration.

- (g) Tanfield Lea Comeleon House has limited scope to provide additional office accommodation of the scale required.

Conclusion: Not considered appropriate for further consideration.

- (h) Stanley Front Street is a vacant building which significantly detracts from the Town Centre and future investment opportunities. Although refurbishment costs are higher than for other buildings, bringing the building back into use as office accommodation as part of this strategy will bring broader regeneration opportunities and outcomes.

Conclusion: To be further considered as part of an alternative accommodation strategy.

## **Financial Considerations - Capital Costs**

- 50 Following the completion of the procurement exercise to establish the new proposed HQ on The Sands in Durham City, a budget of £49.1 million was established. The budget included the construction of a new multi-storey car park (MSCP) to provide car parking and replace the surface car park that the new building was constructed on as well as an adjacent surface car park to the main building. The original anticipated cost of the HQ building was circa £44 million, excluding subsequent additional costs for the common land deregistration process.
- 51 The budgeted capital expenditure on the new HQ on The Sands and the multi-storey car park was largely funded from earmarked reserves that had been created to facilitate the development (circa £41.3 million), alongside a small amount of prudential borrowing (circa £7.8 million) which has been fully accounted for in previous budget estimates.
- 52 The letting of the contract and construction of the building pre-dates the more recent challenges in the construction industry, which have seen significant supply chain impacts and inflationary pressures being experienced. Whilst the construction of the building has gone well, with the new building being delivered to budget, delays and additional costs have occurred due to the common land de-registration process. The common land, which was successfully de-registered was to originally accommodate the attenuation tanks for both the multi-storey car park and the new building as well as the sprinkler tanks for the new building. Ultimately this area of land is to become a surface car park.
- 53 The common land de-registration process has resulted in additional unforeseen/unbudgeted costs of circa £2.1 million having been incurred to practical completion – resulting in an overall development spend of £51.2 million. These additional costs can be largely offset should the Council not occupy the building, as the planned investment in audio-video/ICT infrastructure and in new furniture and fittings, that was

included in the original budget sum, can be saved. This would reduce the overall additional spend incurred to a forecast £0.6 million, which can be financed from capital contingencies, and would require a revised development budget of £49.7 million.

- 54 Forecast capital costs for each of the buildings considered for the alternative accommodation strategy have been assessed and are set out in the exempt report. These costs include an additional risk factor to ensure that there has been adequate allowance made for:
- (a) the exceptionally volatile marketplace, which is impacting the availability and costs of materials, labour and professional services;
  - (b) the fact that there is not a fully worked up brief and designs for all of the buildings that are to be considered at this stage. Detailed due diligence has not yet been carried out on many of the sites or buildings under consideration as the project is currently at an initial stage of development (RIBA 0) in some cases;
  - (c) the risk factor applied to each option has taken into consideration the specific risks for each project. For example, a higher level of risk has been applied to new build projects when compared with a refurbishment. Where risk has been applied to refurbishment options, consideration has been given to the scale of the refurbishment needed as well as the age and condition of the building.
- 55 A slightly larger area has been allowed for the proposed solution for civic accommodation to allow use of the accommodation as a conferencing facility for the wider Aykley Heads development. This can be adjusted and refined as the building is designed.
- 56 The forecasts capital costs of implementing an alternate office accommodation strategy are comfortably within the capital receipt the Council would realise from the sale of the building on The Sands.

## **VAT**

- 57 Local authorities can recover all VAT it is legitimately charged and have special status in VAT law by virtue of Section 33 of the VAT Act 1994 (as amended).
- 58 As a Section 33 body, the Council can recover VAT on expenditure incurred in generating exempt income, subject to this not exceeding 5% of total VAT recovered. This is known as the partial exemption calculation and generally/historically the Council runs at around 3.7% of its overall VAT recovered being in relation to exempt activities.

- 59 The Council is allowed to breach the 5% limit in any given year, so long as it doesn't breach a seven-year average percentage. If the Council breaches that limit, it is obliged to repay to HMRC the total amount of VAT it has reclaimed in relation to exempt income in that year, plus potentially previous years, depending on the projects involved.
- 60 The Council's current policy is to opt to tax new developments in all circumstances to protect the Council's partial exemption position. This policy is followed due to the precarious nature of the Council's partial exemption given the planned significant investment in the Leisure Development programme.
- 61 Any disposal of the building on The Sands to Durham University would need to be subject to VAT. Full consideration of the Council's VAT position has been taken into consideration when assessing value for money consideration. Financial Implications - Running Costs and MTFP Impacts.
- 62 The original business case for the building on The Sands forecast the net revenue running cost of the new building on The Sands would be approximately £0.275 million less than the anticipated £1.763 million running cost of County Hall at the time of the 2018 HQ Cabinet report. The forecast £0.275 million saving is currently included in MTFP(12) as a 2023/24 saving. Regardless of the outcome of the business case being considered as part of this report, this saving requires reprofiling in line with the expected occupancy of the new History Centre.
- 63 The base budget for County Hall includes the current accommodation costs of the County Records and Archive Service. Separate accommodation budgets are held for the registration service at Aykley Heads. These services are due to transfer to the History Centre once the construction of that facility is completed.
- 64 Revenue budget estimates prepared for each of the potential buildings that are viable options and these demonstrate that a greater revenue saving than that originally anticipated through occupation of The Sands can be achieved.

## **The Economic Case**

### *Supporting Education and Private Sector Growth*

- 65 Durham University is a globally ranked, Russell Group University and one of the largest employers in our county with over 13,000 workforce nationally and Gross Value Added of £1.1 billion.
- 66 Durham University is part of a cohort of major employers for whom social value through their investment is a key principle and they are

currently working with Durham County Council through the Durham Pound initiative to ensure local spend and employment opportunities are maximised.

- 67 The University has a student population of over 21,000, supporting the city's footfall. The University is important to the county's workforce and importantly provides a unique selling point for the County in respect of the attractiveness of the county's labour market, which retains, supports and attracts investors and supports the productivity and capability of our businesses.
- 68 The University is important to County Durham's collective global reputation and has aspirations to deliver more through research and improved facilities.
- 69 An expanded business school, which would be unlocked by the new site on The Sands, will deliver according to the business plan of the Durham University Business School (DUBS) up to 780 roles by safeguarding and creating additional jobs.
- 70 The release of the Sands public building to the private sector will directly support the enablement of the significant investment from the University and unlocks the associated benefits highlighted above.

### *Supporting Strategic Investment at Aykley Heads*

- 71 Aykley Heads is one of the county's important strategic investment sites. The planning permission for the master plan accounts for 38,468 sqm of development and a forecast potential of up to 4,000 jobs.
- 72 Beyond the immediate growth and jobs forecasts, Aykley Heads offers a strategic economic anchor to the county, as a specialist innovation district, representing the high-tech capacity within our economy for research, innovation, financial and digital services.
- 73 Building a new civic function on plot D with conferencing facilities and occupation of Plot C for Council office accommodation allows for the early development of Aykley Heads, with a Northern campus being supported by public sector uses to accelerate wider development.
- 74 This would include a multi-functional conferencing space, which will not only support the Council's civic requirements in a publicly accessible location, but also provides a meeting and conferencing venue, which would be a significant asset in attracting the private sector to the wider site.
- 75 This improved conferencing offer at the Northern zone of Aykley Heads would be supported by the redevelopment of the south of the site of the

former Durham Light Infantry Museum into a cultural and hospitality venue. These two accelerated sites would mean that in marketing the site for further private sector investment, the Council could demonstrate plans for a conference facility to the North and a cultural and hospitality venue to the South, which will significantly enhance the offer which is taken to market.

- 76 These investments can be strategically important to the market attractiveness of Aykley Heads, offering not only the greened landscape in an urban setting, complimented by the view of Durham City, but practical investments in facilities to make the development attractive and functional for business use.
- 77 Locating the public sector uses at the Northern end of the site, the prime development space which will be created by the demolition of County Hall and full master planning remains available and potentially accelerated, as market confidence is supported by this early investment.
- 78 Importantly, the plan for the demolition of County Hall is not impacted by the outcomes estates review, and therefore the Council can confidently continue to market the site in 2022 and give developer confidence on delivery, with additionality demonstrated through public sector job relocation and provision of additional facilities as set out above.

### *Supporting Levelling Up*

- 79 The capital estimates indicate that net capital receipts to the Council from the disposal of the building on The Sands will exceed the estimated capital costs of implementing a revised accommodation strategy to meet the Council's civic and office accommodation requirements.
- 80 In development terms this would reflect a surplus on the development of the site and means that the public sector generates a surplus from the disposal of a public building to a private party.
- 81 Surplus funds from the disposal that are not otherwise required for the delivery of the Council's revised estate strategy will be available for MTFP planning purposes and can be considered for a range of investment opportunities including levelling up investment across the wider county.
- 82 This presents an important opportunity not only to secure a revised estates strategy that generates economic benefits, but in addition to create significant investment that can be recycled into the County for other purposes, at a time of constrained public funding.

- 83 Bringing the vacant Grade II listed building in Stanley back into use provides a multi-million pound investment in Stanley Front Street, improving the buildings and frontage, but also ensuring much needed footfall into the town through local spend, as well as improving the prospects of further investment in the town.

## **Risk**

- 84 The Council had originally anticipated that staff would move into the building on The Sands on completion, with only those staff who were to be located in the new History Centre remaining in County Hall until such times as this building was ready for occupation, which is now scheduled for Autumn 2023. Any alternative accommodation will mean that staff need to remain in County Hall longer than originally anticipated.
- 85 County Hall was constructed in the early 1960s and is a reinforced concrete frame, with single glazing and asbestos throughout. It is reaching the end of its natural life and without significant investment there is a risk of key component failure. It is considered that these risks can be managed and mitigated through strict maintenance regimes. The building, although nearing the end of its life does not present a risk to those staff located in the building.
- 86 Any new building project involves risks in delivery, both in terms of costs and timeframe. The cost risk for all of the alternative building options has been considered through the additional risk allowance that has been added to the capital cost estimates for each scheme. The risk to timeframe will be more fully considered once the alternative strategy has been approved and detailed designs have been prepared but an anticipated three-year delivery time frame for any new build is considered realistic and prudent.
- 87 As with any change in the work place the impact on staff needs to be fully considered. Should Cabinet agree the alternative accommodation strategy, then careful consideration will be given to ensuring this provides accommodation that is fit for future service delivery, is flexible to be able to react to future workforce changes and provides an environment that encourages staff collaboration and engagement, staff retention, aids staff recruitment and workforce wellbeing.
- 88 For the changes to the workplace to be as effective as possible, staff need to be included in the process of any changes to their working accommodation and practices. A workforce plan and approach will be developed for the alternative strategy to ensure workforce considerations are taken into account with any new plans, and that adequate engagement and consultation takes place with Trade Unions

and employees as part of an updated and revised “organisational fit” exercise.

- 89 As part of the staffing considerations, key issues will include reviewing existing contracts of employment, the scale and type of consultation required, any relocation implications and finally the development or review of any policies required. A plan will also be developed which will support employees to work differently in any new model or in any new working environments/ locations.
- 90 The September 2021 report made reference to the Common Land Public Inquiry which at that time the Council was waiting to hear the outcome from. The Inquiry reported in October 2021 and the Council’s Section 16 application to have the land de-registered as common land was successful. This has resolved any outstanding risks in connection with the status of the land. The impact on the capital budget arising from the Public Inquiry is set out at paragraph 52 and the report seeks Cabinet approval to increase the capital budget by £600,000 to reflect the additional sums required to full practical completion of the building in light of this. Should the disposal of the building on The Sands to the University not be completed, the capital budget will need to be increased by £2.1 million.

### **Preferred Option**

- 91 From the work carried out through the review, it is clear that a multi building approach provides the most flexible option to respond to changing office needs, as well as opportunities to bring about broader regeneration opportunities. This will also enable the Council to respond to changing work patterns in the future. The most effective overall alternative to the accommodation on The Sands to meet the balanced objectives set out earlier in this report is considered to be as follows:

- (a) Aykley Heads Plot C. This building is currently under construction and being built to CAT A specification, so construction price inflation has been largely mitigated. This represents a shell building which allows a tenant to fit it out to their own specific requirements with regard to partitions, ICT, furniture as well as any corporate branding. In the cost estimates an allowance has been made to provide fit out for the Council.

Plot C has been designed to be flexible. This means that should the needs of the Council change in terms of reduced demand for office space in the future, the building is flexible enough to allow areas to be leased to third party organisations without impacting on the Council’s occupation. This allows the Council’s office

accommodation strategy to remain as flexible as possible to reflect the changing needs of a dynamic workplace.

- (b) Aykley Heads Plot D. This will be a new purpose-built civic building and office building which will also provide facilities for wider business use as part of the redevelopment of Aykley Heads, providing flexible conference space. The flexible design of the building and the ability for dual use both as a civic space and conference space for Aykley Heads will also introduce opportunities to reduce revenue costs, although at this stage these have not been determined. Such a flexible design would also future proof the building to allow for office space, if required to be leased out to third party organisations. This will allow the Council's future office accommodation strategy to remain flexible to reflect the changing needs of a dynamic workplace.
- (c) Stanley Front Street. This option will bring back into use a building which has been derelict for over five years and has a negative impact on the Front Street in Stanley. The refurbishment of this building will support the Council's broader levelling up agenda and will help to demonstrate the Council's commitment to the area.

- 92 The preferred option set out above not only provides additional investment in Aykley Heads, but also for a multi-million pound investment in Stanley Front Street, improving the buildings and frontage, but also ensuring much needed footfall into the town through local spend, as well as improving the prospects of further investment in the town.
- 93 The above solution provides accommodation for a headcount of approximately 1,100. These numbers are approximate and will vary depending on design and layout, as well as the overall office space that is provided at Plot D. The solution presented offers the flexibility to adapt the office estate to meet growing/reduced demand and accommodate any post Covid learning.
- 94 Although the proposed solution offers a slightly reduced office capacity from the building on The Sands, it is considered that any shortfall can be readily accommodated through the revision of capacity in the Council's other facilities, following the introduction of flexible working practices.
- 95 Subject to approval of the preferred option, as the more detailed design of the new civic accommodation at Plot D is developed, it will be refined to meet any change in demand for office accommodation. This may

lead to the core office space being reduced to reflect changes in working practices, which may have a marginal impact on capital costs.

- 96 The Building Research Establishment Environmental Assessment Method (BREEAM) is a sustainability assessment method for infrastructure and building projects. It recognises and reflects the value in higher performing assets across the built environment. It does this through third party certification of an asset's environmental, social and economic sustainability performance using standards evaluated by a BRE assessor. Designers and contractors target and achieve credits related to numerous different aspects including topics such as life cycle cost, responsible construction practices, thermal comfort, acoustic performance, low carbon design, transport assessment, material sourcing, site ecology and flood water management. To achieve BREEAM Excellent the project must achieve a % rating benchmark score equal to or greater than 70% as opposed to 55% for Very Good or 85% for Outstanding.
- 97 Based on an assessment of both the capital and revenue costs of the alternative solution and set out in the exempt report it is considered that the alternative solution represents value for money.

## **Timescales**

- 98 At its meeting in September 2021, Cabinet agreed that negotiations with the interested party should be brought to a conclusion no later than three months following approval of any viable alternative office accommodation strategy. At that time this was expected to be Summer 2022.
- 99 The intention had been to present the alternative accommodation strategy to Cabinet in July 2022, which meant that negotiation needed to be concluded by October 2022. Whilst it has been possible to present an alternative accommodation strategy for approval at an earlier meeting of Cabinet, a deadline for completing the transaction with the University by the end of October 2022 remains appropriate. This allows for the University to secure planning permission and for the necessary documentation to be agreed and entered into.
- 100 Further detailed work is required before a programme for the delivery of the alternative accommodation strategy can be produced. However, a realistic assessment based on projects of a similar scale would suggest that an overall delivery timeframe for the full scheme as set out of circa three years is realistic and prudent.
- 101 In order to ensure that any alternative strategy does not unduly delay the development of Aykley Heads once the History Centre is available

for occupation by the County Records and Archives Service, all remaining staff will be relocated from County Hall, in 2024.

- 102 Full communication and consultation will take place with staff and representative bodies as part of discussions on wider flexible working going forward.

## **Conclusions**

- 103 There is no one building alternative either in Council or private ownership that could provide suitable or adequate accommodation to meet the requirements for civic space. It is considered strategically important for the Council to have a visible presence within the Durham City area as the historic county town and to demonstrate strong leadership both for the residents and businesses. It should be easily accessible to those within and outside the county. Any alternative proposal therefore requires a new build for the civic/committee accommodation within or in close proximity to Durham City.
- 104 To meet the overall requirements for office accommodation, more than one building will therefore be required to meet existing and future office requirements.
- 105 It has been concluded that the most suitable solution to the civic/committee accommodation is a new build facility on Aykley Heads if the Council does not occupy the building on The Sands. This will require using a development plot at the north of the site. This represents the most viable option to satisfy the spatial, operational and functional requirements and to meet the assumptions and aspirations of the Council.
- 106 This does mean that a development site that would have been developed for the private sector is used for a Council facility. However, this facility will also provide much needed meeting and conferencing space for the private sector which will provide an attractive proposition for the Aykley Heads development and meet a demand that would be unlikely to be met by the private sector. This can be factored into future marketing of the site and considered as the detailed plans for the site are brought forward, as well as taking account of post-Covid requirements of the private sector for suitable accommodation.
- 107 It would be feasible to construct one large building on Aykley Heads to meet both the civic and office requirements, however this would not meet the requirements set out in the September Cabinet report as it would require a large area of Aykley Heads to be developed which would significantly reduce the developable area for wider regeneration and commercial use.

- 108 Utilising Plot C and Plot D as part of the revised accommodation strategy will result in circa 600 fewer private sector jobs being accommodated on the Aykley Heads site, using the planning assumptions previously reported. However, this will be offset by the University jobs created on The Sands site. Updated modelling of the economic impacts and jobs that can be realised from the development of the remaining elements of the Aykley Heads development, which represents the prime sites, will form part of the business case that will come forward to progress the wider site.
- 109 Based on the work undertaken to inform this report, the most efficient overall solution which provides the Council with flexibility for its office estate moving forward is to occupy the building under construction at Plot C Aykley Heads, construct a new civic building on Plot D and refurbish/ bring back into use the Stanley Front Street former CAP building. The forecasts capital costs of implementing an alternate office accommodation strategy are comfortably within the capital receipt the Council would realise from the sale of the building on The Sands.
- 110 Any surplus funds from the disposal that are not otherwise required for the delivery of the Council's revised estate strategy will be available for future MTFP planning purposes and can be considered for a range of investment opportunities including levelling up investment across the wider county.
- 111 Based on the revenue estimates prepared for the alternative accommodation strategy there is forecast to be a net annual revenue saving of at least £0.275 million, which was the original forecast saving to be realised from the occupation of the building on The Sands. Current estimates as set out in report would suggest that this saving is significantly greater. Further work is required to refine the estimates but based on the work undertaken there is sufficient assurance that the annual running costs will deliver at least the equivalent level of savings as to the occupation of The Sands building, possibly more.
- 112 There will be a need to incur an element of "double running" costs whilst the alternative accommodation strategy is delivered. A similar scenario was envisaged with the building on The Sands, where the existing County Hall building (and costs) would be in place until the County Records and Archives could relocate to the new History Centre. Under the proposed strategy, additional running costs would relate to the occupation of the Plot C building from 2023 until County Hall could be fully vacated in 2024.
- 113 The options available to the Council and the anticipated capital and revenue costs along with the flexibility that the alternative accommodation strategy offers, provides the necessary assurance that

the Council can progress with the disposal of The Sands building to Durham University.

### **Background papers**

- None

### **Other useful documents**

- Review of Durham County Council Headquarters – Report to Cabinet 16 June 2021
- Review of Durham County Council Headquarters – Report to Cabinet 29 September 2021.

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## **Appendix 1: Implications**

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### **Legal Implications**

The September 2021 report made reference to the Common Land Public Inquiry which at that time the Council was waiting to hear the outcome from. The inquiry reported in October 2021 and the Council's Section 16 application to have the land deregistered as common land was successful.

The planning permission for the building on The Sands contained Grampian conditions in respect of the existing County Hall car park. Should planning permission be granted for a change of use to a Business School these conditions will no longer apply.

The Council is under a statutory duty to make arrangements for securing the economy, efficiency and effectiveness in the use of its resources. The Council's external auditors are tasked with satisfying themselves that those arrangements are proper. Should the external auditor not be satisfied they could qualify the Council's accounts or issue a public interest report to the Council. Cabinet must therefore be satisfied that any decision taken is in the public interest and achieves value for money.

Should the Council not occupy the new building on The Sands it will be important from a public interest perspective that the Council can demonstrate that on the whole, the regeneration and other benefits envisaged from the original business case can be delivered or exceeded by any alternative course of action.

The Council is also under a statutory duty to dispose of land for the best consideration that can be reasonably obtained.

At its meeting in September 2021, Cabinet agreed that negotiations with the interested party should be brought to a conclusion no later than three months following approval of any viable alternative office accommodation strategy. At that time this was expected to be Summer 2022, leaving an expected completion deadline of October 2022.

A deadline for completing the transaction with Durham University by the end of October 2022 remains appropriate. This allows for the University to secure planning permission and for the necessary documentation to be agreed and entered into.

### **Finance**

Outline Heads of Terms have been agreed with the University and estimated capital and revenue costs prepared for the alternative accommodation

strategy. These are set out in detail in the “in private” report considered elsewhere on the Agenda.

The review of alternative accommodation strategies has necessitated the commissioning of external independent consultancy support, through the engagement of Avison Young and GT3 Architects. These costs, and the costs previously incurred in developing the original business case that lead to the development of the building on The Sands are set out in the in private report. The construction contract for the new HQ on The Sands and the adjacent multi-storey car park (MSCP) is £49.1 million. Of this, circa £44 million relates to the main HQ building. There has been £2.1 million of additional costs incurred due to the delays to the common land de-registration, taking the total cost of the development to an estimated £51.2 million, though savings on furniture and fittings and on ICT infrastructure/audio visual will be possible if the Council does not ultimately occupy the building, leaving a forecast net £0.6 million overspend against the original approved budget.

Any surplus funds from the disposal that are not otherwise required for the delivery of the Council’s revised estate strategy will be available for MTFP planning purposes and can be considered for a range of investment opportunities including levelling up investment across the wider county.

Medium Term Financial Plan (MTFP) savings of £275,000 have been factored into 2023/24 in MTFP12 from the expected move to the new HQ and closure/demolition of the existing County Hall building at Aykley Heads. Regardless of the outcome of the business case being considered as part of this report, this saving requires reprofiling in line with the expected occupancy of the new History Centre in Autumn 2023.

Based on the revenue estimates that have been prepared, an alternative strategy still results in net revenue running costs being at least £0.275 million less than the £1.954 million budgeted running cost of County Hall in 2022/23, with current estimates suggesting that this saving is significantly greater. Further work is required to refine the revenue estimates as the schemes are designed further.

A range of one-off revenue costs will need to be incurred as part of the office accommodation and estates strategy – including decant and removal/relocation of employees and the County Archive and Records Office, plus associated time limited disturbance payments for excess travel and double running costs. These were originally forecast to be between £1.168 million and £1.299 million and were expected to be funded from the general reserve. The one-off revenue cost estimates associated with the revised model are expected to be similar to the original business case and relate to empty property costs linked to The Sands building in 2022 up until the point of sale, occupation of the Plot C building from early 2023 until County Hall could be vacated in 2024 to allow for the Aykley Heads site

development (and demolition of County Hall) to progress as soon as possible. These costs are estimated at circa £1.2 million and are similar to the costs that were originally envisaged from the move to the Sands building. There may be additional costs incurred in terms of temporary accommodation / alternative arrangements that may be needed for the employees who will eventually occupy Plot D but these will be more than offset by savings from the demolition of County Hall.

## **Consultation**

The review of the options contained in this report and the work to prepare the business plan have been overseen by a dedicated Task and Finish group. This included a core team from within the Council, supported by external consultants Avison Young and GT3. The Task and Finish Group included officers with detailed knowledge of the Council's existing estate strategy and knowledge of site and building availability in County Durham, including those in private ownership. The Task and Finish Group comprised architects, project managers, facilities managers and cost consultants - both capital and revenue.

Corporate Management Team and relevant Cabinet Members have been involved throughout the development process of the alternative options and this oversight will need to continue going forward as the programme moves into the implementation stages.

As with any change in the workplace, for it to be as effective as possible, staff will need to be included in the process of any changes to their working accommodation.

A consultation and engagement plan will be considered with the Trade Unions and staff to ensure appropriate consultation and engagement takes place as part of an updated and revised "organisational fit" exercise.

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

An Equalities Impact assessment will be undertaken as part of the more detailed feasibility.

## **Climate Change**

The Council has an agreed target to reduce carbon emissions from its own activities by 80% by 2030 from a baseline year of 2008/9, which equates to a target for emissions of 21,000 tCO<sub>2</sub>e. The emissions for the Council's activities at the end of 2020/21 were 44,000 tCO<sub>2</sub>e.

In broad terms building heat from the Council's operational buildings accounts for 7% of the Council's carbon footprint, while operational building electricity load accounts for 4%.

New build accommodation will contribute to the overall target delivery if it provides a lower carbon alternative to the accommodation being replaced, with an ambition towards carbon neutral building design and a route to net zero.

The new building on The Sands has been designed to British Council for Offices (BCO) standard and to meet all modern design and sustainability credentials being BREEAM Very Good (55%) and EPC A rated. This represents a significant improvement on the existing County Hall.

Any new build accommodation delivered as part of the alternative accommodation strategy will be a minimum of BREEAM Excellent (70%) with full consideration given in both design and operation to the minimisation of carbon emissions.

## **Human Rights**

None specific to this report.

## **Crime and Disorder**

None specific to this report.

## **Staffing**

The review to date has been undertaken using existing staffing resources, supplemented by the support of external consultants to undertake the independent assessment of the options explored.

Following a rationalisation of the Council's office accommodation, the Council's core office-based workforce was to be located in one of five main offices: Seaham, Spennymoor, Crook, Meadowfield and the new HQ. The capacities of these buildings have been increased through implementing the Inspire principles and more recently following a review of the accommodation needs post Covid which has seen a significant reduction in the desk ratios available and a move towards a hybrid working model going forward.

Considerable investment has been made in improving the strategic sites. The standard of the existing County Hall accommodation is poor by comparison.

As part of the development of the options appraisal and business case for a possible potential alternative strategy should the Council not subsequently occupy The Sands building, careful consideration should be given to ensuring the alternative fit for future service delivery and that it provides a working environment that encourages staff engagement, staff retention and aids staff recruitment etc, which were fundamental considerations to the previous strategy and remain appropriate.

The Council had originally anticipated that staff would move into the building on The Sands on completion, with only those staff who were to be located in

the new History Centre remaining in County Hall until such time as this building was ready for occupation, which is now scheduled for Autumn 2023. Should the alternative accommodation strategy be approved, this will mean that staff will need to remain in County Hall longer than originally anticipated.

As with any change in the work place the impact on staff needs to be fully considered. Should Cabinet agree the alternative accommodation strategy, then careful consideration will be given to ensuring this provides accommodation that is fit for future service delivery, is flexible to be able to react to future workforce changes and provides an environment that encourages staff collaboration and engagement, staff retention and aids staff recruitment. Appropriate communication and consultation will take place with staff and representative bodies on the detailed implementation plans.

### **Accommodation**

There is no single building alternative to occupying the building on The Sands however the review that has been completed has clearly demonstrated that there are a number of options available to the Council.

Based on the work undertaken to inform this report, the most efficient overall solution which provides the Council with flexibility for its office estate moving forward is to occupy the building under construction at Plot C Aykley Heads, construct a new civic building on Plot D with conferencing and refurbish / bring back into use the Stanley Front Street former CAP building.

### **Risk**

The report provides details of options available to the Council based upon whether Durham University purchases the new facility at The Sands in Durham City. If the sale does not go ahead the intention being for the Council to occupy the facility at The Sands later this year.

If the sale to the University goes ahead, the Council will secure a capital receipt. The sale will be subject to VAT, which will protect the Council's VAT partial exemption position. The sale will require the Council to consider alternate accommodation to still enable the demolition of County Hall and the redevelopment of the Aykley Heads site as soon as possible. Such a strategy will also enable the Council to utilise new and adapted buildings which allow effective hybrid working alongside regeneration and levelling up priorities.

Construction inflation is very volatile at this point and allowance has been included in the capital forecasts for the alternative strategy to ensure prudent risk contingencies are built into the capital estimates.

Should the alternative accommodation strategy be approved, this will mean that staff will need to remain in County Hall longer than originally anticipated, which is not ideal and will need to be carefully communicated as the building does not have a working environment that encourages staff engagement, staff

retention and aids staff recruitment etc, which were fundamental considerations to the previous strategy and remain appropriate.

## **Procurement**

The review has necessitated the commissioning of external independent consultancy support, through the engagement of Avison Young, and GT3 Architects. The procurement of any consultants to support this review has been undertaken in line with the Council's Contract Procedure rules.

Further consultancy support will be required to help complete the next more detailed stage. The procurement of any consultants will be undertaken in line with the Council's Contract Procedure rules.

Should the alternative accommodation strategy be approved the procurement of any works for the refurbishment and new build aspects of the strategy will be undertaken in line with the Council's Contract Procedure rules.

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## Appendix 2: Assessment Methodology, Process and Findings

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1. The high-level assessment of all Council assets across the county (Stage 1) included a review of the Council's asset register. This entailed reviewing all assets and providing an initial high-level assessment as to suitability of each, categorised as follows:
  - (a) Potentially suitable - to be considered on merits;
  - (b) Unsuitable to provide accommodation;
  - (c) Unsuitable as specialised service provision; or
  - (d) Unsuitable as existing income generating asset.
2. A process was undertaken to identify any potentially suitable sites and buildings in private ownership (Stage 3) across the county. To identify these opportunities, the Task and Finish group carried out a search of local agents' websites. Specialised office letting agents were also contacted to understand availability of any buildings or land that may not be openly advertised as for sale/lease.
3. In order to refine those sites and buildings in private ownership identified at Stage 3, a high-level assessment was undertaken based on the following criteria:
  - (a) Condition;
  - (b) Location;
  - (c) Accessibility;
  - (d) Size;
  - (e) Planning (inclusion of environmental impact);
  - (f) Suitability;
  - (g) Travel conditions (travel plans/routes); and
  - (h) Regeneration opportunities.
4. This high-level assessment resulted in a refined long list of opportunities in both Council and private ownership (Stage 4).
5. Further checks were then completed, including reviewing ownership records, floor plans and titles. Informal advice was also obtained from

Highways and Planning teams. The long list comprised the following sites:

1	SevenHills, Durham Learning Resources, Spennymoor
2	Spennymoor Education Development Centre and land
3	Spennymoor Green Lane Council offices and CAP
4	DurhamGate, Spennymoor
5	Thinford site, Spennymoor
6	Meadowfield, former Wavin Plastics factory
7	Meadowfield Annand House and land adjacent
8	Durham, Hopper House
9	Durham, Salvus House
10	Aykley Heads Plot C
11	Aykley Heads development land
12	Pity Me, Priory House
13	Pity Me, Boldon House
14	Tanfield Lea, Comeleon House
15	Greencroft Industrial Park land
16	Stanley Front Street Former DCC offices
17	Durham Claypath former offices
18	Crook Civic Centre Offices
19	Meadowfield Depot offices
20	Seaham Spectrum offices

6. The existing strategic sites at Seaham Spectrum offices, Crook offices and Meadowfield offices were identified as having some potential to accommodate additional employees due to more flexible working methods recently introduced. However, the numbers are comparatively low compared to the numbers of staff that require an alternative location to The Sands, should it be disposed of. For the purposes of this review these sites were excluded at this stage due to the limited potential they offer to provide permanent alternative accommodation.
7. The options for accommodating staff across the main office estate will continue to form part of the Council's approach when assessing its

workforce and accommodation requirements, including considering commercial opportunities that may be available as organisations continue to develop their workforce models and flexible working requirements.

8. Spennymoor Green Lane offices strategic site remained as an option at this stage because of potential to extend the existing office building.
9. Site visits were undertaken for those sites remaining in the refined long list (Stage 5). These inspections provided the opportunity to review the sites in terms of location, planning and highways considerations. An internal inspection was carried out on buildings where this was possible. This allowed an initial assessment of the suitability and adaptability of the building to provide either office or committee accommodation and provided an indication of any high level potential risks in any refurbishment.
10. At stage 6, a two-stage suitability review was then carried out on the 17 sites identified above, which consisted of:
  - Suitability Test 1: Does the site support wider Council strategic property solutions (for example storage/depot functions) for future consideration?
  - Suitability Test 2: Does the site offer potential to support alternative HQ solutions – either civic/committee space or suitable office accommodation?
11. The Task and Finish group carried out the Suitability Test 1 in a workshop environment, supported by global real estate advisors Avison Young and Architects GT3. This resulted in three of the sites being removed from the long list. The three sites removed at this stage were:
  - (a) Hopper House - considered to provide unsuitable accommodation to support the Council's requirements because of condition and location;
  - (b) Boldon House - which was no longer available on the market; and
  - (c) 13-17 Claypath - whilst located in the city centre, the building does not provide the opportunity for a civic and committee function. The existing layout does not provide for a modern office environment and the condition of the building would require it to be taken back to a shell for appropriate works to be undertaken. Consideration was also given to the broader regeneration opportunities that the site offers through its location adjacent to Millennium Place. For all of these reasons, the building was not considered to be suitable.

12. The remaining 14 sites were then assessed against Suitability Test 2 criteria. This test required a more detailed assessment to be undertaken to establish feasibility to support the required civic and office functions.
13. Following the second step of the two-stage suitability assessment, the long-list of potential sites was reduced to eight. The six sites removed as a result of the initial work undertaken under Suitability Test 2 were as follows:
  - (a) Seven Hills Spennymoor: predominantly storage and limited scope to accommodate additional office accommodation. The building is leased and not in DCC ownership. Not considered appropriate for further consideration;
  - (b) DurhamGate, Spennymoor: Land only and not in DCC ownership. Not considered appropriate for further consideration at this stage due to the timeframe to acquire the site prior to any certainty regarding development;
  - (c) Thinford, Spennymoor: Land only and not in DCC ownership. Not considered appropriate for further consideration at this stage due to the timeframe to acquire the site prior to any certainty regarding development;
  - (d) Meadowfield, Former Wavin Plastics factory: Not in DCC ownership. Large building in poor repair. Would predominantly require demolition and new build. Not considered appropriate for further consideration at this stage;
  - (e) Annfield Plain Greencroft Industrial Park Land: Brownfield land only. Due to location not considered appropriate for large scale relocation of office-based employees. Not considered appropriate for further consideration at this stage;
  - (f) Spennymoor Green Lane Offices: extension to existing building considered however car parking limitations would restrict expansion opportunities. Although it would be possible to provide additional car parking through provision of a deck to existing surface car park the site layout does not easily lend itself to this. Not considered appropriate for further consideration at this stage.
14. The shortlisted buildings and sites were then considered in more detail as to their suitability and ability to be refurbished/alterd – this is covered in more detail in the Viable Options section of this report.
15. Finally, a high-level assessment of capital and revenue costs for each potential solution was prepared (Stage 9) – which are a material

consideration in terms of the value for money and public interest tests to pursuing an alternative accommodation strategy.

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## RECORD OF EXECUTIVE DECISIONS

The following is a record of the decisions taken at the **Special Meeting** of **CABINET** held on **Wednesday 27 April 2022**. The decisions will come into force and may be implemented from **Tuesday 10 May 2022** unless the Corporate Overview and Scrutiny Management Committee or its Committees object to any such decision and call it in.

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### **Durham County Council Headquarters Alternative Options Assessment** **[Key Decision: REG/04/22]**

#### **Summary**

The Cabinet considered a joint report of the Corporate Director of Regeneration and Economic Growth and the Corporate Director of Resources which was the third in a series of reports reviewing the plans to occupy the newly constructed building on The Sands in Durham City. The report considered the options for the location of the Council's Headquarters (HQ) and the functions and use of its estate to support wider economic objectives for the county should the Council not occupy The Sands site. The report set out a proposal to dispose of The Sands site, (excluding the surface car park area and new multi storey car park), subject to planning. The Cabinet considered the key business case requirements and value for money, including economic, financial, commercial, management and strategic objectives.

On 16 June 2021, Cabinet agreed to review the options for use of the newly constructed Durham County Council Headquarters (HQ) at The Sands in Durham City and to set out an approach for reviewing the options for the Council's HQ functions.

The building at The Sands is now complete, however, the common land de-registration process has resulted in additional unforeseen /unbudgeted costs of circa £2.1 million having been incurred to practical completion – resulting in an overall development spend of £51.2 million.

These additional costs can be largely offset should the Council not occupy the building, as the planned investment in audio-video/ICT infrastructure and in new furniture and fittings, that was included in the original budget sum, can be saved.

This would reduce the overall additional spend incurred to a forecast £0.6 million, which can be financed from capital contingencies, and would require a revised development budget of £49.7 million.

On 29 September 2021, Cabinet agreed to a number of recommendations with regard to the future of the Council's estates strategy and Council HQ functions. It was agreed that further work would be undertaken on alternative options for office accommodation and committee space for the Council. The protection of the strategic employment development site at Aykley Heads and future demolition of the existing County Hall building was also agreed. The need to meet public interest and value for money considerations underpinned the September 2021 report and these considerations need to inform any change to the original plans for the Council to occupy The Sands building.

Cabinet agreed that the viable alternative to the Council occupying the new HQ building on The Sands would be for the disposal of that building or letting of it to a single third-party occupier within a reasonable timescale and to conclude the position by Summer 2022. The September 2021 report identified the difficulties in securing interest in a building of this size, noting that another single occupier would likely be the only viable alternative. Cabinet noted the high-level risks and issues that needed to be considered prior to any final decision not to occupy the building on The Sands and to dispose of it.

The September 2021 report also advised of an interest from a third party in acquiring the building. It was agreed that negotiations with the third party would progress on a subject to contract basis, while at the same time a business case for an alternative accommodation strategy would be prepared. The interest from a specific third party was referenced in the report, but not formally identified at that time due to commercial confidentiality.

The interested third party, Durham University, seeks to acquire the building to enable the development of the University business school. The use of the building, readiness of the University and the heads of terms agreed for the purchase price are the key factors in the justification for the disposal to a 'special purchaser' in this case.

Durham University Business School (DUBS) and its strong global reputation would provide an important economic asset to the overall development. The University also has a key role in enabling and supporting an inclusive economy. The University has presented clear evidence of a readiness to move forward with the business school, subject to planning.

Common with all scenarios considered in the September 2021 Cabinet report was the need to limit the timescales to implementation. It was agreed that any negotiation with the third party must be concluded no later than three months following approval of any viable alternative office accommodation strategy, which was anticipated to be Summer 2022.

It was agreed that should it not be possible to reach a satisfactory outcome from negotiations with the interested third party within the timeframes set out in the Cabinet report, or if a viable alternative office accommodation strategy was not found, then the Council would occupy the building on The Sands as its new HQ.

The proposed disposal to the University is subject to planning approval of a change of use for the existing site to support the use as a business school (use for education purposes). A planning application led by the University is expected to be considered by the County Planning Committee in July 2022. The report provided Cabinet with the outcome of the negotiations with the University and the business case for disposal, including the broader economic outcomes and the alternative Council office accommodation strategy that could be implemented. The report addressed the public interest and value for money considerations that need to inform any change in the original plans for the Council to occupy the building on The Sands.

Underpinning the recommendations set out in the report were a range of issues, not only the importance and opportunity to ensure a high performing and consistent approach for publicly accessible, workforce accommodation and space, but also the opportunities to achieve strong economic objectives releasing wider development for the county, a strong commercial outcome for public money and an alternative accommodation plan that meets the Council's needs.

A number of key areas were considered as part of the business case:

- (a) demonstrating a strong financial position from progressing the alternative options;
- (b) a clear economic case that meets the Council's aspirations for levelling up and an inclusive economy;
- (c) the connectivity of the development of the Council's estate with broader regeneration master plans for the county including the Aykley Heads strategic employment site development;
- (d) the need to ensure that climate change is considered in the proposals; and
- (e) ensuring that the development of the estate can reflect the needs of the Council to deliver effective services and workforce wellbeing.

Technical reviews to assess the key aspects of the strategic, economic, financial, commercial and the management case for the proposals were undertaken. This included understanding the costs and comparison of the benefits of the alternative estates strategy that is proposed, against the original business case for occupying the building on The Sands. Additional work will be required on the detailed development and assurance of the project as it is implemented.

In reviewing the preferred option for the alternative estates strategy, the following options and building scenarios were considered:

**Aykley Heads, Plot C**, offers potential to provide a flexible space in a building that will be available within a relatively short timescale. Consideration would need to be given to the grant funding provided by the LEP to part finance the construction.

Conclusion: To be further considered as part of an alternative accommodation strategy.

**Aykley Heads, Plot D** Development Site offers the potential to provide flexible dual use civic space for the Council and, importantly, conferencing accommodation and facilities for the broader Aykley Heads development, along with office accommodation. The overall size of accommodation can be adjusted to reflect need.

Conclusion: To be further considered as part of an alternative accommodation strategy.

**Durham Salvus House** is currently occupied by Business Durham and a number of small businesses. If this building were to be used to accommodate additional Council staff, businesses would need to be relocated.

Conclusion : Due to impact and disruption for businesses already located in this site, this option is not considered appropriate for further consideration.

**Spennymoor Education Development Centre** is extensively used by schools and a significant refurbishment and/or extension is not considered to represent the best option for the accommodation requirements set out in this report given the impact on existing users and wider implications on timescales for the development of the wider Aykley Heads site.

Conclusion: Not considered appropriate for further consideration.

**Meadowfield Annand House** provides limited scope for additional office accommodation of the scale required.

Conclusion: Not considered appropriate for further consideration.

**Durham Priory House** is currently leased out by the Council. Any Council occupation would require the current lease to be terminated with a resulting risk of the occupant relocating outside of the County Durham area.

Conclusion: Not considered appropriate for further consideration.

**Tanfield Lea Comeleon** House has limited scope to provide additional office accommodation of the scale required.

Conclusion: Not considered appropriate for further consideration.

**Stanley Front Street** is a vacant building which significantly detracts from the Town Centre and future investment opportunities. Although refurbishment costs are higher than for other buildings, bringing the building back into use as office accommodation as part of this strategy will bring broader regeneration opportunities and outcomes.

Conclusion: To be further considered as part of an alternative accommodation strategy.

Taking account of the desired objectives, the preferred alternative accommodation strategy, as set out in the report consisted of occupation of the building currently under construction at Plot C, Aykley Heads, a new build civic centre incorporating a conferencing facility at Plot D, Aykley Heads and the refurbishment of the former Customer Access Point building at Front Street, Stanley, which were recommended for the following reasons:

- a) considers the estate as part of a broader plan for regeneration;
- b) provides flexibility for the Council's office accommodation;
- c) allows increased use of existing assets;
- d) provides the option for civic accommodation to be used as a conference facility for the wider Aykley Heads employment site, which will enhance marketing opportunities for the Aykley Heads site;
- e) overall, the revised estates strategy seeks to deliver against a range of objectives to meet a balanced outcome and ensure value for money.

The Cabinet also considered a separate, private report which included information considered to be exempt under paragraph 3 Schedule 12A of the Local Government Act 1972.

## **Decision**

The Cabinet:

- (a) noted the work that has been undertaken to review the Council's current main office estate and office accommodation requirements, to reflect the needs of the business and the ways of working post Covid, and the business case underpinning the preferred alternative office accommodation strategy set out in the report;

- (b) noted the options set out in the report to provide an alternative HQ and office accommodation, including the proposal for a new civic site for the authority which provides an opportunity for wider events space at Aykley Heads and will enhance the attractiveness of the site to prospective occupiers;
- (c) agreed the preferred office accommodation option for a new build civic centre at Aykley Heads Plot D, use of the building under construction, Plot C at Aykley Heads for office accommodation and refurbishment and use of the former Stanley Customer Access Point;
- (d) noted the flexibility to review the scope and scale of the new build and refurbishment areas to reflect any changing requirements which could include bringing other buildings into the strategy. Authority for such changes to be made to be delegated to the Corporate Director of Regeneration Economy and Growth and Corporate Director of Resources in consultation with the Cabinet Members for Resources, Investments and Assets and for Finance;
- (e) noted that this strategy will be further developed considering technical delivery, legal issues, consultation and further detailed appraisals commensurate with a development of this type and scale;
- (f) agreed to progress with the disposal of the building on The Sands, to exclude the surface car park area and multi storey car park, to Durham University. The disposal to be subject to planning permission for a change of use to enable the building to be used as the University's business school;
- (g) delegated authority to the Corporate Director of Regeneration Economy and Growth and Corporate Director of Resources in consultation with the Cabinet Members for Resources, Investments and Assets and for Finance to agree the detailed terms of the disposal;
- (h) agreed that should the University not move forward with the acquisition within timescales set out in the report, that the Council moves into the existing building on The Sands;
- (i) agreed that any surplus funds from the disposal that are not otherwise required for the delivery of the Council's revised estate strategy will be available for MTFP planning purposes and can be considered for a range of investment opportunities including levelling up investment across the wider county;
- (j) agreed that the capital budget for The Sands development is increased by £0.6 million, financed from capital contingencies, on the basis of the building being sold to Durham University, or £2.1 million if retained and occupied.

**Corporate Overview and Scrutiny  
Management Board**

**17 June 2022**



**Request for Call-in – Durham County  
Council Headquarters Alternative  
Options Assessment**

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**Report of Head of Legal and Democratic Services**

**Electoral division(s) affected:**

Countywide

**Purpose of the Report**

- 1 To advise the Corporate Overview and Scrutiny Management Board of a request for call-in of a cabinet decision, and of the decision made by the Chair of the Board not to call-in the decision.

**Executive summary**

- 2 On 4 May 2022, a request was received by the Head of Legal and Democratic Services for call-in of Cabinet decision on 27 April 2022 relating to the “Durham County Council Headquarters Alternative Options Assessment”
- 3 On 5 May 2022, the Monitoring Officer consulted the Chair of the COSMB, who decided not to call the decision in. In doing so, he took into account the advice of the Monitoring Officer that delaying the implementation of the decision would not be likely to cause significant damage to the Council’s interest.
- 4 Having considered this, he then considered whether a case had been made for calling in the decision and concluded that it had not.
- 5 In summary, his reasons for this were that the call-in request did not adequately address why the Cabinet had failed to adhere to the principles of decision making as set out in Article 10 to the Constitution. Furthermore, at the meeting of COSMB on 10 February 2022, the Chair gave a commitment that the proposals in relation to the Headquarters would be considered by COSMB once the feasibility assessment had been considered by Cabinet. Consideration of the matter is scheduled to take place on 17 June 2022.

## **Recommendation**

- 6 The Corporate Overview and Scrutiny Management Board is asked to note this report.

## Background

- 7 On 4 May 2022, a request was received by the Head of Legal and Democratic Services for call-in of Cabinet decision on 27 April 2022 relating to the “Durham County Council Headquarters Alternative Options Assessment” (Agenda items 2 and 6). A copy of the request is attached at Appendix 2.
- 8 On 5 May 2022, the Monitoring Officer consulted the Chair of the COSMB, who decided not to call the decision in. In doing so, he took into account the advice of the Monitoring Officer that delaying the implementation of the decision would not be likely to cause significant damage to the Council’s interest.
- 9 Having considered this, he then considered whether a case had been made for calling in the decision and concluded that it had not for the reasons set out below.
- 10 Under Scrutiny Procedure Rule 17(d), the notice requesting call-in should give reasons for call-in, having regard to the principles of decision making set out in the Council’s Constitution. Whilst the request for call-in states that the decision would benefit from “open scrutiny and it would be in the public interest”, the request did not adequately address why the Cabinet failed to adhere to the principles of decision making as set out in Article 10 of the Constitution in reaching its decision.
- 11 The Chair considered that the Cabinet could have dealt with the decision entirely in private as they were required to consider information that was exempt under Schedule 12A of the Local Government Act 1972. However, Cabinet considered the elements of the decision, which were not exempt in the public part of the meeting. In doing so, the Cabinet had acted in accordance with the principle 10.02(e) a presumption in favour of openness and also discharged their duties in respect of the public interest.
- 12 The Chair also noted that no challenges were received in respect of the intention to take a decision in private following publication of the requisite notice, which was published on the Council’s website.
- 13 The public had the right to submit questions to Cabinet in respect of the proposals, but none were received. Non-Cabinet members also had the opportunity to submit questions to the Cabinet. Five members submitted questions, which were asked at the meeting. The Chair therefore considers that there was sufficient opportunity for the decision to be scrutinised as part of the Cabinet process.

- 14 At the meeting Corporate Overview and Scrutiny Management Board on 10 February 2022, the Chair advised that the proposals in respect of the Headquarters would come to a future meeting once the feasibility study had been considered by Cabinet. Accordingly, the proposals will be considered at the Board's meeting on 17 June 2022.
- 15 Given this earlier commitment, the Chair did not consider that the call-in request was reasonable or that the case for call-in was made out for the reasons set out above. The decision will therefore not be called in.

## **Main implications**

### **Legal Implications**

- 16 This report has been produced in accordance with the Overview and Scrutiny Procedure Rules within the Council's Constitution as they relate to Call-in.

## **Conclusion**

- 17 The Call-in request was considered by the Chair of the Corporate Overview and Scrutiny Management Board in accordance with the Overview and Scrutiny Procedure Rules within the Council's Constitution and was rejected.

## **Background papers**

- Durham County Council Constitution
- Notice of Intention to take a decision in private: [Issue details - REGExempt Notice 07a - Review of Headquarters - Durham County Council](#)

## **Author**

Helen Lynch

Tel: 03000 269732

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## **Appendix 1: Implications**

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### **Legal Implications**

This report has been produced in accordance with the Overview and Scrutiny Procedure Rules within the Council's Constitution as they relate to Call-in.

### **Finance**

Not Applicable.

### **Consultation**

Not Applicable

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

Not Applicable

### **Climate Change**

Not Applicable

### **Human Rights**

Not Applicable

### **Crime and Disorder**

Not Applicable

### **Staffing**

Not Applicable

### **Accommodation**

Not Applicable

### **Risk**

Not Applicable

### **Procurement**

Not Applicable

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Good morning Helen,

Following publication on Friday 29 April 2022 of the record of executive decisions I would like to request that the decision relating to the Durham County Council Headquarters Alternative Options Assessment [Key Decision: REG/04/22] is called-in for consideration by the Corporate Overview & Scrutiny Management Board. I would also request that the Part B papers associated with this item are included for scrutiny.

I make this request because I feel the decision made by Cabinet would benefit from open scrutiny and that it would also be in the public interest.

I'm aware that I need the signatures of only five members of the Board but my call-in request has been endorsed by all 55 members of the Labour Group. Please find the five signatures required by the constitution at the end of this document.

I would be grateful if you could begin the call-in process as set out in the council's constitution. Let me know please if you require any additional information.

Regards,

Rob.

**Cllr Rob Crute (Blackhall Division)  
Deputy Leader of the Labour Group  
Durham County Council**

R. Crute

~~L. Hartley~~

K. Shaw

M. Wilson

R. D. Lamb

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**Corporate Overview and  
Scrutiny Management Board**



17 June 2022

**Notice of Key Decisions**

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**Report of Corporate Management Team**

**Helen Lynch, Head of Legal and Democratic Services**

**Electoral division(s) affected:**

Countywide.

**Purpose of the Report**

- 1 To consider the list of key decisions that is scheduled to be considered by the Executive.

**Recommendation(s)**

- 2 The Corporate Overview and Scrutiny management board is recommended to give consideration to items listed in the notice.

**Background**

- 3 New rules in relation to Executive decisions were introduced by The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, which came into force on 10 September 2012.
- 4 The regulations took away the requirement for the Executive to produce a Forward Plan of key decisions, however introduced that the decision maker cannot make a key decision unless a document has been published at least 28 clear days before the decision is taken, unless either a general exception or special urgency requirements have been met. The document which has to be published must state:
  - a) that the key decision is to be made on behalf of the relevant local authority
  - b) the matter in respect of which the decision is to be made

- c) where the decision maker is an individual, that individual's name and title if any and where the decision maker is a decision making body, its name and list of its members
  - d) the date on which or the period within which the decision is to be made
  - e) a list of the document submitted to the decision maker for consideration in relation to the matter of which the key decision is to be made
  - f) the address from which, subject to any prohibition or restriction on their disclosure copies of, or extracts from any document listed as available
  - g) that other documents relevant to those matters may be submitted to the decision maker
  - h) the procedure for requesting details of those documents (if any) as they become available.
- 5 The requirements also apply to an exempt matter as previously it did not strictly have to be included in the Forward Plan. Now a publicity document must contain particulars of the matter, but may not contain any confidential exempt information or particulars of the adviser or political adviser or assistant.
- 6 Notices of key decisions that are being produced meet the legal requirements of publication, as well as continuing to provide information for a four month period. Members will therefore be able to consider key decisions as previously for the four month period.

### **Current Notice of Key Decisions**

- 7 The notice of key decisions that is attached to the report at Appendix 2, is the latest to be published prior to the papers for the Board being dispatched to members. The notice complies with the requirements for Cabinet to be able to take key decisions at the meeting held on 15 June 2022. It also contained information on those key decisions that are currently scheduled to be considered by the Executive up to 30 September 2022.

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**Contact:** Ros Layfield

Tel: 03000 269708

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## **Appendix 1: Implications**

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### **Legal Implications**

Will be reflected in each individual key decision report to Cabinet. To publish the notice of key decisions in accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

### **Finance**

Will be reflected in each individual key decision report to Cabinet.

### **Consultation**

Will be reflected in each individual key decision report to Cabinet.

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

Will be reflected in each individual key decision report to Cabinet.

### **Climate Change**

Will be reflected in each individual key decision report to Cabinet.

### **Human Rights**

Will be reflected in each individual key decision report to Cabinet.

### **Crime and Disorder**

Will be reflected in each individual key decision report to Cabinet.

### **Staffing**

Will be reflected in each individual key decision report to Cabinet.

### **Accommodation**

Will be reflected in each individual key decision report to Cabinet.

### **Risk**

Will be reflected in each individual key decision report to Cabinet.

### **Procurement**

Will be reflected in each individual key decision report to Cabinet.

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**SECTION ONE - CORPORATE**

Ref. No.	Date of Decision (i.e. date of Cabinet meeting)	Description of Decision to be Made	Background Documents	Lead Cabinet Member	Main Consultees & Means of Consultation	Contact details for further information	Scrutiny input
CORP/R/22/01	13/07/22	Medium Term Financial Plan and Review of the Local Council Tax Reduction Scheme		Leader of the Council and Deputy Leader of the Council		Jeff Garfoot, Head of Corporate Finance and Commercial Services Tel: 03000 261946	Scrutiny members will have input into the formulation of the MTFP through Corporate Overview and Scrutiny Management Board meetings

**SECTION TWO - CHILDREN AND YOUNG PEOPLE'S SERVICES**

<b>Ref. No.</b>	<b>Date of Decision (i.e. date of Cabinet meeting)</b>	<b>Description of Decision to be Made</b>	<b>Background Documents</b>	<b>Lead Cabinet Member</b>	<b>Main Consultees &amp; Means of Consultation</b>	<b>Contact details for further information</b>
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**SECTION THREE - ADULT AND HEALTH SERVICES**

<b>Ref. No.</b>	<b>Date of Decision (i.e. date of Cabinet meeting)</b>	<b>Description of Decision to be Made</b>	<b>Background Documents</b>	<b>Lead Cabinet Member</b>	<b>Main Consultees &amp; Means of Consultation</b>	<b>Contact details for further information</b>	<b>Scrutiny input</b>
AHS/01/2022	13/07/22	Pathways Positive Journeys Future Direction		Portfolio Holder for Adult and Health Services		Lee Alexander, Head of Adult Care Tel: 03000 268180	

## SECTION FOUR - REGENERATION, ECONOMY AND GROWTH

Ref. No.	Date of Decision (i.e. date of Cabinet meeting)	Description of Decision to be Made	Background Documents	Lead Cabinet Member	Main Consultees & Means of Consultation	Contact details for further information	Scrutiny input
REG/05/22	15-Jun-22	Levelling Up Round 2		Portfolio Holder for Resources, Investment and Assets		Heather Orton, Project Development Team Leader Tel: 03000 264715	The Economy and Enterprise OSC is to receive a briefing report in relation to funding.
REG/06/22	13-Jul-22	City of Culture Governance		Portfolio Holder for Resources, Investment and Assets Portfolio Holder for Economy and Partnerships		Alison Clark, Head of Culture, Sport and Tourism Tel: 03000 264577	A Joint special meeting of the Economy and Enterprise and the Environment and Sustainable Communities OSCs is proposed in the work programmes for 2022/23 focusing on the tourism economy and the cultural offer

## SECTION FIVE - NEIGHBOURHOODS AND CLIMATE CHANGE

Ref. No.	Date of Decision (i.e. date of Cabinet meeting)	Description of Decision to be Made	Background Documents	Lead Cabinet Member	Main Consultees & Means of Consultation	Contact details for further information	Scrutiny input
NCC/01/22	15/06/22	Climate Emergency Response Plan: Approval of Updated Version (2022-24)		Portfolio Holder for Neighbourhoods and Climate Change		Steve Bhowmick Environment & Design Manager Tel: 03000 267122	ESCOSC has included in its draft work programme for 2022/2023 an update on CERP two. ESCOSC also has a workshop session planned so that OS Members can input into CERP two

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