



## RECORD OF EXECUTIVE DECISIONS

The following is a record of the decisions taken at the meeting of **CABINET** held on **Wednesday 11 October 2023**. The decisions will come into force and may be implemented from **Monday 23 October 2023** unless the Corporate Overview and Scrutiny Management Committee or its Committees object to any such decision and call it in.

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### Homelessness and Rough Sleeping Strategy 2024 - 2029

#### Summary

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Inclusion which sought approval of the draft Homelessness and Rough Sleeping Strategy for a seven week public consultation from 30 October 2023 to 18 December 2023.

The Homelessness Act 2002 brought about a more strategic approach to tackling and preventing homelessness, in particular, the requirement for the development and publication of a Homelessness Strategy for every housing authority every five years. The new Homelessness and Rough Sleeping Strategy (2024-2029) will replace the current strategy adopted by Cabinet in July 2019.

The revised strategy has been developed following a detailed review of homelessness and rough sleeping. It sets out how Durham County Council aim to achieve the four priorities of homelessness over the next five years covering the period 2024 to 2029.

The review analysed data from April 2019 through to October 2022 looks at the current and future trends in relation to homelessness and rough sleeping and the challenges that Durham County Council face as a housing authority. This period included the years of the Covid Pandemic during which time the Government implemented a range of initiatives to prevent homelessness. The data has shaped the four priorities of the strategy which were consulted upon with the public, key partners and stakeholders from December 2022 to March 2023.

As a result of a more in depth review, this draft strategy is different from previous strategies. It will address the varying housing and support needs

across the 10 main cohorts of people who present to housing as homeless or threatened with homelessness.

Some of the key findings from the review include:

- a large increase in the number of people requiring early advice;
- the number of people being able to remain in their existing home has considerably reduced;
- an increase in the numbers of people with a support need, in particular those with complex needs;
- access to accommodation for certain cohorts is difficult;
- a reduction in affordable accommodation; and
- there is insufficient supported accommodation for rough sleepers.

The scope of the strategy recognises all types of homelessness needs for people who are:

- considering their housing options and require advice;
- at risk of homelessness;
- statutory and non-statutory homeless;
- street homeless and are rough sleeping;
- children who experience homeless; and
- people who are moving on from homelessness (moving from temporary or supported accommodation and require longer term accommodation).

A detailed delivery plan will be developed in liaison with key partners. A light touch review will be carried out annually to address any policy or funding changes as well as taking into consideration any significant differences in demand to the service. The delivery plan will be updated accordingly following the annual review.

If the draft strategy is agreed consultation will be undertaken on the document for seven weeks from 30 October 2023 to 18 December 2023.

Consultation will be undertaken with residents of County Durham and other stakeholders with a potential interest in the content of the document. The council will make use of its partnership structure to assist in disseminating information about the Homelessness and Rough Sleeping Strategy.

Following the consultation the strategy will be modified as necessary and presented to Cabinet for adoption in Spring 2024.

## **Decision**

The Cabinet:

- (a) approved the draft strategy;

- (b) agreed to a seven week public consultation from 30 October 2023 to 18 December 2023; and
- (c) noted that a final version of the strategy will be brought back to Cabinet in March 2024 for approval.

## **Medium Term Financial Plan(14) 2024/25 – 2027/28**

### **Key Decision: CORP/R/23/01**

#### **Summary**

The Cabinet considered the report of the Corporate Director of Resources which provided an update on the development of the 2024/25 budget and the Medium Term Financial Plan (MTFP(14)) covering the period 2024/25 to 2027/28, including updated financial planning assumptions which have affected a number of the figures previously reported.

The report also included details of further savings proposals that could be implemented to help balance the budget, which will be subject to consultation over the coming two months, building on the consultation which is currently underway on the proposals contained in the report to Cabinet in July.

The Council continues to operate in a period of significant financial uncertainty. When the 2023/24 budget was approved on 22 February 2023, the council was concerned about the ongoing and consequential impact of high levels of inflation and service demand alongside concerns.

These concerns continue to impact significantly upon financial planning with increases in bank base rates, expected pay settlements for our employees and the impact of future National Living Wage increases all forecast to increase pressure upon future years budgets.

Once again, the Looked After Children's budget is under pressure due to increased demand and, significantly, increased complexity of need as we emerge from the pandemic driving forecast overspends in the current year that are forecast to continue into next year which must be accommodated.

All these issues are making financial planning difficult and are resulting in a deterioration in the forecast MTFP(14) financial position as compared to that reported to Cabinet on 12 July 2023.

Unlike some other councils, Durham County Council currently has sufficient financial resilience, a strong track record of prudent financial management and sufficiently robust budget and MTFP planning processes such that we are not, at least at this stage, in danger of the Corporate Director of Resources having to consider issuing a Section 114 notice. That said, the financial challenges in 2025/26 and beyond are immense based on our current forecasts and if the

council does not address these challenges in a planned way then the position could change rapidly.

These challenges are largely exacerbated by continuing inflationary and demand pressures and 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. The Chancellor of the Exchequer's Autumn Statement will be published on 22 November 2023 which will likely result in the local government finance settlement being in early December providing little time for local authorities to react.

Local authorities desperately need early notification of how much, if any, additional government support will be provided in 2024/25 to offset the significant financial pressures faced by the sector due to the present high levels of demand and inflation. The 2023/24 local government finance settlement included an indicative increase in the non-ring fenced social care grant of £7.8 million alongside increases in ring fenced specific grants such as the Adult Discharge Grant and the Market Sustainability Improvement Fund. It is clear however that increases in core funding for local authorities will not be sufficient to maintain services in 2024/25.

It appears that there will not be early confirmation or notification of funding levels for 2024/25, with the finance settlement not expected until around Christmas once again leaving local authorities to continue to plan for the worst i.e., no further funding being made available beyond the non-ring fenced grant increases indicated to date.

Against this background a number of local authorities across the country have either published or referenced that they may shortly need to publish Section 114 notices, with several more expected to in the coming months. A number of these announcements have been made by local authorities who are simply running out of funding to finance core services and not related to governance failures or risky commercial decisions. It is hoped that central government heed these warnings and provide additional core funding to local government beyond the sums already indicated which are not sufficient to cover the pressures faced.

The ongoing uncertainty is continuing to make financial planning extremely challenging and requires the council to be flexible and adaptable. In this regard the relatively strong financial position of the council will ensure that the council is well placed to react effectively to any outcome. That said, without significant additional government funding the council will be placed in a very challenging situation and will be required to make very difficult decisions to address these pressures in setting balanced budgets in 2024/25 and in future years.

The council is presently prudently planning on the basis that the council will receive additional core funding uplifts including inflation uplifts in Revenue Support Grants (RSG), Business Rates and Top Up grants and additional social care grant totalling £20 million in 2024/25 but that from 2025/26 the council will only receive Consumer Price Inflation (CPI) uplifts in RSG, Business Rates and Top Up grants i.e., no increase in core grant funding are included. This prudent estimate for future years is in line with announcements by the Chancellor of the Exchequer in the March 2023 Budget that across the three years 2025/26 to 2027/28 the public sector would only receive a 1% real terms funding increase with Health, Education and Defence expected to receive additional protection. This position will be closely monitored in the coming months especially once the next local government finance settlement is received in the autumn.

As we continue budget planning for 2024/25, in line with previous practice, the MTFP Model has been reviewed and the financial forecasts for the next four years updated. Financial plans have been updated to consider the impact of inflation upon council costs, particularly in relation to the National Living Wage and the ongoing impact upon future years pay settlements for council employees. The impact of the revised assumptions is that the scale of forecast savings to balance the budget across the MTFP(14) planning period has increased.

The latest forecasts indicate that even with assumed council tax increases in each of the next four years, the council will face a funding gap / savings requirement of £67.602 million in order to balance the budget over the 2024/25 to 2027/28 period, £11.588 million higher than the position previously reported to Cabinet in July, with £4.1 million of this increase falling into 2024/25.

Savings are forecast to be required in all years of MTFP(14) as unavoidable budget pressures outstrip the funding the Council will receive from Government and its ability to generate additional income from business rates and council tax. The forecasts assume the Council will apply the maximum increases in its Council Tax it is allowed to across each of the next four years, in line with government guidance and expectations.

The achievement of an additional £67.602 million of savings over the next four years will 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 to balance its budgets. 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 £260 million of savings up to 31 March 2024.

The total savings required at this stage for 2024/25 to balance the budget amounts to £16.308 million, £4.173 million higher than the position previously reported to Cabinet in July.

There are £2.332 million of savings approved as part of MTFP(13) that can be delivered in 2024/25, with the savings previously agreed having been reprofiled and one of the savings proposals reduced by £74,000 following a review. The updated schedule of previously agreed savings is set out at Appendix 2 of the report.

Cabinet agreed additional savings proposals of £3.725 million for 2024/25 and £6.617 million in total across the MTFP(14) planning period for public consultation at its meeting on 12 July 2023, with public consultation commencing on 3 September 2023. These are set out at Appendix 3 of the report.

Within this report are further 2024/25 savings of £1.943 million and £2.909 million in total across the MTFP(14) planning period for further public consultation. If ultimately agreed, the total savings would be £8.0 million in 2024/25 and £15.330 million across the MTFP(14) planning period, reducing the forecast budget deficit / savings shortfall to £8.308 million in 2024/25 and £52.272 million if all savings are approved at Full Council on 28 February 2024.

It must be recognised however that these figures could change, depending on whether the government provide any much needed additional resources to the sector in 2024/25 beyond the levels indicated in the 2023/24 local government finance settlement and whether the council experiences further additional financial pressures due to demand, loss of income or due to the impact of inflation or identifies further savings options. If nothing changes then the Council will need to utilise a further £8 million of its MTFP Support Reserve to balance the budget next year.

The updated forecast position for MTFP(14) has slightly deteriorated since the 12 July 2023 Cabinet report. At that stage it was forecast that the budget deficit / funding shortfall in 2024/25 would be £12.1 million with total budget deficit / funding shortfall across the MTFP(14) period of £56 million.

Work will continue over the coming months to closely monitor and manage the councils budgets and to identify additional savings options to help to balance next years and future years budgets. It is crucial however that local government is given confirmation of funding settlements for next year and for future to ensure there is a clear understanding of the financial challenges faced.

The MTFP(14) forecasts continue to assume that there will be a 4.99% council tax increase in 2023/24 and maximum 2.99% increase for the period 2025/26 to 2027/28. The 4.99% increases for 2024/25 includes an assumed 2.99%

council tax referendum limit core increase and 2% for the adult social care precept. It may well be that Government provide additional flexibility in terms of council tax going forward, though there is no indication on whether this will be the case at this stage.

It is important to recognise that the income generated from a 2% adult social care precept does not fully offset the unavoidable budget pressures we face in our adult social care budgets, which are some of the largest budgets the council has. Additional income of circa £5.3 million would be generated by a 2% adult social care precept, however, the unavoidable inflationary base budget pressure from social care fees alone are more than three times this level (care fees for residential, nursing and home care services - largely driven by expected increases in the National Living Wage next year) and expected to be £17.8 million.

The updated MTFP(14) financial forecasts are attached at Appendix 5 of the report and the report contains an explanation of the underpinning financial planning assumptions that support these financial forecasts.

## **Decision**

The Cabinet:

- (a) noted the updated MTFP forecasts and the requirement to identify additional savings of £67.602 million for the period 2024/25 to 2027/28, but also noted that this forecast could change based upon outcome of future government funding settlements, the ongoing impact demand for services and inflationary pressures upon the council;
- (b) noted that at this stage a forecast £16.308 million of savings are required to balance the 2024/25 budget;
- (c) noted the revised profile and reduced quantum of the savings previously agreed as part of MTFP(13) as set out at Appendix 2 of the report;
- (d) noted the ongoing consultation on the new savings proposals agreed by Cabinet in July, which are set out at Appendix 3 of the report;
- (e) agreed that the new additional savings proposals included at Appendix 4 of the report to support MTFP(14) are consulted on; and
- (f) noted that should the financial forecasts set out at Appendix 5 of the report remain unaltered and the council tax increases and savings proposals at Appendix 2 to 4 of the report are agreed at

County Council on 28 February 2024 then the budget deficit would be reduced to £8.308 million in 2024/25, with a budget deficit of £52.272 million across the full MTFP(14) planning period.

## **Director of Public Health Annual Report 2023**

### **Summary**

The Cabinet considered the joint report of the Corporate Director of Adult and Health Services and the Director of Public Health to receive the 2023 Annual Report of the Director of Public Health for County Durham.

One of the statutory requirements of Directors of Public Health under the Health & Social Care Act 2012 is to produce an annual report about the health of the local population. In addition, the local authority has a duty to publish the report.

The government has not specified what the annual report should contain and has made it clear that this is a decision for individual Directors of Public Health to determine.

The County Durham Director of Public Health Annual Report 2023 focuses on the following:

- Foreword by the Director of Public Health.
- Health of our people.
- 10 years of public health in local authority.
- Collaboration, working together to improve lives.
- Conclusion.

### **Decision**

The Cabinet:

- (a) received the Director of Public Health Annual Report 2023;
- (b) agreed to publish the annual report.

## **County Durham Design Code, Trees, Woodlands and Hedges, Shop Fronts and Energy Efficiency, Renewables and the Historic Environment Supplementary Planning Documents**

### **Summary**

The Cabinet considered the report of the Corporate Director of Regeneration, Economy and Growth that sought approval to commence consultation on the



second draft of the County Durham Design Code and Trees, Woodlands and Hedges Supplementary Planning Documents and the first draft of the Shop Fronts and Energy Efficiency, Renewables and the Historic Environment Supplementary Planning Documents. All four documents support the County Durham Plan, adopted in October 2020.

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

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

The Trees Woodland and Hedges SPD sets out guidance to ensure that trees, woodlands and hedges are fully considered as part of the planning process, so that the multiple benefits they provide can be experienced by the residents of, and visitors to the county.

The Shopfronts Design Guide SPD provides guidance for shopfront design, restoration and refurbishment across County Durham.

The Energy Efficiency, Renewables and the Historic Environment SPD provides guidance to property owners considering making energy efficiency or renewable energy improvements within the historic environment.

If agreed consultation will be undertaken on the SPDs from 23 October to 3 December 2023. All consultation will be undertaken in accordance with the Council's Statement of Community Involvement.

## **Decision**

The Cabinet:

- (a) agreed the second draft of the County Durham Design Code and Trees, Woodlands and Hedges Supplementary Planning Documents for consultation 23 October to 3 December 2023;

- (b) agreed to delegate to the Corporate Director of Regeneration, Economy and Growth in consultation with the Portfolio Holder for Economic Regeneration and Partnerships the power to make minor modifications and adopt the documents following consultation (if significant changes are required then the SPD will need to return to Cabinet for adoption); and
- (c) agreed the first drafts of the Shop Fronts and Energy Efficiency, Renewables and the Historic Environment Supplementary Planning Documents for consultation from 23 October to 3 December 2023.

## **Climate Emergency Response Plan 2 – 2022/23 Update**

### **Summary**

The Cabinet considered the report of the Corporate Director of Neighbourhoods and Climate Change that provided an update on progress of the Climate Emergency Response Plan (CERP2).

To consider opportunities for future iterations of this plan, including an extension of span to three years taking the Council and countywide carbon reduction actions to 2027.

The council's first CERP (2019-21) was developed through extensive consultation with Council staff, community groups, residents, schools, and other organisations. This was followed by a revised and updated Climate Emergency Response Plan 2 which was adopted by Cabinet in July 2022 and contained a costed, two-year plan detailing over 150 projects that the council and its partners needed to take towards achieving targets of being a net zero council by 2030 (achieving an 80% actual reduction in operational emissions towards this) and a net zero county by 2045.

Progress on the CERP actions across all services and partners has been significant. Whilst there is still more to do, we are heading in the right direction and all services are committed to helping to meet and go beyond targets.

### **Council Emissions**

The council's carbon emissions during 2022/23 were approximately 43,475 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e), a reduction of 5% compared with last year's 45,704 tCO<sub>2</sub>e. This represents a drop of 59% since 2009/10.

Comparing with the previous year, there was a 10% reduction in electricity from buildings, an 4% reduction in gas for heating and an 6% decrease in fleet and transportation emissions. This equates to a reduction of nearly 2,500t of CO<sub>2</sub>e across the council estate and fleet.

Several building decarbonisation projects have been underway during the plan period, with some now complete, and where not, significant progress has nevertheless still been made. Major schemes include:

- (a) Abbey Leisure Centre Heat Decarbonisation – **Complete**
- (b) Come Leon House Heat Decarbonisation - **Complete**
- (c) Low Carbon Depot (Annfield Plain) – **Complete**
- (d) Peterlee LC Decarbonisation – Due to complete Nov 23
- (e) Teesdale LC Decarbonisation – Due to complete Feb 24
- (f) Newton Aycliffe LC Decarbonisation – Due to complete Oct 23

It is noteworthy that the majority of the emission reductions from heat projects are not yet fully reflected in the full year data as they have not had a full heating season of operation. In 2023/24 emissions could be reduced upwards of 1500t CO<sub>2</sub>e just from these 5 projects alone (potentially reducing emissions by 3.6% alone). A list of ongoing and in-design projects from the CERP2 is contained in Appendix 2 of the report.

## **Countywide Emissions**

Latest data (from 2021) confirms a 52% reduction in emissions from the 1990 baseline, however this equates to 3% more carbon (CO<sub>2</sub>e) than 2020 levels due in most part to recovery from the Covid-19 lockdown, with associated increased transport, domestic and commercial/industrial emissions. It is however significant to note that emissions are still down from pre-covid levels (2019).

In relation to projects that have a Countywide benefit, most schemes have continued to develop. These include:

- (a) Electric Vehicle Charging Points - £4.325m secured to develop further EV Charging points around the county.
- (b) Business Energy Efficiency Project (BEEP) – New funding secured through Shared Prosperity Funding (led by Business Durham) will enable BEEP to continue to allocate grant funding for SME's.
- (c) Housing retrofit schemes – 1213 social housing properties benefited from low carbon installations.
- (d) Seaham Garden Village – On Track to deliver minewater heating.
- (e) Borrow a Bike scheme launched and in operation.

During the last year the council has continued to receive further accolades for its work in combatting climate change, including being a finalist in the Climate Change Initiative of the Year from the Association of Public Service Excellence (APSE) for the Low Carbon Depot project and a Green award in the Investors in the Environment review. The service has also been restructured, with a Tier 4 Net Zero Manager now in post, who will lead in

shaping the Low Carbon Economy team to ensure it is well structured and positioned for the challenges ahead.

Whilst projects are continuing, the Low Carbon Economy team are also now drafting the next iteration of the CERP which will go to Cabinet for approval in the Spring of 2024. It is proposed that this will evolve to a three-year reporting cycle, taking us to 2027 so that greater focus can be given to plan delivery. It is proposed to expand the assessments to cover scope 3 emissions (indirect emissions, eg travel to work, external contracts), as well as how carbon offsetting may be achieved. A reduced set of key projects will be provided, and emerging opportunities from the devolution agenda identified. The challenges ahead are significant, seven years away from 2030 and for council emissions alone, a further reduction of 21% carbon emissions to achieve an 80% reduction will be required.

## **Decision**

The Cabinet:

- (a) Noted the significant progress made against delivering during year one of the Climate Change Emergency Response Plan 2
- (b) Agreed the proposed adjustments to CERP3 currently in preparation.
- (c) Noted that whilst significant progress has been made, opportunities and challenges lay ahead, and guided by future CERPs, this will require resource consideration as part of the Medium-Term Financial Plan.

## **Culture Reserve**

### **Summary**

The Cabinet considered the report of the Corporate Director of Regeneration, Economy and Growth that highlighted the activity following County Durham's bid for UK City of Culture 2025 and outlined a 2024-2026 high level cultural development programme and associated funding sources.

Durham is committed to culture-led regeneration and culture plays a vital role in our visitor economy and our wider inclusive economy.

The council established a new culture reserve of £2 million following County Durham's bid to become UK City of Culture 2025.

This reserve will leverage a substantial amount of match funding, anticipated to be at least double its value, supporting an ambitious programme for the county, with regional, national and international impact.

The UK City of Culture project is led by the UK Government through the Department for Culture Media & Sport (DCMS). The title of UK City of Culture is awarded every four years following a competitive bidding process.

New guidance was issued in May 2021 to allow for wider geographies to bid for UK City of Culture status, making County Durham eligible.

A partnership of Durham County Council, Durham University and Culture Durham Partnership came together to develop a bid, based on distinctive cultural assets and attributes and ambitious plans to support economic and community development through culture and creativity.

From an unprecedented field of 21 initial bidders, County Durham was announced on the final shortlist of four in April 2022 along with Bradford, Wrexham and Southampton. Bradford was announced as the winner by the then Culture Secretary Nadine Dorries on 31 May 2022.

The bidding process developed a strong evidence base, and an ambitious outcome-driven cultural programme co-produced by local people; as well as a marketing campaign and PR opportunities which provided £8million of value.

The bid process also built significant momentum and support for culture and creativity in the county, recognising it as a source of intense local pride, a driver for economic growth and community development as well as a means to promote the county nationally and internationally.

A grant of £125,000 was provided by DCMS in September 2022 to the bidding partnerships in the 3 losing cities.

Between September 2022 and March 2023 activities took place to further develop key project ideas originally developed for the bid, along with activities to support the embedding of increased ambition within the cultural infrastructure of the county.

At the same time the evidence base and key features of the bid were embedded in County Durham's Inclusive Economic Strategy, ensuring a long-term strategic legacy that directly connects culture to economic and community growth.

These two strands of work will intersect in a proposed Culture County programme to run from 2024-2026, with key highlights taking place in 2025. It will be designed to offer a combination of extraordinary events, deep community engagement, education and skills development, key infrastructure development and embedded research and evaluation.

The additional programme will connect to and enhance existing events such as Lumiere, and support the resilience of the wider current and planned capital infrastructure, including The Story and the DLI Museum and Art Gallery.

The cultural reserve stands at £2 million and successful delivery of the programme requires allocation of this reserve.

The reserve will help leverage further funding and applications have been submitted to or are being prepared for Arts Council England, National Lottery Heritage Fund and UK Shared Prosperity Fund. A wider fundraising strategy is in place, including trusts and foundations and the private sector.

The resulting programme will also support and enhance the existing infrastructure of events and venues beyond DCC and support the visitor and creative economy in the county and the wider region.

An associated marketing campaign will significantly raise the profile of County Durham, its cultural ambitions and its commitment to culture-led regeneration.

The cultural programme will be managed and monitored within the council, and an advisory governance structure including external partners will support its delivery.

## **Decision**

The Cabinet:

- (a) noted the progress of the bid and subsequent activity;
- (b) approved the use of the £2m culture reserve to contribute to the programme set out in paragraphs 55-66 of the report;
- (c) delegated authority for the Corporate Director of Regeneration Economy & Growth in consultation with the portfolio holder for Economy & Partnerships to approve the detailed programme in respect of the councils funding;
- (d) Agreed to receive a final evaluation report following the conclusion of the programme in 2026/27.

Helen Bradley  
Head of Legal & Democratic Services  
13 October 2023