



## RECORD OF EXECUTIVE DECISIONS

The following is a record of the decisions taken at the meeting of **CABINET** held on **Wednesday 15 November 2023**. The decisions will come into force and may be implemented from **Monday 27 November 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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### **Council Tax Base 2024/25 and Forecast Surplus / Deficit on the Council Tax Collection Fund [Key Decision: CORP/R/23/02]**

#### **Summary**

The Cabinet considered a report of the Corporate Director of Resources which set out the outcomes of the consultation and equalities impact assessment (EIA) of the proposals to make changes to the Council Tax premiums for empty homes and to introduce Council Tax premiums for properties classed as second homes, which are linked to the achievement of savings targets included in MTFP (14) and (where relevant to 2024/25) included within the 2024/25 tax base calculations.

The report sought to determine the council's tax base for domestic properties liable to pay council tax, which is an important component in the council's budget setting process for 2024/25 and to report on the estimated council tax collection fund surplus / deficit as at 31 March 2024.

The report also incorporated the outcomes of the consultation on the proposal to reduce the Local Council Tax Reduction Scheme (LCTRS) grant payments to Town and Parish Councils by 50%, phased in over the next two financial years, linked to the achievement of savings targets included in MTFP (14).

Regulations made under the Local Government Finance Act 1992 requires each billing authority to calculate its 'council tax base' for the following financial year. The council tax base is a measure of the county council's 'taxable capacity for the purpose of setting its council tax. Legislation requires the council to set out the formula for that calculation and that the tax base is formally approved by Cabinet.

In determining the council tax base for 2024/25 the following issues were factored into the calculation:

- (a) The impact of exemptions and discounts being applied to properties within County Durham;
- (b) Forecast impact on the tax base as a result of changes in the incidence of Local Council Tax Reduction Scheme (LCTRS) claims, which is a discount rather than a benefit payment and therefore reduces the tax base;
- (c) Forecast impact on the tax base as a result of growth (i.e., new build) or reductions (e.g., demolitions or increases in the incidence of other council tax discounts and exemptions) for 2024/25;
- (d) Provision for non-collection of council tax due to bad debts that need to be written off; and
- (e) Forecast impact on the tax base as a result of the proposed changes to the Long-Term Empty (LTE) property council tax premium from April 2024, offset by estimated impact of the section 13A(1)(c) policy.

Three proposals in relation to potential changes in Empty Property and Second Home policies were presented to Cabinet in July and have been consulted on. These proposals focus on bringing properties back into full time use by providing a financial disincentive to owners of such properties whilst generating additional spending power for the authority, at a time when the council is having to make significant savings to balance its budget. The three proposals are:

- (a) To increase the Council Tax premium for properties which have been classed as empty and unfurnished for over ten years (proposal one) to 300%.
- (b) To reduce the amount of time a property needs to be classed as empty and unfurnished before a 100% Council Tax premium is applied from the current two years to twelve months (proposal two).
- (c) To introduce a 100% Council Tax premium for those properties classed as a 'second home' (proposal three).

Proposals (b) and (c) were subject to the Levelling Up and Regeneration Bill being passed into law, which received Royal Assent in October 2023. Proposal (a) is already present within current legislation.

An 8-week consultation was held from 19 July 2023 to 13 September 2023. The survey provided background information on the three proposals and the impact each of these would have on Council Tax charging premiums. A total of 714 individuals responded to the survey.

For proposal (a) the feedback did not highlight any viable areas of concern that had not already been considered and the responses were aligned more positively towards the increased premium for those properties which had been empty for more than 10 years.

For proposal (b) the feedback did not highlight any viable areas of concern that had not already been considered. The reduction to twelve months was highlighted as a concern if trying to sell or renovate a property, but this is mitigated by the existing financial support the council offers residents through the s13A discretionary policy.

For proposal (c) the feedback did not highlight any viable areas of concern that had not already been considered. The feedback from those impacted was largely unresponsive of the introduction of an increased charge, however, there was more positive feedback from those who are not directly impacted (owned) a property, highlighting the positive impact this could have on the increase to council revenue.

With regards to what financial support taxpayers may require following the introduction of any of the premiums the most common circumstances were where the property was up for sale/let, in the process of being renovated and where there are legal restrictions preventing the property being sold.

The council already has existing defined criteria / circumstances where properties subject to the Empty Property Premiums may have the impact of the premium offset by a Section 13A (1)(c) relief. In all such circumstances the liable person remains subject to a 100% council tax charge but has the additional premium levied offset.

The report set out full details of the consultation responses received and the impact assessment of implementing the proposed policy changes. The report recommends that the council adopts the proposed policy changes.

Taking these matters into account the council tax base for the financial year 2024/25, based on the current position and prudent assumptions around the incidence of discounts and exemptions across the coming eighteen months, the impact from the empty property premium proposals plus prospects for new builds, has been calculated to be 146,645.3 Band D equivalent properties, an increase of 969.4 (0.66%) on the council tax base for 2023/24.

As the billing authority, the council needs to determine and declare by 15 January each year, its forecast council tax collection fund position at 31 March and inform the two principal precepting bodies to the Collection Fund - County Durham and Darlington Fire and Rescue Authority and Durham Police, Crime and Victims' Commissioner – of the figures they will need to take into account for budget setting purposes.

As at 30 September 2023 the in-year position for the council tax collection fund is a forecast £2.376 million deficit. After taking into account the brought forward share of the 2022/23 deficit, the 2023/24 council tax collection fund is forecast to have a deficit of £2.611 million at 31 March 2024. Durham County Council's share of this deficit would be £2.194 million. The council will formally declare this position to Police and Fire so that they can now reflect this in their budget assumptions.

Immediately after the 12 July 2023 Cabinet meeting, the council also began a consultation with all Town and Parish Councils on the proposals to reduce the Local Council Tax Reduction Scheme (LCTRS) grant payments to Town and Parish Councils by 50%, phased in over the next two financial years. The targeted consultation with Town and Parish Councils closed on 13 September.

The consultation sought views on the proposals and the impact of reducing the LCTRS grant by 50% from circa £1.5 million to circa £0.750 million, phased in over the next two years. The proposed reduction being circa £0.375 million in each year.

Feedback was received from 15 Town and Parish Councils and from the County Durham Association of Local Councils (CDALC). Taking into account the feedback received, the recommendation made in this report is that there is a 50% reduction in LCTRS grant payments, but that the reduction is phased in over three years rather than two. Retaining 50% of the current LCTRS grant payments will still mean that Town and Parish Councils will continue to benefit from financial support not made available elsewhere.

## **Decision**

The Cabinet:

- (a) noted the consultation outcomes in terms of the Empty Property and Second Homes Premium changes and the updated financial modelling contained within this report regarding these changes;
- (b) agreed to increase the Council Tax premium for properties which have been classed as empty and unfurnished for 10 or more years to 300% from 1 April 2024;

- (c) agreed to reduce the amount of time a property needs to be classed as empty and unfurnished before an increased premium is applicable from the current time of 24 months to 12 months from 1 April 2024;
- (d) agreed that with effect from 1 April 2025, to introduce a Council Tax premium of 100% for those properties that are classed as 'second homes';
- (e) noted that the recommendations in terms of the Empty Property premium changes have been factored into the Tax Base setting calculations set out in the report;
- (f) noted the commitment to complete a review of both the current S13A policy and second homes to further understand the impact of these changes on the tax base;
- (g) approved the council tax base for the financial year 2024/25 for the county, which has been calculated (incorporating consultation outcomes) to be 146,645.3 Band D equivalent properties;
- (h) noted the outcome of the LCTRS Grant Reduction consultation and approve that these payments are reduced by £750,000 phased in over three years from 2024/25;
- (i) noted the impact on individual Town and Parish council tax bases and the Local Council Tax Reduction Scheme Grant allocations for the financial year 2024/25; and
- (j) noted the forecasted Council Tax Collection Fund position at 31 March 2024, which will be formally declared following the meeting.

## **Adoption of the Inclusive Economic Strategy Delivery Plan [Key Decision: REG/07/2023]**

### **Summary**

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth which sought approval to adopt the County Durham Inclusive Economic Strategy (IES) Delivery Plan that has been developed through, and is owned by, the County Durham Economic Partnership (CDEP).

In 2022, the county's new Inclusive Economy Strategy was adopted by the council and the County Durham Economic Partnership (CDEP). The strategy set an ambitious vision for the county's economy to 2035, providing a long-term focus which will drive strategic projects that aims to make a transformational improvement to the county's underlying economic conditions.

This report focused on the development of the Delivery Plan which aligns with the strategy and sets out how the actions taken over the coming years will support the achievement of the strategic ambitions. The Delivery Plan was developed between March and September 2023 with strong engagement from CDEP partners. With support from DCC, the CDEP will oversee the implementation of the Delivery Plan, track outcomes, and oversee the modification of the approaches and actions taken.

The Delivery Plan is organised around the four core themes of the IES, People, Productivity, Place and Promotion, with the fifth cross-cutting theme of Planet. The actions in the Delivery Plan were identified using a 'logic chain' approach which ensures the actions relate to an ambition, have a lead, resources, and timescales identified where possible, and show linkages to other actions. We intend to maintain and evolve the Delivery Plan over the coming years to capture more project details and align project outcomes with data from national sources. It will be a live document so that it can adapt to respond to changing economic conditions.

The Delivery Plan is accompanied by a performance framework which identifies aspects of the county's economy that are below regional and national performance. It will be used to track and report overall changes in these conditions as well as improvements in economic inclusivity. It includes targets for 2035 which align with the overall principle to try to close the gap with national average levels of economic performance, setting out what success of the IES looks like.

The IES and Delivery Plan are also informing the development of a new Investment Plan which will be used to promote major projects and investment opportunities to prospective public and private sector investors.

## **Decision**

The Cabinet agreed to adopt the County Durham Inclusive Economic Strategy Delivery Plan.

## **Local Heritage Listing Project: Outcomes and Governance Proposals for the Future Identification of Non-Designated Heritage Assets [Key Decision: REG/09/2023]**

### **Summary**

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth which informed on the outcomes of a Local Heritage Listings Project, its legacy through the publication of local lists for eight pilot areas, the entry of data on to the Historic Environment Record, and the use of the findings going forward in the development management function.

Governance proposals for the future identification of non-designated heritage assets and the implications associated with the designation were also outlined in the report.

The Local Heritage Listings Project is a national initiative launched in 2020 by Government across 22 pilot areas. The council was successful in receiving grant funding to participate as a pilot project. Resources in the Design and Conservation function of Planning and Housing were secured to conduct the research, ICT development, engagement, and data processing to produce lists of non-designated heritage assets (NDHAs) for eight pilot areas across the county, also known as a local list.

The criteria used to identify candidates for the local list was developed and agreed with project sponsors; the Department for Levelling Up, Housing and Communities (DLUHC) and Historic England, and reflects the national guidance in Historic England Advisory Note 7- Local Heritage Listing: Identifying and Conserving Local Heritage published January 2021. The Criteria used was attached to the report for reference.

The identification of an asset as being a non-designated heritage asset via the planning process or its inclusion on a local list, means that any proposals requiring planning permission which have an impact on its significance or setting would fall under Policies 44 and 46 of the County Durham Plan (as well as section 16 of the National Planning Policy Framework and relevant policies within Neighbourhood Plans). The planning process provided a balanced judgement which will have regard to the scale of any harm or loss and the significance of the heritage asset. The County Durham Plan advises that, 'Heritage assets; designated and non-designated, are irreplaceable so any harm or loss will require clear and convincing justification.'

Preparation of the local lists for the pilot areas is now complete, and this report sought approval for their publication and promotion. The publication of the lists and making them available to the public in an accessible form is a requirement of the Section 31 Grant which has already been paid to the council in full. The council are required to submit the publication date to DLUHC, following the approval of the report by Cabinet.

The project involved extensive engagement with residents and local interest groups in each pilot area. This ensured that the list for each pilot area identified a broad cross-section of assets which reflected the value placed on heritage by the local community. The outcomes identified below will help both promote local heritage and ensure consideration in planning decisions through the development management function.

The project outcomes are:

- Creation of local lists of NDHAs for eight pilot areas: Bishop Auckland, Durham City, Seaham, Sacriston, Sedgfield, Staindrop, Shotley Bridge, and the route of the former Stockton and Darlington Railway, (including Shildon).
- Production of detailed criteria and assessment procedures for the identification of NDHAs for consideration in local lists going forward. This will enable consistency in the decision-making process, and the identification of assets outside the planning function.
- Commencement of work for a draft supplementary planning document (SPD) aligned to the heritage considerations set out in Policy 44 of the County Durham Plan. This document will be subject to the same internal and external consultation processes and approval routes as all other SPDs.
- The ability for ongoing nominations to be considered in a consistent manner for inclusion in the local list going forward.
- The identification of the need for an appropriate governance process with representation from all relevant interested parties to be involved in the selection process and addition of assets to future lists.

## **Decision**

The Cabinet noted the contents of the report and agreed to:

- a) The publication of the local lists for the pilot areas as required by the S31 grant, with publicity to promote their launch in partnership with Historic England.
- b) The development of appropriate internal governance arrangements for the further identification of NDHAs across the county, via the production of an SPD, to be the subject of a future report.

## **External Contractor Staff Suitability Policy [Key Decision: REG/06/2023]**

### **Summary**

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth which advised of the outcomes of a consultation on the introduction of the policy which provides a clear process for anyone who wants to apply for, or renew, their authorisation to be deployed in the provision of transport for children and vulnerable adults via an external contractor on behalf of the council. The report also sought approval to adopt and publish the External Contractor Staff Suitability Policy.



Providing transport services to children and vulnerable adults for the purpose of home to school and adult social care contracts is a regulated activity, set by Disclosure and Barring Service (DBS). It is proposed to formalise the current practice, introduce an appeals process and publish the External Contractor Staff Suitability Policy. This will make the decision-making process available to potential applicants. A consultation took place between Monday 31 July and Sunday 10 September 2023 and a summary of the responses was provided in the report.

## **Decision**

The Cabinet:

- (a) noted the outcomes of the consultation; and
- (b) approved the adoption and publication of External Contractor Staff Suitability Policy.

## **Forecast of Revenue and Capital Outturn 2023/24 - Period to 30 September 2023 and Update on Progress towards achieving MTFP (13) savings**

### **Summary**

The Cabinet considered a report of the Corporate Director of Resources which provided Cabinet with:

- a) the forecast revenue and capital outturn at 31 March 2024, based on the position to 30 September 2023;
- b) an update on the dedicated schools grants and forecast schools' outturn as at 31 March 2024, based upon the position to 30 September 2023;
- c) the forecast for the council tax and business rates collection fund outturn at 31 March 2024, based on the position to 30 September 2023; and
- d) details of the updated forecast use of and contributions to earmarked, cash limit and general reserves in 2023/24 and the estimated balances that will be held at 31 March 2024.

The report also sought approval of the revised 2023/24 capital programme, other budget adjustments and proposed sums treated as outside of the cash limit in year and provided Cabinet with an update on progress towards achieving MTFP (13) savings in 2023/24.

The council continues to operate in a period of significant financial uncertainty and volatility. This uncertainty is being driven by continuing short term local government finance settlements, our inherent low tax raising capacity due to our low tax base alongside ongoing significant inflationary pressures, enduring demographic / cost pressures in Children's Social Care, increased demand and complexity of demand for a range of services and the ongoing inflationary impact of the expected pay award. The financial outlook for the council is forecast to remain extremely challenging for the foreseeable future.

In 2022/23 the council encountered considerable financial challenges, mainly resulting from the impact of the Ukraine conflict. Consumer Price Index inflation (CPI) in the UK economy peaked at 11.1% in October 2022 and although this has reduced to 6.7% for the twelve months to September 2023, CPI is now forecast to stay higher for longer than the Chancellor originally set in his budget forecasts in March 2023. This continues to drive upward pressure across a range of expenditure budgets.

In late February 2023, the government announced that national fostering allowances for 2023/24 were to increase by 12.4%. The timing of the announcement was too late for the council to include in the 2023/24 budget, where a 5% price increase had been included. The additional 7.4% point increase applied from April has added a forecast circa £0.590 million increase to our costs in the current year. This additional spending requirement will need to be built into the base budget next year.

The Local Government Employers pay offer, which was made in mid / late February and is still to be agreed, set out an increase for 'Green Book' employees of £1,925. This represents the vast majority of council employees and equates to a circa 6.5% increase in the council's 2023/24 pay budget given the number of employees we have on the lower pay bands. The 2023/24 base budget included provision for up to a 5% pay award this year. The additional 1.5% point budget uplift required will add a forecast £2.576 million (net of expected vacancies) during 2023/24 and £3.711 million per annum to council costs if this is ultimately agreed.

Attendance at leisure centres has not fully recovered after the pandemic, however budgeted levels of income remain at pre-pandemic levels. The under recovery of leisure income suffered over the past two years continues into 2023/24 with a projected shortfall of circa £1.800 million forecast this year. This includes the impact of temporary closures whilst refurbishment works are undertaken as part of the Leisure Transformation Programme. The ongoing shortfall net of the impact of temporary closures of circa £1 million will need to be addressed in the 2024/25 budget. The 2023/24 underachievement of leisure income has been treated as outside the cash limit and picked up corporately for the last two years, with this treatment continuing in 2023/24.

The 2023/24 reduced income as a result of the closure of leisure centre during refurbishment is circa £0.760 million (included above) has also been reported as outside services cash limit.

The Aycliffe Secure Service continues to struggle to realise budgeted income levels. This is particularly linked to problems in recruiting staff to ensure income targets can be achieved. In 2022/23 the shortfall was circa £1.448 million, however in 2023/24 the shortfall is expected to be circa £0.306 million, an improvement on the position forecast at quarter one. This has been treated as outside of the services cash limit in the current year, with this ongoing budget pressure being addressed in the 2024/25 base budget.

The pandemic accelerated growth in the use of temporary accommodation, which has continued into 2023/24. The Housing Benefit Subsidy Grant does not allow for full recovery of payments linked to temporary and supported accommodation, which has also increased in recent years and this in turn has led to a forecast shortfall in recoverable income of circa £3.200 million in 2023/24. This ongoing budget pressure will also be addressed in the 2024/25 budget.

These and other inflationary pressures are resulting in overspends in 2023/24 and driving additional unavoidable budget pressures across the MTFP(14) planning period. These issues were factored into the MTFP(14) forecasts reported to Cabinet on 11 October 2023.

Energy prices have continued to fall across the last quarter. The MTFP (13) forecasts anticipated that prices would fall based on the advice from industry experts, however but they are now estimated to fall further and more quickly than previously estimated. Energy costs are presently forecast to be lower than budget (net of Joint Stocks power generation income shortfall) by £2.805 million in the current year in part due to higher LPG stocks and in part due to a warmer weather across the last six months. At quarter one the estimated underspend was £1.394 million. The MTFP(14) forecasts have been adjusted accordingly.

Based on the position to 30 September 2023, service grouping cash limit budgets are forecasting a net overspend of £5.245 million this year, which compares to a net forecast overspend of £5.658 million forecast at quarter one. The majority of the overspend continues to relate to Children and Young People's Services where there is a forecast cash limit overspend of £6.222 million now forecast (£5.078 million at quarter one). The service does not have a cash limit reserve to offset this overspend so, as in previous years, this overspend will need to be financed from the General Reserve. The services net cash limits show an underspend of £0.977 million once the CYPS position is excluded, which compares to a £0.580 million overspend forecast at quarter one.

The overspends being met corporately have been offset by budget available in general contingencies, a £4.425 million underspend in the capital financing budget and an over recovery in the investment income budget of £5.284 million. Overall, therefore, after also taking into account the forecasted outturn positions on corporate budgets, it is estimated that the General Reserve position to year end will increase by £3.258 million as at 31 March 2024. At quarter one there was a forecast £17,000 increase in the General Reserve forecast, the main reason for the improved position relating to improved investment income returns, which have increased by £1.819 million when compared to the position forecast at quarter one.

Total earmarked and cash limit reserves (excluding school reserves) are forecast to continue to reduce. Earmarked reserves in particular are being expended in line with their expected use, with a forecast reduction in overall reserves of £33.290 million in 2023/24, from £196.535 million to £163.425 million. £10 million of the reduction in reserves relates to the use of the MTFP Support Reserve in year to balance the 2023/24 budget. The updated forecasts are for a marginally lower reduction in earmarked and cash limit reserves in year than what was forecast at quarter one, when the in-year reduction was forecast to be £34.124 million. The improved position being largely due to the improved cash limit position for service groupings.

The forecast reserves position, including the General Reserve, is considered to be adequate and prudent given the financial commitments we have and the uncertainties facing the council and the whole of local government beyond 2023/24. The MTFP(14) report to Cabinet on 11 October 2023 highlighted a forecast budget shortfall of circa £67 million over the next four years and additional savings requirement of £52.272 million over this period (£8.308 million falling into 2024/25) should the additional savings identified in the October MTFP(14) update report and those previously reported be ultimately implemented.

The forecast future MTFP(14) savings shortfalls are likely to require the council to continue to support the MTFP via earmarked reserves, such as the MTFP Support Reserve and the ER/VR reserve. In this regard all reserves are reviewed regularly to ensure sufficient reserves are available to support the MTFP. This will include consideration of transferring sums out of the General Reserve to reduce it to the minimum level required if necessary.

The council's current reserves policy aims to maintain a general reserve balance of between 5% and 7.5% of the net budget requirement in the medium term, which equates to a range of between £26 million and £39 million. The opening general reserves balance equated to the minimum 5% at £26.017 million.

The quarter two updated projected outturn position forecasts an increase in the general reserve, with the reserve now forecast to increase by £3.258 million in year to £29.275 million. This would equate to general reserve of circa 5.6% of the council's net budget requirement, therefore above the minimum threshold.

The updated forecast position for all current maintained schools shows a forecast use of reserves of £2.158 million (£4.753 million below budget) in year. This is an improvement on the position forecast at quarter one, when the maintained schools use of reserves was forecast to be £4.451 million in year.

The updated forecast position for Dedicated Schools Grant centrally retained block shows a net £1.667 million overspend, including a £2.118 million overspend in relation to High Needs Block, which will increase the accumulated deficit from £8.835 million to £10.753 million. At quarter one, the High Needs Block was forecast to be £0.245 million underspent to year end, so the updated forecast represents an adverse swing of £2.363 million. The main area of pressure is top up funding in mainstream schools and settings, where demand for both EHCP and SEN support top up funding has increased significantly at the start of the academic year.

The updated projected capital outturn this year is that capital expenditure will total £312.979 million in year, with the capital budget having been augmented with reprofiled budget from underspending against the 2022/23 capital programme, new spending commitments and funding in year since the budget was agreed, and reprofiling proposals set out in the report to defer capital expenditure to future years where necessary. Actual capital spending incurred to 30 September 2023 was £85.165 million.

Performance against the various prudential indicators agreed by County Council in February 2023 show that the council continues to operate within the targets and boundaries agreed. The half year Treasury Management position and performance against the full suite of Treasury Management Strategy and Prudential Indicators will be presented to County Council on 6 December 2023.

The forecast outturn for the Council Tax Collection Fund shows an in-year deficit of £2.376 million, and a cumulative deficit of £2.611 million to 31 March 2024. Durham County Council's share of this forecast net deficit is £2.194 million. At quarter one the in-year deficit was forecast to be £1.783 million, with a cumulative deficit of £2.018 million to 31 March 2024. Durham County Council's share of this forecast net deficit was previously forecast to be £1.695 million.

The forecast outturn for the Business Rates Collection Fund is an in-year surplus of £6.587 million, but a cumulative surplus of £5.879 million. Durham County Council's share (49%) of this forecast surplus is £2.880 million. At quarter one the in-year surplus was forecast to be £9.861 million, with a cumulative surplus of £9.153 million. Durham County Council's share (49%) of this forecast surplus was previously forecast to be £4.485 million.

As at 30 September 2023 the council has delivered savings totalling £10.359 million, which is 83.7% of the £12.383 million savings target for the year. This is an improvement on the position at 30 June 2023 when savings delivered totalled £5.435 million, 43.9% of the annual target.

## **Decision**

The Cabinet:

- (a) noted the council's overall forecast financial position for 2023/24 and the continuing uncertainty associated with the outturn forecast resulting from the significant inflationary and demand led cost pressures;
- (b) agreed the proposed 'sums outside the cash limit' and transfers to and from general contingencies as set out in the report;
- (c) agreed the revenue and capital budget adjustments outlined in the report;
- (d) noted performance against the various prudential indicators agreed by Council in February 2023;
- (e) noted the forecast use of earmarked reserves in year;
- (f) noted the forecast 2023/24 cash limit underspend of £0.977 million (net of CYPs) alongside the forecast contribution of £3.258 million to General Reserves resulting in a forecast overall net council underspend in 2023/24 of £4.235 million;
- (g) noted the net unavoidable inflationary pressures which are forecast to be managed from the General Reserve;
- (h) noted that all reserves will be reviewed to ensure sufficient sums are available in the ERVR and MTFP Support Reserve to support the MTFP going forward;

- (i) noted the Dedicated Schools Grant and Schools forecast outturn position;
- (j) noted the position on the capital programme and the Collection Funds in respect of Council Tax and Business Rates; and
- (k) noted the amount of savings delivered to 30 September 2023 against the 2023/24 targets and the total savings that will have been delivered since 2011.

## **Regulation of Investigatory Powers Act 2000 Annual Review of the Council's use of powers**

### **Summary**

The Cabinet considered a report of the Head of Legal and Democratic Services which informed Cabinet about the Council's use of its powers under the Regulation of Investigatory Powers Act 2000 ('RIPA') during the period of 1 April 2022 to 31 March 2023. The report also sought approval of the Council's Corporate RIPA Guidance, which has been subject to an annual review.

The Regulation of Investigatory Powers Act 2000 (RIPA) enables local authorities to carry out certain types of surveillance activity provided that specified procedures are followed. Directed surveillance is covert surveillance that is not intrusive and is carried out in relation to a specific investigation or operation in such a manner as is likely to result in the obtaining of private information about any person. Directed surveillance must be authorised in accordance with RIPA unless it is undertaken by way of an immediate response to events or circumstances (for example, an Officer on duty observes an offence being committed) such that it is not reasonably practicable to seek authorisation under the 2000 Act.

Local authorities are permitted to conduct Directed Surveillance in respect of criminal offences, which have a minimum sentence of six months imprisonment or related to underage sales of alcohol and tobacco or nicotine inhaling products.

A Covert Human Intelligence Source (CHIS) is a person who establishes or maintains a personal or other relationship with another person for the covert purpose of:

- a) Using such a relationship to obtain information, or to provide access to information to another person, or

- b) Disclosing information obtained by the use of such a relationship or as a consequence of such a relationship.

The relationship is used covertly if, and only if, it is conducted in a manner calculated to ensure that the person is unaware of its purpose.

The Local Authority is able to rely upon the information obtained from those surveillance activities within court proceedings. The report included an overview of the Council's use of its powers under RIPA for the period of 1 April 2021 to 31 March 2022, including updates on any training which has been delivered or will be delivered to Officers.

An annual review of the Corporate RIPA Guidance has been undertaken. In addition, an abridged version of this guidance has been drafted, which subject to approval by Cabinet will be published on the Council's website.

In previous years, the Corporate Overview and Scrutiny Management Board have had oversight of the annual review of the Council's Corporate RIPA Guidance. However, to ensure that the Council's arrangements fully reflect the Code of Practice on Covert Surveillance and Human Intelligence Sources (Code of Practice) this year the review of the Corporate RIPA Guidance has been presented to Corporate Overview and Scrutiny for consideration and comment prior to it being presented to Cabinet for approval. Corporate Overview and Scrutiny Management Board were supportive of the proposed changes.

## **Decision**

The Cabinet:

- (a) considered and noted the Council's use of RIPA during the period 1 April 2022 to 31 March 2023;
- (b) approved the proposed changes to the Council's Corporate RIPA Guidance; and
- (c) approved the abridged RIPA policy document.



## **Single Homeless Accommodation Programme**

### **Summary**

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth provided an update on the Single Homelessness Accommodation Programme (SHAP) and sought approval for a funding bid submitted to Homes England (HE) and Department for Levelling Up, Housing and Communities (DLUHC), which requires match funding on a self-financing basis.

The bid sought to provide accommodation and support as part of a proposal to assist rough sleepers and those who are at risk of sleeping rough and would secure three years of revenue funding also to fund specialist service provision.

SHAP was announced in September 2022 as part of the Government's rough sleeping strategy and will provide over £200 million in funding for both capital project delivery and revenue support over three years to help deliver the Government's objective of ending rough sleeping. The aim of SHAP is to increase the supply of high quality accommodation with accompanying support to address gaps in homelessness pathway provision for both adults with a long history of rough sleeping or with complex needs and young people (aged 18 to 25) at risk of or experiencing homelessness or rough sleeping.

This aligns with the council's emerging Homelessness and Rough Sleeping Strategy which includes a commitment to reduce rough sleeping with an ambition to end it for good.

DLUHC and HE invited the council to submit funding submissions for both cohorts (adults and young people aged 18-25 years) as part of the September 2023 bidding round.

The SHAP funding proposal was co-produced with DLUHC and HE to increase the type of accommodation and capacity to deal with the most complex, hard to house single homeless people in the County. The work involved in developing the bid meant that there was insufficient time to take the proposals through the Council's internal governance processes before the deadline, so a bid was submitted subject to formal approval.

Should the bid be successful and additional 32 bed spaces will be provided along with wrap around support to help people develop the skills to manage and maintain a tenancy and eventually move through to mainstream housing provision.

SHAP will ensure strategic alignment with the council's emerging Homelessness and Rough Sleeping Strategy and complement the work that is already progressing on temporary accommodation provision.

## **Decision**

The Cabinet approved the funding bid on the following terms:

- a) Homes England will provide £2,762,382 in capital resources from the SHAP for the provision of 32 bed spaces of supported accommodation;
- b) the Department for Levelling Up, Housing and Communities will provide £1,656,181 in revenue funding over three years for the provision of specialist support services for the clients housed by the programme;
- c) the council will provide the remaining capital funding of £1,841,588 for the provision of 32 bed spaces of accommodation on a self-financing basis from the ongoing rental income; and
- d) a suitably qualified specialist external support provider is procured through a competitive process to provide wrap around support to the clients housed by the programme; and
- e) no extension of the wrap around support contract beyond three years will be agreed without a further report to Cabinet setting out how the revenue costs would be funded once the grant funding expires and / or options for repurposing these facilities.

**The Cabinet resolved to exclude the press and public by virtue of paragraphs 1, 2 and 3 of Part 1 of Schedule 12A of the Local Government Act 1972, during discussions on agenda item 13.**

## **Acquisition of Coach Lodge, Witton Gilbert and Copeland Barns, West Auckland**

### **Summary**

The Cabinet considered a joint report of the Corporate Director of Regeneration, Economy and Growth and the Corporate Director of Children and Young People's Services which sought agreement for the acquisition of two properties and associated amendments to the delegated authority of the Corporate Director of Regeneration, Economy and Growth.

### **Decision**

The recommendations in the report were approved.

Helen Bradley  
Head of Legal & Democratic Services  
17 November 2023