



## RECORD OF EXECUTIVE DECISIONS

The following is a record of the decisions taken at the meeting of **CABINET** held on **Wednesday 13 March 2024**. The decisions will come into force and may be implemented from **Monday 25 March 2024** unless the Corporate Overview and Scrutiny Management Committee or its Committees object to any such decision and call it in.

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### **Spennymoor – Long Term Plan for Towns** **Key Decision: REG/2024/002**

#### **Summary**

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth which provided an update on the Government's Long-Term Plan for Towns programme which was announced in October 2023 and sought to target funding to 55 towns across England including Spennymoor. The report included details of the further guidance received in December 2023 together with the proposals for developing a Town Board and the development of a town plan. In October 2023, the Government announced a £1.1 billion programme to assist with the regeneration of 55 towns across the United Kingdom (UK) through the new Long-Term Plan for Towns (LTPT) programme.

Spennymoor was identified as one of the beneficiaries of the programme and is set to access £20 million of government funding over the next 10 years. This funding must be used in line with a vision and investment plan for the town covering three themes:

- (a) High street heritage and regeneration;
- (b) Transport and connectivity; and
- (c) Safety & security.

To draw down this funding, the LTPT programme requires a Town Board to be formed, led by an independent chair.

The board, supported by the Council acting as accountable body are required to undertake a programme of engagement with local people and stakeholders, using co-design principles to establish the interventions which will make most difference to the long-term success of Spennymoor.

Government guidance provides specific requirements in connection with the composition, formation and role of the Town Board and clear timescales through to the submission of the vision and investment plan by August 2024. Recognising the alignment with current council programmes such as the Towns and Villages work as well as clear similarities with the Stronger Towns programme operating in Bishop Auckland, an initial mobilisation plan has been developed to ensure the required activity can be undertaken to inform the LTPT development and submission.

## **Decision**

The Cabinet:

- (a) Noted the inclusion of Spennymoor within the Government's Long Term Plan for Towns Programme;
- (b) Endorsed the process of seeking a chair for the Town Board through open recruitment; and
- (c) Delegated approval of the submission of the Vision and Town Investment Plan to the Corporate Director of Regeneration Economy and Growth in consultation with the Cabinet Portfolio Holders for Economy & Partnerships and Resources, Investments & Assets.

## **Corporate Enforcement Policy**

**Key Decision: NCC/2024/001**

### **Summary**

The Cabinet considered a report of the Corporate Director of Neighbourhoods and Climate Change which sought approval to adopt the revised Corporate Enforcement Policy from 1 April 2024 following internal review and wider public and partner consultation. The report also sought approval to grant delegated authority to relevant Corporate Directors in consultation with the Head of Legal and Democratic Services to review and amend the Corporate Enforcement Policy as appropriate as and when required in the future.

The Policy outlined the enforcement principles to be followed by authorised officers when dealing with enforcing authority responsibilities and matters of regulatory non-compliance. It set out the standards and guidance that is applied by the Council when acting in its role as regulator and enforcement agency across the range of its legal powers and duties. The Policy should be seen as a positive tool aimed at promoting efficient and effective approaches to regulatory inspection and enforcement. It will help improve regulatory outcomes without imposing unnecessary burdens on individuals and businesses.

The current Corporate Enforcement Policy was reviewed and an open 6 week public consultation exercise was undertaken from 16 October to 24 November 2023 (including trade representative bodies). The final draft policy, incorporating feedback from the consultation exercise, was provided as a separate document as Appendix 2. Appendix 3 to the report provided a summary of summary of consultation responses received and action taken. As part of the recommendations to Cabinet, delegated authority was sought for relevant Corporate Directors, in consultation with the Head of Legal and Democratic Services, to review and amend the Corporate Enforcement Policy as appropriate as and when required. Delegated authority will be incorporated within the Council's Constitution at the next review. Once agreed, the draft Policy will be formally adopted from 1 April 2024 along with any agreed delegated authority for future reviews.

## **Decision**

The Cabinet:

- (a) Noted the contents of the report and the final Corporate Enforcement Policy accompanying the report as Appendix 2;
- (b) Agreed to formally adopt the Corporate Enforcement Policy from 1 April 2024, subject to any further amendments; and
- (c) Agreed to delegate authority to relevant Corporate Directors in consultation with the Head of Legal and Democratic Services to review and amend the Corporate Enforcement Policy as appropriate as and when required.

## **Forecast of Revenue and Capital Outturn 2023/24 – Period to 31 December 2023 and Update on Progress towards achieving MTFP (13) savings**

### **Summary**

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

- (a) the updated forecast revenue and capital outturn at 31 March 2024, based on the position to 31 December 2023;
- (b) an update on the dedicated schools grants and forecast schools' outturn as at 31 March 2024, based upon the position to 31 December 2023;
- (c) the updated forecast for the council tax and business rates collection fund outturn at 31 March 2024, based on the position to 31 December 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 provided an update on the 2023/24 capital programme, other budget adjustments and proposed sums treated as outside of the cash limit in year. The report also provided an update on progress towards achieving MTFP (13) savings in 2023/24.

The Council is continuing to operate in a period of significant financial uncertainty and volatility. This uncertainty is being driven by continuing short term local government finance settlements, the inherent low tax raising capacity due to the low tax base alongside ongoing significant unfunded 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 pay awards. 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 4.0% by December 2023, CPI is now forecast to stay higher for longer than the Chancellor originally set in his budget forecasts in March 2023. This continues, alongside National Living Wage increases, 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 has been built into the base budget in 2024/25 alongside the impact of the increases announced for next year.

The Local Government Employers 2023/24 pay award, which was finally agreed in November 2023, 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 has added a forecast £2.265 million (net of expected vacancies) during 2023/24 and a £3.711 million per annum budget uplift requirement next year, where a further 4% uplift in costs is expected once the 2024/25 pay award is settled. Attendance at leisure centres has not returned to pre-pandemic levels, however the budgeted levels of income remain at pre-pandemic levels.

The under recovery of leisure income experienced over the past two years has continued into 2023/24, with a projected shortfall of circa £1.808 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 is being addressed in the 2024/25 budget. The 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 centres during refurbishment is circa £0.774 million (included above) has also been reported as outside services cash limit.

The pandemic accelerated growth in the use of temporary accommodation, which has continued post pandemic and into 2023/24. The Housing Benefit Subsidy Grant does not allow for full recovery of housing benefit payments linked to temporary and supported accommodation, which has 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 has been addressed in the 2024/25 budget, where a budget adjustment of £2.6 million is provided in anticipation of some improvement in the position due to the mitigating actions being implemented.

These and other inflationary pressures are resulting in overspends in 2023/24 and are driving additional unavoidable budget pressures across the MTFP(14) planning period. These issues have been factored into the MTFP(14) update reports to Cabinet throughout the year as budget planning has progressed and included in the MTFP 2024/25-2027/28 and Revenue and Capital Budget considered by Cabinet on 14 February 2024 and Council on 28 February 2024.

The MTFP(13) forecasts anticipated that energy prices would fall based on the advice from industry experts, however they have fallen further and more quickly than was anticipated previously. Energy costs are presently forecast to be lower than budget (net of Joint Stocks power generation income shortfall) by £2.830 million in the current year in part due to higher gas stocks and in part due to a warmer weather across the last nine months.

Based on the position to 31 December 2023, service grouping cash limit budgets are forecasting a net overspend of £5.623 million this year, which compares to a forecast net overspend of £5.245 million forecast at quarter two. The majority of the overspend continues to relate to Children and Young People's Services where there is a forecast cash limit overspend of £8.102 million forecast (compared to a forecast £6.222 million overspend at quarter two).

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 a net underspend of £2.479 million once the CYPs position is excluded, which compares to a forecast net £0.977 million underspend forecast at quarter two.

The overspends being met corporately have been offset by budget available in general contingencies, a £5.308 million underspend in the capital financing budget and an over recovery in the investment income budget of £6.190 million.

In addition, in the Local Government Settlement on 5 February 2024, the Government announced a £100 million return across the sector from the business rates levy account in 2023/24. The levy surplus sits outside of the main settlement and the overall fund has been allocated on the same basis as in 2022/23. The 2023/24 quarter three outturn therefore includes a return from the business rate levy account of £1.068 million.

Overall, therefore, after taking into account the forecasted outturn positions on corporate budgets, it is estimated that the General Reserve position to year end will increase by £4.336 million as at 31 March 2024. At quarter two there was a forecast £3.258 million increase in the General Reserve forecast, resulting in a net change of £1.078 million between quarters.

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 £34.353 million in 2023/24, from £196.535 million to £162.182 million.

From this total reduction in earmarked reserves £10 million relates to the use of the MTFP Support Reserve to balance the 2023/24 budget. The updated forecasts are for a marginally higher reduction in earmarked and cash limit reserves in year than what was forecast at quarter two, when the in-year reduction was forecast to be £33.290 million.

The forecast overall 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 2024/25 - 2027/28 and Revenue and Capital Budget 2024/25 considered by Cabinet on 14 February and Council on 28 February 2024 highlighted a forecast budget shortfall of £37.833 million over the next four years after the realisation of £16.360 million of savings with £8.083 million of the savings in 2024/25.

The forecast future MTFP(14) savings shortfall is likely to require the Council to continue to support the MTFP via the application of 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 2023/24 opening general reserves balance equated to the minimum 5% at £26.017 million.

The quarter three updated projected outturn position forecasts an increase in the General Reserve, with the reserve now forecast to increase by £4.336 million in year to £30.353 million – which equates to 5.8% of the 2023/24 net budget requirement. This value is within the revised Council reserves policy for 2024/25 agreed at Council on 28 February 2024 of holding a General Reserve of between £28.2 million and £42.4 million.

The updated forecast position for all current maintained schools shows a forecast net use of reserves of £2.286 million (£5.722 million below budget) in year. This is slightly higher than the position forecast at quarter two, when the maintained schools net use of reserves was forecast to be £2.158 million in year. Within the updated net position there are 84 schools drawing a forecast £5.729 million from their retained reserves in year (to offset in year overspending) and 68 schools forecasting a £3.443 million addition to their reserves (to reflect in year underspending).

The updated forecast position for Dedicated Schools Grant centrally retained block shows a net £1.940 million overspend, including a £2.391 million overspend in relation to High Needs Block, which will increase the accumulated deficit from £8.835 million to £11.026 million. At quarter two, the High Needs Block was forecast to be £2.118 million overspent to year end. The main area of pressure is in top up funding in mainstream schools and settings, where demand for both EHCP and SEN support top up funding increased significantly at the start of the academic year.

The updated projected capital outturn this year is that capital expenditure will total £259.187 million in year. The report provides details on significant areas of reprofiling of capital budgets into future years to match forecast delivery of the capital programme. Actual capital spending incurred to 31 December 2023 was £146.801 million, exceeding the annual capital expenditure incurred last year, which was the highest level of capital spending delivered by the Council.

Performance against the various prudential indicators agreed by County Council in February 2023 is set out at paragraphs 150-157 and shows 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 was presented to County Council on 6 December 2023.

The updated forecast outturn for the Council Tax Collection Fund shows an in-year deficit of £2.408 million, and a cumulative deficit of £2.643 million to 31 March 2024. Durham County Council's share of this forecast net deficit is £2.220 million. At quarter two the in-year deficit was forecast to be £2.376 million, with a cumulative deficit of £2.611 million to 31 March 2024. Durham County Council's share of this forecast net deficit was previously forecast to be £2.194 million, so the updated forecasts at quarter three is broadly in line with the quarter two position.

The forecast outturn for the Business Rates Collection Fund is an in-year surplus of £6.971 million, but a cumulative surplus of £6.263 million. Durham County Council's share (49%) of this forecast surplus is £3.069 million. At quarter two the in-year surplus was forecast to be £6.587 million, with a cumulative surplus of £5.879 million. Durham County Council's share (49%) of this forecast surplus was previously forecast to be £2.880 million, so the updated forecasts at quarter three indicate a marginally better position when compared with the quarter two position.

As at 31 December 2023 the Council has delivered savings totalling £11.085 million, which is 89.5% of the £12.383 million savings target for the year. This is an improvement on the position at 30 September 2023 when savings delivered totalled £10.359 million, 83.7% 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) approved 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 £2.479 million (net of CYPS) alongside the forecast contribution of £4.336 million to general reserves resulting in a forecast overall net Council underspend in 2023/24 of £6.815 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 31 December 2023 against the 2023/24 targets and the total savings that will have been delivered since 2011.

## **Tree Management Policy and Inspections Review**

### **Summary**

The Cabinet considered a report of the Corporate Director of Neighbourhoods and Climate Change which detailed proposed revisions to the corporate Tree Management Policy and tree inspection procedures and sought endorsement of the resulting revised policy and procedures.

The Council's current Tree Management Policy sets out its approach to managing trees in its ownership, or under its management, as well as trees in private ownership that pose a safety risk to the public. It was approved by Cabinet in July 2014 following a public consultation exercise and it was attached to the report at Appendix 3. The policy has proved to be a useful document since its introduction, providing information to the public on tree related matters and helping to provide a consistent approach to dealing with customer enquiries. It was programmed for review in July 2023 and that review has now been completed. The amendments made do not fundamentally change many of the elements of the previous policy and particularly those dealing with service requests which were the focus of interest in the 2013 public consultation. The main changes have been made in the areas of tree risk management and tree inspection procedures.

The policy has been updated to reflect national guidance and best practice. The lessons learnt from the recent prosecution brought against Newcastle City Council have also been considered as part of the review and the proposed revised policy will enable the Council to meet its statutory responsibilities under various legislation.

The policy has been updated to better reflect the wider policy environment, to reflect changes in the Council's approach to tree risk management and tree inspections, to clarify existing policies where necessary, and to introduce additional policy and guidance on new issues such as ash dieback disease. It has also been updated to reflect and complement guidance produced by the Council in its Trees Woodlands and Hedges Supplementary Planning Document (SPD) (Consultation Draft).

The main changes to the Policy are set out in the report and the revised Policy which was attached to the report at Appendix 2.

The Council's approach to tree inspection in the past has been largely reactive. Highway trees have been the subject of regular cyclical inspections since 2013, and inspection procedures for schools were updated in 2022/23. However, inspection of trees on other land has not been systematic. The Council is proposing to adopt a proactive approach to tree inspections to manage risks, to meet the Council's other legal duties, and to deliver high quality tree care. Tree inspection procedures were set out in an Annex to the revised Tree Management Policy (Appendix 2: Annex 1). They include 'Zonal Inspections' which cover the Council's assets within busier urban areas, and 'Highway Tree Inspections' which are carried out on busier roads. These will be carried out by qualified arborists on a minimum 5 year cycle and will cover all assets where active assessment is considered necessary, either to manage risk, or to manage our trees appropriately in accordance with good arboricultural practice.

## **Decision**

The Cabinet:

- (a) Noted the content of the report;
- (b) Endorsed the revised Tree Management Policy and proposed tree inspection procedures;
- (c) Noted that a review will be carried out of budgets and resources and where they lie within the organisation to help ensure that safety works are adequately resourced and prioritised;
- (d) Noted that further reports will be submitted to Neighbourhoods and Climate Change Management Team and Corporate Property Board outlining the results of the inspection regime and potential resource implications;
- (e) Agreed to an internal audit of the revised tree risk management strategy after 12 months of complete implementation.

## **Public Space Protection Order – Durham City**

### **Summary**

The Cabinet considered a report of the Corporate Director of Neighbourhood and Climate Change which provided an overview of the powers, benefits and risks available under a Public Space Protection Order (PSPO). The report sought agreement to undertake a public consultation on the introduction of a Public Space Protection Order (PSPO) to help control:

- (a) Begging
- (b) Urinating or defecating.
- (c) The use of intoxicating substances

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

Following a period of consultation in January 2023, Cabinet decided not to introduce a PSPO in Durham City to control aggressive begging. However, based on the consultation responses, Cabinet recommended that further monitoring of behaviours in Durham City should be carried out. As a result of this Durham Constabulary have gathered information around a range of incidents occurring with Durham City which would warrant further controls to tackle anti-social behaviour, crime and blight that takes place in the city. In response to the additional evidence gathered by Durham Constabulary, the report set out proposals to undertake a further consultation in relation to the need and support for a PSPO to help control begging, urinating or defecating and use of intoxicating substances. Following Cabinet approval, it is expected that a six-week consultation exercise will be undertaken between May and June 2024. A further report will be brought back to Cabinet to consider the outcome of the consultation exercise, to assist Cabinet in determining whether to introduce a PSPO.

## **Decision**

The Cabinet agreed:

- (a) that, a full public consultation exercise is undertaken to:
  - (i) gather evidence relating to the activities and behaviours to determine the need for a PSPO in Durham City;
  - (ii) gauge the level of public support and opinion on the merits of introducing a new PSPO in Durham City;
  - (iii) seek views on whether any other behaviours and activities should be included in a PSPO for Durham City.
- (b) to delegate the finalisation of the consultation proposals and the management of the consultation process itself to the Corporate Director for Neighbourhoods and Climate Change in consultation with the Portfolio Holder for Rural Communities and Highways.
- (c) that a report will be presented for further consideration following the outcome of the consultation exercise to determine whether to introduce a PSPO in Durham City.

## **New Business Units South Church Enterprise Park, Bishop Auckland**

### **Summary**

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth which sought approval to progress the development of speculative business units on land owned by the Council at South Church Enterprise Park, Bishop Auckland, as part of the Stronger Towns Programme.

County Durham has a shortage of new industrial units which is restricting the growth of new and existing local companies wanting to set up or grow a business. The Council Plan 2023 - 2027 includes the ambition “to create more and better jobs in an inclusive green economy” by supporting businesses emerging from the pandemic and by developing a pipeline of projects and investment plans at major employment sites across the county.

County Durham’s Inclusive Economic Strategy (IES) sets a vision for the area’s economy up to 2035 that includes developing employment land for improved infrastructure, providing better facilities and opportunities for businesses in the area.

There is an opportunity for the Council to directly develop additional much needed business units at South Church Enterprise Park, Bishop Auckland.

This could see some 45,000 sq ft of units built for new and young small businesses needing space from 1,000 to 2,000 sq ft. The local enterprise agency would provide wrap around support for the new businesses as part of a wider Bishop Auckland scheme. The scheme of new units has been designed to RIBA Stage 2 Concept Design under the management of the Council’s Construction Consultancy Service with an estimated total capital cost of £8.5 million.

Of this, £1.5 million would be met through a grant from the Stronger Towns Fund, £1.8 million from the UK Shared Prosperity Fund (UKSPF) (approved in principle) with the Council requested to fund the £5.2 million balance on a self-financing basis and with a projected return of 12.69%. To meet the timescales associated with UKSPF funding the £1.8 million must be spent by March 2025, which will require the project to be taken out to tender in April 2024, and to award the tender the full funding package as outlined in this report must be in place.

The RIBA 3 Detailed Design Stage is currently being undertaken and due imminently, in order to ensure the appointment of a design and build construction partner by August 2024, works to commence on-site in December 2024 and to complete by August 2025. The new units would be owned by the Council and marketed and managed by Business Durham as part of the wider commercial portfolio. Once occupied, the units could support over 20 new or young businesses and over 110 new jobs.

## **Decision**

The Cabinet:

- (a) Agreed to progress the scheme of new business units, apply for all statutory approvals, and go out to competitive tender for a construction partner.
- (b) Delegated authority to the Corporate Directors of Regeneration, Economy and Growth and Resources in consultation with the Portfolio Holder for Resources, Investment and Assets, to enter into the construction contract should it be achievable within the Council funding envelope set out within the report.

Helen Bradley  
Head of Legal & Democratic Services  
15 March 2024